

## Owen v. Elastos Foundation

U.S. Securities Litigation

**Role** BFA was appointed as Lead Counsel for the putative class on May 26, 2020.

**Background** Lead Plaintiffs allege that the Defendants offered and sold unregistered securities in the form of ELA Tokens, which the Defendants marketed as the “intrinsic token on the Elastos blockchain” that could “be used for trading, investing in digital assets, paying for blockchain processing fees and so on.”

**Court** U.S. District Court for the Southern District of New York

**Case Number** 19-CV-5462

**Status** Settled

BFA was appointed as Lead Counsel for the putative class on May 26, 2020.

Lead Plaintiffs allege that the Defendants offered and sold unregistered securities in the form of ELA Tokens, which the Defendants marketed as the “intrinsic token on the Elastos blockchain” that could “be used for trading, investing in digital assets, paying for blockchain processing fees and so on.” Defendants offered or sold the ELA Tokens in an initial coin offering (“ICO”) in January 2018, in the secondary market, and in a “Lock-In” program, whereby Elastos offered investors additional ELA Tokens in exchange for the investors agreeing not to sell their tokens for a predetermined length of time. Lead Plaintiffs allege violations of Sections 5, 12(a)(1), and 15 of the Securities Act of 1933, and the case raises complex and novel issues concerning the application of the Securities laws to digital assets.

After nearly four years of hard-fought litigation, the Parties reached a proposed settlement on behalf of ELA token investors. On August 23, 2023, the Court granted preliminary approval of the proposed class action settlement. On December 26, 2023, the Court granted final approval of the \$2 million settlement. For more information about the settlement, visit the settlement website at [www.ElastosSecuritiesLitigation.com](http://www.ElastosSecuritiesLitigation.com).