UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of April, 2025

Commission File Number: 001-41353

Genius Group Limited

(Translation of registrant's name into English)

8 Amoy Street, #01-01
Singapore 049950
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____.

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____.

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Exhibit Index

Exhibit

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GENIUS GROUP LIMITED

Date: April 4, 2025

By: */s/ Roger Hamilton*
Name: Roger Hamilton
Title: Chief Executive Officer
(*Principal Executive Officer*)

Exhibit 99.1

Genius Group files RICO lawsuit against Michael Moe and Peter Ritz, seeks over $450 million in damages

SINGAPORE, April 4, 2025 - Genius Group Limited (NYSE American: GNS) ("Genius Group" or the "Company"), a leading AI-powered, Bitcoin-first education group, today announced that it has filed a lawsuit against Peter Ritz and Michael Moe as the controlling officers and directors of LZGI International, Inc ("LZG") under the Racketeer Influenced and Corrupt Organizations Act (RICO), in the United States District Court, Southern District of Florida on March 31, 2025, seeking over $450 million in damages caused by the defendants to Genius Group.

On April 4, 2025, the Company is filing the complaint as part of a Current Report on Form 6-K with the SEC, and as part of a police report to the Commercial Affairs Department of the Singapore Police Force for organized criminal activity against a Singapore public company. The Company has also notified: The Securities and Exchange Commission (SEC); The Criminal Division, Fraud Section, Department of Justice (DOJ); and the Corporate Fraud Division, Federal Bureau of Investigation (FBI) on the contents of the RICO complaint with a request for them to pursue their own actions.

The RICO Complaint includes the following:

- A scheme by the Defendants to defraud LZGI and Genius Group shareholders through a pattern of mail fraud, wire fraud, and extortion, to acquire control of different microcap entities, enrich themselves through the diversion of funds and thereby render LZGI and its subsidiaries insolvent.
- A scheme by the Defendants to use LZGI as a vehicle to coerce and extort the insiders of microcap companies for the purpose of taking over the business and looting the assets of the entities, with Genius Group being their latest victim.
- The Defendant's attempts to defraud Genius Group through various acts of mail fraud, wire fraud and extortion, including the fraudulent inducement to enter an asset purchase agreement based on false representations and warranties in order to extract funds from Genius Group for a purported asset that was never in their ownership control, and when that failed, an attempt to take control of the Company through an illegally executed Boardroom coup.

- A recently recorded meeting between Ritz and Genius executives, during which Ritz detailed his latest scheme of weaponizing the US legal process to obtain a temporary restraining order and preliminary injunction preventing Genius Group from issuing shares and raising funds to continue operations. Having obtained a court ordered ban through false and misleading statements, Ritz has threatened that if the Company does not give him millions more to fund his next scheme to defraud LZGI and Genius Group shareholders, he could bankrupt LZGI to ensure Genius Group receives nothing from the arbitration, while it remains tied up in restrictions. By this scheme, Ritz gave Genius Group the choice of aiding their fraud or face the threat of forced closure.
- Genius Group has demanded a trial by jury and seeks a verdict and judgement awarding the Company no less than $150 million in monetary damages, which based on treble damages pursuant to 772.104(1), Fla. Stat. (2024) is minimum of $450 million in damages.

The Company is represented in the RICO complaint by the Basile Law Firm P.C., a specialist in securities violations and RICO claims. The case number is 1:25-cv-21496.

The RICO complaint is one of a series of legal measures that the Company is currently taking against fraud and market manipulation. It is separate from the lawsuit led by Christian Attar related to alleged naked short selling and spoofing of Genius Group's shares, with alleged damages previously calculated at between $251 million and $263 million. Wes Christian of Christian Attar anticipates calculations on updated damages will be completed and the complaint will be filed within the next thirty days.

About Genius Group

Genius Group (NYSE: GNS) is a Bitcoin-first business delivering AI powered, education and acceleration solutions for the future of work. Genius Group serves 5.4 million users in over 100 countries through its Genius City model and online digital marketplace of AI training, AI tools and AI talent. It provides personalized, entrepreneurial AI pathways combining human talent with AI skills and AI solutions at the individual, enterprise and government level. To learn more, please visit www.geniusgroup.net.

For more information, please visit https://www.geniusgroup.ai/

Forward-Looking Statements

Statements made in this press release include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by the use of words such as "may," "will", "plan," "should," "expect," "anticipate," "estimate," "continue," or comparable terminology. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the heading "Risk Factors" in the Company's Annual Reports on Form 20-F, as may be supplemented or amended by the Company's Reports of a Foreign Private Issuer on Form 6-K. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise. No information in this press release should be construed as any indication whatsoever of the Company's future revenues, results of operations, or stock price.

Contact

For enquiries, contact investor@geniusgroup.ai

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. _____-CV-_____

GENIUS GROUP LIMITED,

Plaintiffs,

v.

PETER B. RITZ and MICHAEL MOE,

Defendants.

JURY TRIAL DEMANDED

COMPLAINT

Defendants Peter B. Ritz ("Ritz") and Michael Moe ("Moe"),[1] as the controlling officers and directors of LZG International, Inc. ("LZG"), conducted and participated, both directly and indirectly, in the affairs of LZG, and its wholly owned subsidiaries, through a pattern of mail and wire fraud, and extortion, for the object of acquiring and maintaining control of different microcap entities. The scheme had two parts. The first part involved the Defendants' misrepresentations and omissions of material fact about the sufficiency of LZG's funds in order to acquire certain microcap companies, and then wire-transfer to themselves the assets of the companies acquired, thereby rendering LZG and its subsidiaries insolvent. Defendants Ritz and Moe furthered their scheme by committing additional acts of mail and wire fraud, as well as other acts of extortion and self-dealing, to takeover and loot the assets of the acquired entities and then discontinue their business. Finally, in furtherance of the scheme, Defendants Ritz and Moe communicated through

[1] Ritz and Moe, together, shall hereafter be referred to as the "Defendants."

mail and wire additional misrepresentations and material omissions for the purpose of fraudulently concealing from LZG insiders and shareholders the diversion assets. The second part of the scheme devised and carried out by Defendants Ritz Moe, utilized LZG as a vehicle to coerce and extort the insiders of microcap companies for the purpose of taking over the business and looting the assets of the entities.

Plaintiff Genius Group Ltd. ("GNS" or "Genius"), the latest victim of Defendants Ritz and Moe, discovered their RICO scheme after being fraudulently induced into a sham asset purchase agreement with LZGI and being alerted by LZG's shareholders of the same fraudulent pattern of fraud and self-dealing. After receiving this information, GNS took steps to hold Ritz and Moe to account and to prevent themselves from being similarly defrauded. However, rather than meet GNS's demands to address the claims of fraud and non-compliance, Defendants Ritz and Moe utilized LZG to attempt to take control of GNS through various acts of mail and wire fraud and extortion. When that failed, Defendants Ritz and Moe used the legal process to obtain by false and misleading statements of fact to the court, a temporary restraining order and preliminary injunction that enjoins GNS from raising any funds to continue operation. As a result, currently, GNS is incurring over $500,000 a day in damages, and, by the end of April 2025, will have used all permissible funds previously raised for its continued operation.

Presently, Defendants Ritz and Moe are extorting GNS and its insiders with an open threat that, unless GNS complies with their demands to pay them millions more, so that Defendants Ritz and Moe settle an independent lawsuit brought against them by the LZG shareholders, GNS will face the same fate, and the same extreme cost to its shareholders, as the other microcap entities that have been victimized and shuttered as a result of their scheme.

JURISDICTION AND VENUE

1. This Court has subject matter jurisdiction over this action, pursuant to 28 U.S.C. § 1331, because Plaintiff is asserting a claim under the Racketeer Influenced and Corrupt Organizations ("RICO") Act, 18 U.S.C. § 1961 *et seq.*

2. Pursuant to 28 U.S.C. § 1367, this Court has supplemental jurisdiction over Plaintiff's state law racketeering claims under Fla. Stat. § 895.03, because these state law claims arise out of the same "common nucleus of operative facts" as Plaintiff's claims arising under the federal RICO Act.

3. Venue is proper in this Court, pursuant to 28 U.S.C. § 1391(b)(2), because a substantial part of the events or injuries giving rise to Plaintiff's claims occurred within this District.

THE PARTIES

4. Plaintiff Genius Group Limited ("Genius" or "GNS") is a public limited company duly organized and operated under the Laws of Singapore with a principal place of business located at 8 Amory Street, #01-01 Singapore 049950, and with its shares publicly traded on the New York Stock Exchange under the symbol "GNS."

5. Defendant Peter B. Ritz is an individual residing in the State of Pennsylvania, with a permanent residence located at 1230 Wrack Road, Rydan, Pennsylvania 19046.

6. At all times relevant hereto, Defendant Ritz was the CEO, CFO, and Secretary of LZG.

7. Defendant Michael Moe is an individual residing in the State of Texas, with a permanent residence located at 4125 Turtle Creek Boulevard, Dallas, Texas 75219.

8. At all times relevant hereto, Defendant Moe served on the Board of Directors of LZG.

FACTUAL BACKGROUND

9. LZG is a Florida corporation, with its principal place of business in New York, New York. Its common stock is traded in the over-the-counter ("OTC") securities market under the symbol "LZGI."

10. Beginning in 2009, LZG has been maintained as a public, nonoperating shell company with the purpose of merging with an operating microcap company. (*See* **Exhibit 1**, SEC Complaint against John Clayton, *et al.* ("Clayton Compl."), No. 2:24-cv-918 (D. Utah Dec. 11, 2024) ¶ 38.)

11. In 2021, LZG arranged to bring public FatBrain, LLC ("FatBrain"), an artificial intelligence technology company organized in Delaware, and acquired its assets in a sale that was completed on or about October 23, 2021. (*See* Clayton Compl. ¶¶ 38, 111.)

12. "To assist with the orderly transition of management and operations," LZG entered into a management services agreement with FatBrain to retain FatBrain "to provide consulting and logistical support when needed" for a period of two years, effective October 23, 2021.[2]

13. Defendant Ritz, the former managing director of FatBrain, became the new CEO, CFO, and Secretary of LZG. Shortly thereafter, Ritz also became Chairman of the Board of LZG, and Defendant Moe, the former Executive Vice Chair of FatBrain, was added to LZG's Board of Directors.[3]

---

[2] See https://www.sec.gov/Archives/edgar/data/1126115/000121390022055586/f10k2022_lzginter.htm, at 14 (last accessed Mar. 31, 2025).
[3] See https://www.sec.gov/Archives/edgar/data/1126115/000155479521000424/lzgi1223form8ka1.htm, at 13 (last accessed Mar. 31, 2025).

LZG'S GENERAL BUSINESS MODEL

14. Once LZG was under the thumb of Ritz and Moe, LZG's initial purpose was repackaged, and was utilized to acquire various businesses and assets for nefarious purposes: wire fraud, mail fraud, and extortion.

15. Indeed, since 2021, LZG has acquired, at the very least, three other businesses over the past four years by entering into near-identical purchase agreements. Specifically, under Ritz and Moe's direction and control, LZG would provide a pittance of cash or cash equivalents, as well as LZG common stock, and in return, would receive a controlling block of common stock, appoint Ritz as an executive member, put Moe on the board of directors.

16. After these transactions were finalized, LZG had total ownership of the newly-acquired businesses, and Ritz and Moe, with their managerial positions in the newly acquired businesses, would act solely in the best interest of those newly-acquired businesses.

17. Once Ritz and Moe, through LZG, seized these businesses, Ritz and Moe would conceal financials, cease making payments towards liabilities, cease paying employees, and would hemorrhage the revenues out of the businesses.

18. Upon information and belief, the revenues would be funneled from the businesses, through LZG, and wired to Ritz and Moe's personal accounts.

19. LZG—located in Florida—has purchased and acquired businesses across the United States, including Connecticut (Intellagents, LLC), as well as across the world, including Kazakhstan and the United Kingdom.

20. Below details the various businesses that LZG had acquired over the past four years to continue the wire fraud, mail fraud, and extortion scheme.

Defendants Ritz and Moe Utilize LZG as a Vehicle to Acquire Intellagents, LLC

21. On February 23, 2022, LZG entered into an Asset Purchase Agreement with Intellagents, LLC ("Intellagents"), a Delaware company that integrated and aggregated data in the insurance sector, to purchase certain Intellagents assets, primarily, its Smart Insurance Ecosystem Platform, to accelerate LZG's insurance focus.

22. The Agreement was signed on behalf of LZG, by its CEO, Defendant Ritz.

23. Upon information and belief, Defendants Ritz and Moe entered LZG into the Asset Purchase Agreement with Intellagents.

24. Upon information and belief, Defendant Ritz, on behalf of LZG, negotiated the terms of the Asset Purchase Agreement with Intellagents.

25. As consideration for the asset, LZG agreed to pay in cash $200,000, and to issue as common stock 2,800,000 shares, valued at one dollar per share, for a total purchase price of $3,000,000 to Intellagents.

26. Immediately after the purchase, Intellagents became a part of LZG.

27. During this time, Intellagents was developing, selling, and promoting new products. (**Exhibit 2**, LZG Shareholders' Verified Complaint ("LZG Shareholders' Compl."), *Carey, et al. v. Michael Moe, et al.*, No. 1:24-cv-07551 (S.D.N.Y . Oct. 4, 2024) ¶ 51.)

28. In his capacity as LZG's CEO, CFO, secretary, and chairman of the board, Defendant Ritz promised very specifically in LZG's publicly filed SEC Form 8-K, dated March 7, 2022, to continue the business of Intellagents, representing to Intellagents insiders and to the public that LZG, *inter alia*,

> will market [Intellagents'] products directly and through distribution with value-added sellers and strategic partners. Direct efforts include the internet and email campaigns, tele-sales, and virtual and in person follow ups. We [LZG] anticipate having ten sales people able to work from anywhere. Distribution efforts include

> relationships with global and regional systems integrators ("SIs"), value added resellers ("VARs"), independent software vendors ("ISVs"), vertical software application developers and combinations of the above. Potential customers for LZG will include large systems integrators and F1000 insurance companies, small, regional, or specialty insurance providers, MGA's and core insurance system vendors and insuretechs.[4]

29. Upon information and belief, based on the LZG Shareholders' Verified Complaint, while Intellagents generated $1 million in revenues shortly after its acquisition, Defendant Ritz stopped paying Intellagents' vendors and suppliers, and destroyed important business relationships that would have allowed Defendants Ritz and Moe to continue the business of Intellagents. (Exhibit 2, LZG Shareholders' Compl. ¶ 54.)

30. Upon information and belief, instead of funding the continued operation Intellagents, Defendant Ritz diverted by wire transfer and misappropriated for his own personal pecuniary gain the $1 million dollar revenues of Intellagents.

31. In the same publicly available Form 8-K, Defendant Ritz additionally promised to the Sellers of Intellagents that LZG would continue the employment of certain Intellagents officers, "Eric Hall, CEO; Mark Stender, President; and Michael Cocca, CTO."

32. However, upon information and belief, based on the LZG Shareholder Verified Complaint, Ritz stopped paying the salaries of the Intellagents' employees, which ultimately resulted in the Intellagents employees quitting and commencing lawsuits for failure to pay wages. (Exhibit 2, LZG Shareholders' Compl. ¶ 55.)

33. Defendant Ritz further represented in LZG's SEC filing, that, "Within sixty (60) days after the Closing Date, LZG shall prepare and deliver to Intellagents a statement setting forth its calculation of the working capital."

---

[4] *See* https://www.sec.gov/Archives/edgar/data/1126115/000155479522000081/lzgi0307form8k.htm, at 2 (last accessed Mar. 31, 2025).

34. But, upon information and belief, based on the LZG Shareholders' Verified Complaint, soon after the acquisition, Defendant Ritz, in his capacity as a controlling officer of LZG, concealed from the Intellagents officers all of LZG's financial information. (LZG Shareholders' Compl. ¶ 54.)

35. Through the commission of the underlying acts by mail and wire fraud enabled Defendants Ritz and Moe to communicate in LZG's public SEC filings, submitted electronically to the EDGAR database, misrepresentations of fact to Intellagents insiders and LZG shareholders responsible for approving the transaction about LZG's commitment to continue and grow the business of Intellagents, for the purpose of fraudulently inducing Intellagents to enter into the APA.

36. Defendants' utilized LZG as a vehicle to carry out their underlying acts through wire fraud in furtherance of their scheme to acquire, maintain control, and eventually take over and squander the business of Intellagents.

Defendants Ritz and Moe Utilize LZG as a Vehicle to Acquire Prime Source Group

37. On or about June 17, 2022, Defendants Ritz and Moe used a wholly owned subsidiary of LZG, FB PrimeSource Acquisition, LLC ("PrimeSource Acquisition"), to enter into a Master Stock Purchase Agreement ("MSPA"), dated May 17, 2022, with two individual Kazakhstani nationals, Yevgeniy Chsherbinin ("Chsherbinin") and Victor Nazarov ("Nazarov"), to acquire Prime Source, a Kazakhstani corporation, and Prime Source affiliates, Prime Source Innovation, Prime Source — Analytical Systems, Digitalism, and InFin-IT Solution (collectively, with Prime Source, referred to as "Prime Source Group" or "PSG").[5]

[5] See https://www.sec.gov/Archives/edgar/data/1126115/000121390022034859/ea161823-8k__lzginter.htm, (last accessed Mar. 31, 2025).

38. The MSPA was signed on behalf of PrimeSource Acquisition by Defendant Ritz, as CEO, and on behalf of PSG by its principals, Chsherbinin and Nazarov.[6]

39. Chsherbinin and Nazarov agreed to sell and assign to LZG all of their ownership interests and rights in the Prime Source Group, in exchange for a total sum of $ 18,000,000, to be paid by LZG pursuant to a payment schedule.[7]

40. In order to finance the transaction, Defendants Ritz and Moe issued two promissory notes of $6,000,000 to each of the PSG owners, payable pursuant to a schedule, with final payment due on December 31, 2023.[8]

41. According to LZG's SEC filings, as of November 30, 2022, the remaining balance due on the notes was $ 9,000,000.[9]

42. Upon information and belief, Defendants Ritz and Moe, through LZG, used the acquisition as an opportunity to raise additional funds from investors by falsely representing to investors that the capital was necessary to complete the PSG purchase. (Exhibit 2, LZG Shareholders' Compl. ¶¶ 71-72.)

43. These false representations were communicated to investors and the public in documents sent by mail or wire.

44. Upon information and belief, in reliance on the false representations, Defendants Ritz and Moe were able to raise from investors in the Middle East, $16 million in funds. (*see id.* ¶ 75.)

---

[6] *See* https://www.sec.gov/Archives/edgar/data/1126115/000121390022034859/ea161823-8k_lzginter.htm, at 22 (last accessed Mar. 31, 2025).

[7] *See* https://www.sec.gov/Archives/edgar/data/1126115/000165495423000638/lzgi_10q.htm, at 13 (last accessed Mar. 31, 2025).

[8] *See id.* at 10.

[9] *See id.*

45. Upon information and belief, those funds were not used to pay the PSG sellers, and instead, Defendants Ritz and Moe diverted those sums to bank accounts controlled by them, for their own personal pecuniary gain. (*Id.* ¶¶ 76-79.)

Defendants Ritz and Moe Utilize LZG as a Vehicle to Acquire SO Technology Limited

46. In September 2022, Defendants Ritz and Moe sought to acquire, through LZG and its wholly owned subsidiary, FatBrain Acquisition Company Limited ("FatBrain Acquisition"), SO Technology Limited ("SO Tech") is a private limited company, engaged in the business of information technology consultancy, based in the UK. On or about September 22, 2022, entered into a Stock Purchase Agreement with Dent Global Limited ("Dent"), and three individual sellers (together, the "Sellers"), to acquire all outstanding shares of SO Tech.[10]

47. The SPA was signed on behalf of LZG by Defendant Ritz, as president, and on behalf of FatBrain Acquisition by Shawn Carey, as president.[11]

48. Upon information and belief, Ritz and Moe directed LZG to enter into the Stock Purchase Agreement with So Tech.

49. Upon information and belief, Ritz, on behalf of LZG, negotiated the terms of the Stock Purchase Agreement with So Tech.

50. The Sellers of SO Tech agreed to sell and assign to FatBrain Acquisition all of the Sellers ownership rights and outstanding equity interests in SO Tech, in exchange for an aggregate purchase price of $2,762,500, to be paid to the Sellers as follows: (i) $1 million in cash at closing; (ii) $700,000 in cash on December 31, 2022; and (c) 170,000 shares of LZG common stock, worth $1,062,500, delivered at closing.[12]

---

[10] *See* https://www.sec.gov/Archives/edgar/data/1126115/000121390022059432/ea166396-8k_lzginternat.htm, at 2, 5 (last accessed Mar. 31, 2025).

[11] *See id.* at 22.

[12] *See id.* at 5.

51. Having all outstanding equity interests in SO Tech, LZG thereby indirectly owned, and Defendants Ritz and Moe directly controlled, all of its assets and liabilities.[13]

52. According to the same SEC filing, as of January 23, 2023, Defendants Ritz and Moe caused LZG to issue to the Sellers of SO Tech, including Dent Global Limited ("Dent Global"), SO Tech's previous owner, and three individuals, 170,000 shares of LZG common stock, along with a cash payment.[14]

53. Upon information and belief, based on the LZG Shareholder Complaint, Defendants Ritz and Moe did not make the deferred cash payment on December 31, 2022, and instead, misappropriated for their own personal pecuniary gain $700,000. (Exhibit 2, LZG Shareholders' Compl. ¶¶ 58-60.)

54. Upon information and belief, as a result of LZG's breach for failure to make the deferred cash payment, Dent Global bought back SO Tech from LZG for $1, pursuant to a contract term that anticipated LZG's breach, causing LZG "a multi-million dollar loss." (*Id.* ¶¶ 60-61.)

Defendants Ritz and Moe Utilize LZG as a Vehicle to Acquire Predictive Black Limited

55. Predictive Black Limited ("Predictive Black") is a UK-based innovator of real-time cash management, financial insights and business wellness for small and medium-sized enterprises ("SME").

56. In November 2022, Defendants Ritz and Moe negotiated for LZG's wholly owned subsidiary, FatBrain Acquisition, to purchase by acquiring all outstanding shares of Predictive Black.

---

[13] *See id.* at 2.

[14] *See* https://www.sec.gov/Archives/edgar/data/1126115/000165495423000638/lzgi_10q.htm, at 15 (last accessed Mar. 31, 2025).

57. On November 14, 2022, Defendants Ritz and Moe entered into a Stock Purchase Agreement with the shareholders of Predictive Black, signed by Defendant Ritz as President and on behalf of LZG, and by Shawn Carey, as President and on behalf of FatBrain Acquisition.

58. Upon information and belief, Ritz and Moe directed LZG to enter into the Stock Purchase Agreement with Predictive Black.

59. Upon information and belief, Ritz, on behalf of LZG, negotiated the terms of the Stock Purchase Agreement with Predictive Black.

60. LZG agreed upon a purchase price for Predictive Black of $3.3 million, comprising (i) $80,000 to be paid in cash at closing; (ii) $220,000 to be paid in cash on January 1, 2023; (iii) $300,000 to be paid in cash on or before January 31, 2023; and (iv) loan notes in the agreed form of a put and call option in exchange for a number of shares of LZG common stock equal to $2,700,000, with an estimated number of shares of 540,000 shares, to be delivered at closing.[15]

61. According to the same SEC filing, as of January 23, 2023, Defendants Ritz and Moe caused LZG to issue to the owners of Predictive Black 540,000 shares of LZG common stock.[16]

62. Upon information and belief, based on the LZG Shareholder Complaint, Defendants Ritz and Moe made only the initial cash payment of $80,000 to the owners of Predictive Black, and to date, still owe approximately $520,000. (Exhibit 2, LZG Shareholders' Compl. ¶ 65.)

63. Upon information and belief, based on the LZG Shareholder Complaint, within six to eight months of the acquisition, Defendants Ritz and Moe stopped paying the salaries of

---

[15] *See* https://www.sec.gov/Archives/edgar/data/1126115/000165495422015468/lzgi_8k.htm (last accessed Mar. 31, 2025).

[16] *See* https://www.sec.gov/Archives/edgar/data/1126115/000165495423000638/lzgi_10q.htm, at 15 (last accessed Mar. 31, 2025).

Predictive Black employees. When Predictive Black's leadership complained to Defendant Ritz, they were ignored, receiving from Defendant Ritz no communication at all. As a result, leadership resigned, leaving Predictive Black entirely in the hands of Defendants Ritz and Moe. (*Id.* ¶ 66.)

64. Upon information and belief, based on the LZG Shareholders' Complaint, Defendants Ritz and Moe ceased communications with the leadership of Predictive Black, which prompted Predictive Black's leadership to resign, effectively ending the business.

65. Upon information and belief, based on the LZG Shareholder Complaint, subsequent to Predictive Black's leadership resignation, Ritz and Moe laid every Predictive Black employee off.

LZG'S BUSINESS MODEL APPLIED TO GENIUS

The Asset Purchase Agreement

66. In late 2023, Defendants Ritz and Moe sought to offload LZG's ever-growing list of liabilities to an unsuspecting buyer. It sought out Genius to negotiate an asset purchase agreement for the purchase of PrimeSource Acquisition, misrepresenting that LZG owned 100% of PSG free from all encumbrances.

67. Defendant Ritz, in his capacity as a director and CEO of LZG, met Roger Hamilton ("Hamilton"), a director and CEO of Genius, to discuss and negotiate a potential asset purchase acquisition between Genius and LZG.

68. On January 24, 2024, Genius and LZG, by and through Defendants Ritz and Moe, entered into the Asset Purchase Agreement ("APA"). (*See* **Exhibit 3,** APA.)

69. Pursuant to the APA, Genius acquired certain assets and liabilities of LZG, through the purchase of 100 percent of the stock of LZG's subsidiary, FB Prime Source Acquisition, LLC ("FBPA"). Defendants Ritz and Moe represented to Genius that the assets had a value of at least

$18 million, the purported purchase price of PSG, and Genius would provide $15 million in funding for the liabilities that LZG would assume under the terms of the APA.

70. The assets held by LZG's subsidiary, FBPA, appeared beneficial to Genius and its business operations and was the main reason why Genius agreed to enter into the APA with LZG.

71. The assets of FBPA include 100 percent stock ownership of: (i) Prime Source LLP; (ii) Digitalism LLP; (iii) InFin-IT-Solution LLP; (iv) Prime Source Innovation, LLP; and (v) Prime Source-Analytical Systems LLP.[17]

72. As consideration for the purchase of LZG's assets, LZG was to receive 73,873,784 shares of Genius common stock, and Defendants Ritz and Moe negotiated to become officers of Genius, by its acquisition of LZG's subsidiary, FBPA.

73. Genius, as required by the terms of the APA, subsequently appointed Defendant Ritz as its Chief Revenue Officer, and Defendant Moe as the Chairman of its Board of Directors ("Board"). Defendant Ritz also continued as President of the newly-acquired FBPA.

The Undisclosed Encumbrance of the Prime Source Group Assets

74. The PSG assets accounted for the majority of the assets, and 100 percent of the operating revenue, that Genius believed it was acquiring through FBPA.

75. On January 10, 2024, a mere two weeks before entering the APA with Genius, Defendants Ritz and Moe acted in furtherance of their scheme to defraud Genius by executing a series of agreements with Chsherbinin and Nazarov, and Defendant Ritz on behalf of FBPA, giving Chsherbinin and Nazarov the right essentially to repossess the PSG assets upon LZG's failure to pay down the debt it owed to Chsherbinin and Nazarov when LZG purchased the same PSG assets from Chsherbinin and Nazarov.

[17] The five assets under FBPA are collectively referred to herein as "PSG" or the "Prime Source Group Assets."

76. The January 10, 2024 documents include a standstill agreement between FBPA and Chsherbinin ("Standstill Agreement 1"), a standstill agreement between FBPA and Nazarov ("Standstill Agreement 2"), a debt settlement agreement between FBPA and Chsherbinin (Debt Settlement Agreement 1"), a debt settlement agreement between FBPA, LLC and Nazarov ("Debt Settlement Agreement 2," and with the Debt Settlement Agreement, the "Debt Settlement Agreements," and collectively with Standstill Agreement 1 and Standstill Agreement 2, the "Power of Attorney"). The Power of Attorney is attached hereto as **Exhibit 4**.

77. Significantly, the effect of these agreements was to give Chsherbinin and Nazarov ownership and control over the PSG assets.

78. In furtherance of their scheme to fraudulently induce Genius to enter the APA, Defendants Ritz and Moe repeatedly misrepresented to Genius and its shareholders, in email communications sent by wire, that LZG was the true owner of the Prime Source Group assets and could transfer them free of all Encumbrances. Defendants Ritz and Moe knew at the time these statements were made that they were false, since they had just executed the agreements conveying to Chsherbinin and Nazarov ownership rights superior to and enforceable against Genius.

79. During the due diligence process, Defendants Ritz and Moe fraudulently concealed the existence and effect of the Power of Attorney agreements from Genius.

80. In light of the Debt Settlement Agreements and Standstill Agreements, Defendants Ritz and Moe knew that neither LZG nor its wholly owned subsidiary, FBPA, owned the Prime Source Group assets.

81. Nonetheless, Defendants Ritz and Moe intentionally omitted this fact and proceeded with its scheme to fraudulently induce Genius into the APA, and made patently false representations and warranties in APA, that LZG, and its wholly owned subsidiary, FBPA, owned the PSG assets "free and clear of all Encumbrances." The false representations and warranties

contained in the APA previously were communicated to Genius, in the form of draft agreements sent by Defendants Ritz and Moe, on behalf of LZG, through email transmission.

82. Also, on or about March 13, 2024, Defendants Ritz and Moe, through LZG, entered into with Genius a certain Bill of Sale, Assignment and Assumption Agreement ("SAA Agreement"), acknowledging the parties' entry into the APA and falsely representing that LZG "hereby sells, conveys, transfers, assigns and delivers" to Genius "free and clear of all Encumbrances**,** all of [LZG's] right, title and interest in, to and under the Assets (as set forth in Exhibit A hereto)..." (*See* **Exhibit 5**, SAA Agreement § 2 (emphasis added).) Exhibit A to the Bill of Sale set forth various assets, including—most significantly here—FBPA's "100% stock ownership of five companies organized under Kazakhstan law and operating in Kazakhstan," *i.e.*, the Prime Source Group assets. (*Id.* at 11.)

83. Defendants Ritz and Moe furthered their scheme to defraud Genius by using the wires, primarily email, to communicate to Genius these false statements of fact.

84. Genius reasonably relied on Defendants Ritz's and Moe' misrepresentations that LZG could freely and fully transfer assets, including PSG, to approve and enter into the APA. Defendants Ritz and Moe knew or were reckless in not knowing that their false statements and fraudulent omissions would, and did, induce Genius to enter into the APA with LZG and its wholly owned subsidiary, FBPA.

85. But for Defendant Ritz's and Moe's false representations as to the true ownership of the PSG assets, and their material omissions as to the non-transferability of the PSG assets, Genius would not have entered into the APA with LZG.

Hamilton Did Not Learn of the Encumbrance on the Assets Until After Execution of the APA

86. On or about March 29, 2024, after becoming aware of the existence of the undisclosed documents, Hamilton requested the documents from Defendant Ritz.

87. On March 29, 2024, Defendant Ritz sent by email to Hamilton a Dropbox link containing various documents and insisted that the Power of Attorney was among the documents sent.

88. Because the Dropbox link did not contain the subject documents, Hamilton further pressed Defendant Ritz and received the documents, signed on January 10, 2024, by email on March 29, 2024.

89. Hamilton immediately called a Genius Board Meeting on the same day and both Hamilton and the Board were given assurances by Ritz and Moe that PSG was a legitimate asset that they could deliver to Genius as per the APA.

Genius Made Multiple Payments to LZG Before Learning of the Fraudulent Scheme of Defendants Ritz and Moe

90. Under the APA, Genius had agreed to pay a maximum amount of $15,000,000 in LZG liabilities held by FBPA. Based on the assurances from Ritz and Moe, which Genius took at face value, Genius began to make payments to LZG for its liabilities.

91. When Genius inquired about where to send payment to Chsherbinin and Nazarov for the PSG assets, pursuant to the MSPA between LZG and Chsherbinin and Nazarov, Defendant Ritz demanded that Genius transfer by wire directly to LZG the $15 million that Genius had to assume in LZG liabilities, and falsely represented that LZG would then transfer payment by wire to Chsherbinin and Nazarov.

92. In furtherance of their scheme to divert the assets and plunder the business of Genius, Defendant Ritz convinced Genius CEO Hamilton that payment to Chsherbinin and Nazarov should go through LZG, because Defendant Ritz had an established relationship with both Chsherbinin and Nazarov.

93. CEO Hamilton reasonably relied on Defendant Ritz's misrepresentations when Genius, in good faith, began making payments to LZG, under the belief that such payments were going to Chsherbinin and Nazarov towards the PSG assets.

94. Specifically,

a. on January 29, 2024, Genius paid LZG $1,000,000.00;
b. on April 4, 2024, Genius paid LZG $750,000.00;
c. on April 30, 2024, Genius paid LZG $750,000.00;
d. on May 3, 2024, Genius paid LZG $20,000.00;
e. on May 24, 2024, Genius paid LZG $194,180.00;
f. on May 28, 2024, Genius paid LZG $1,000,000.00;
g. on June 20, 2024, Genius paid LZG $81,000.00;
h. on June 25, 2024, Genius paid LZG $2,000,000.00; and
i. on August 5, 2024, Genius paid LZG $800,000.00.

95. To date, Genius has paid LZG a sum of $6,595,180. All such payments from Genius were sent to LZG by wire.

96. During the five month period between March 2024 and August 2024, Defendants Ritz and Moe failed to secure a return of the Power of Attorney from Chsherbinin and Nazarov, and Genius' attempts to integrate PSG with Genius were met with obstruction and obfuscation.

97. During this time, Chsherbinin, the CEO of PSG, increased the purchase price of PSG from the $ 18 million purported purchase price, as understood in March 2024, to over $24 million by September, which meant that PSG could no longer be secured within the $ 15 million cash amount provided for by the APA.

98. On August 29, 2025, Genius's Board of Directors held a meeting where Defendants Ritz and Moe continued their fraudulent scheme by falsely reassuring Genius and its Board that the PSG assets could be transferred by LZG to Genius as stated in the APA.

99. In reliance on Defendant Ritz's prior representations about his relationship with Chsherbinin and Nazarov, the Board tasked Defendant Ritz with negotiating a settlement with Chsherbinin and Nazarov, including a reasonable payment schedule, to ensure that Genius would receive the PSG assets. Despite his assurances, Defendant Ritz failed to achieve this.

100. Also during this five-month period, multiple LZG shareholders contacted Genius to raise their concerns of questionable and potentially fraudulent conduct on the parts of Defendants Ritz and Moe.

101. Specifically, the LZG shareholders alerted Genius to multiple breaches of the APA by Defendants Ritz and Moe, including, as relevant here:

a. that Defendants Ritz and Moe had fraudulently and without LZG shareholder approval, issued to themselves LZG shares in order to enrich themselves by obtaining from the APA a greater percentage of GNS shares;
b. that Defendants Ritz and Moe had entered LZG into the APA without LZG shareholder approval; and
c. that Defendants Ritz and Moe, by and on behalf of LZG, unlawfully had sold the PSG assets at a time when LZG's assets, including the same PSG assets, were subject to a lien in relation to a $3 million loan made to LZG by an LZG insider.

102. Between March and August 2024, Genius, in reliance on the false representations of Defendants Ritz and Moe, continued to make payments toward the purchase price of PSG, in the aggregate amount of $ 6,595,180.00, under the belief that the amounts were paid to reduce the debt LZG owed on the liabilities of its wholly owned subsidiary, FBPA, in compliance with the terms of the APA.

103. Upon information and belief, in furtherance of their scheme to loot the assets and cripple the business of Genius, Defendants Ritz and Moe intentionally failed to pay down LZG's

debt to Chsherbinin and Nazarov, and instead, using international instrumentalities, transferred by wire to themselves for their own personal gain the monies, in an amount exceeding $ 6 million, paid by Genius to LZG.

Defendants Ritz and Moe Attempt by Coercion to Takeover the Business of Genius

104. By September 2024, Genius demanded that unless Defendants Ritz and Moe provide proof of compliance with the APA to counter the allegations of fraud from the LZG shareholders, Genius would not release the shares which had remained restricted for six months that were held with Genius' transfer agent.

105. On September 16, 2024, CEO Hamilton sent to Defendants Ritz and Moe, an ultimatum requiring that the shares from the APA would remain restricted until they delivered to Genius the following:

a. written proof of shareholder approval for the issuance of all LZG shares, with a fully-approved capitalization table;
b. assurance that all assets purchased as part of the APA could be freely and fully transferred, as represented in the APA, and not encumbered as claimed by LZG shareholders; and
c. satisfactory security on PSG assets, including power of attorney on PSG shares held in escrow, and a management contract with the PSG Chief Executive Officer as was understood to be in place at time the APA was executed, and as per the recent Genius Board request.

106. Rather than respond with any of the requested information, Defendants Ritz and Moe instead chose to attempt to pressure Genius to release the shares by deliberately withholding their votes during a critical Extraordinary General Meeting where Genius was attempting to maintain compliance with its obligations to its major investor.

107. Defendants Ritz and Moe deliberately breached their own signed undertaking to vote their shares and, as a result, put Genius in breach of its agreement with the investor, causing Genius to incur a $1 million penalty claimed against the company by the investor.

108. On September 18, 2024, Hamilton wrote to Ritz and Moe conveying the damage that they were intentionally causing to Genius and requesting a reply. Again, none was received.

109. Having run out of options to extract further payment from Genius while providing nothing in return, on Sunday, September 22, 2024, Moe took the brazen step of holding a board meeting without notice to Hamilton and at least one other director, in violation of Singapore law.

110. Through a series of misleading and false claims and promises to the attending Directors, Moe forced a vote to fire Hamilton and install himself as CEO in order to take control of Genius and its $150 million At-The-Market funding agreement which had been approved by the Securities and Exchange Commission in the previous week.

111. On September 23, 2024, Moe proceeded to prepare and distribute a signed board resolution that was littered with false statements, entirely side-stepping Genius' lawyers in a blatantly fraudulent attempt to take full control over Genius and its assets.

112. On September 25, 2024, Hamilton called a board meeting together with Genius' lawyers and management team to report the alleged fraud and ongoing misconduct by Ritz and Moe, the full details of which Moe had hidden from the directors.

113. As a result, on September 30, 2024, Hamilton was reinstalled as Genius' Chief Executive Officer, and Moe resigned as Chairman. Ritz was also terminated for cause.

114. Despite the attempted boardroom coup failing, both Ritz and Moe continued to attempt to influence Genius' board members leading to two weeks of conflict which resulted in the threat of a shareholder lawsuit against four Board members, including Moe, for breach of fiduciary duty and the resulting damages. This led to the forced resignation of all four Board members, including Moe, on October 9, 2025.

115. During this period, LZG's shareholders proceeded to file two lawsuits against Ritz and Moe for fraud.

116. On October 4, 2024, the LZG shareholders filed a class action in the District Court for the Southern District of New York filed and, on October 14, 2024, the LZG shareholders filed a derivative action in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida.

117. In addition, Genius' Board became aware of a series of lawsuits alleging similar patterns of fraudulent conduct in companies where Moe was a key board member.

118. Following these revelations, together with the allegations of LZG shareholders, Genius' management hired private investigators in Kazakhstan to further investigate the alleged recipients of the funds Genius had paid to LZG.

119. Investigators uncovered that Nazarov, the purported co-founder of PSG that Moe, Ritz and Chsherbinin blamed for continually forcing the price of PSG upwards, was in fact not the ruthless, multi-millionaire entrepreneur that they had painted him to be, but instead he was a broke individual residing at the same address as PSG, who had bailiffs monitoring his bank accounts and who was banned from leaving the country. It was clear to Genius that the funds being sent for Nazarov's purported 50% share of PSG were being paid to someone else that may be, according to allegations within the LZG shareholder lawsuit, Ritz and Moe themselves.

120. Genius' Board confronted Moe directly on his knowledge of Nazarov and the allegations of him being a front for ongoing fraud against Genius, to which Moe responded that he had never met Nazarov.

121. When Hamilton confronted Ritz and requested proof of the existence of Nazarov, together with proof of the payments Ritz claims to have made to him, Ritz simply sent a picture of

a half-naked man in a Kazakhstan sauna that he had met as "proof" that Nazarov was a legitimate person. Later, Ritz admitted "I will never know if Victor (Nazarov) is real or not… if he's fictitious, he's fictitious." (*See* **Exhibit 6** at 17.)

Ritz and Moe Attempt to Further Extort Genius, Causing Further Damages That Continue to be Ongoing

122. On October 27, 2024, with increasing pressure from the LZG shareholders, and still having given no response to Genius to refute the claims by the LZG shareholders, Ritz and Moe wrote to Genius requesting a rescission of the APA, and the return of Genius' common shares.

123. On November 11, 2024, Ritz and Moe sent a formal notice of rescission to Genius, indicating LZG's confirmation of rescission and intent to return the 7,387,378 shares of Genius common stock in exchange for Genius' complete release of all LZG assets, including the PSG assets. (*See* **Exhibit 7**.)

124. On November 27, 2024, following a series of meetings between Hamilton and Ritz, Ritz ultimately agreed to a rescission that would also include the return of the $6,595,180 Genius paid to LZG in the form of a term loan.

125. However, Ritz proceeded to retract his agreement and asked for an additional $3 million to be paid in order to complete the settlement. It was clear that this additional payment would benefit Ritz and Moe personally, as it would be used to pay off the LZG shareholders in order for them to settle the verified fraud complaint against them. Ritz and Moe then sent via their lawyers a proposed settlement agreement that included the additional $3 million payment.

126. Genius' Board immediately saw this eleventh hour request for an additional $3 million, for nothing in return, as a clear extortion attempt by Ritz and Moe, and refused to settle with the additional term. Instead, Genius' Board voted to proceed with arbitration to resolve the matter.

127. On December 11, 2024, the Securities and Exchange Commission (SEC) filed a lawsuit for fraud against the main financier of Ritz and Moe, John Clayton, together with Timothy Rieu and Chesapeake Group. Ritz and Moe had introduced Hamilton to Clayton, Rieu and Chesapeake in February 2024 with the promise that they could help Genius. However, when it became clear that their proposal was to manipulate Genius' share price, Hamilton declined. From this new lawsuit, it was clear to Genius that what the SEC alleged they had done to multiple companies in an ongoing pattern of fraudulent behavior, including LZG, was a pattern that Ritz and Moe were aware of and that they had attempted without success to pull Genius into.

128. Having become extremely wary of Ritz and Moe, Genius' Board attempted to protect the company and its shareholders from them by proceeding with arbitration.

129. Genius filed a petition for a temporary restraining order and preliminary injunction in aid of arbitration in the District Court for the Southern District of New York to protect the shares of Genius common stock subject to arbitration.

130. Subsequently, the preliminary injunction was entered, *with the consent of Ritz, Moe and LZG*, on December 17, 2025. (*See* **Exhibit 8**.)

131. However, Ritz and Moe proceeded to file a petition for their own temporary restraining order and preliminary injunction to prevent Genius from being able to utilize its $150 million At-The-Market funding line, issue shares, raise funds or grow its Bitcoin Treasury.

132. Ritz and Moe, effectively, defrauded the court by submitting false statements, which have no basis in fact, in order to convince the court to grant a temporary restraining order and preliminary injunction , which the court did on February 15, 2025, and March 13, 2025, respectively.

133. As a result, Genius has been restricted by the court from conducting its normal business as a public company, and has been incurring $ 500,000 in damages *daily* for six weeks, since February 15, 2025.

134. Ritz and Moe's ongoing extortion of Genius was at its most obvious in a meeting requested to take place in New York by Ritz between Ritz, Hamilton and Eva Mantziou, Genius' Chief Legal Officer and Chief People Officer in New York, on February 27, 2025, one day before the court hearing to extend the temporary restraining order enjoining Genius from its regular business practices.

135. At the meeting, Ritz acknowledged the cost that the temporary restraining order imposed on Genius' business and proposed that Genius pay an additional $5 million to Ritz, so that he may take PSG and repackage it under a new business. This would, effectively, defraud both LZG's and Genius' shareholders out of the combined $15 million already paid for the PSG asset, for nothing in return.

136. Ritz threatened that if Genius didn't comply, he could bankrupt LZG to ensure Genius received nothing from the arbitration, stating "if I leave this thing, you will never see your money … so let's say you give me … well you already invested six and a half million dollars. Give me another … five million bucks. I'm just picking a number, okay? … The good thing about LZGI, I control it. The bad thing about LZGI right now, it has this six and a half million liability that you point out, and it has liabilities every which way…." (*See* **Exhibit 6** at 11-12.)

137. When Hamilton confronted Ritz on his scheme by asking "you are saying you think it's okay for you to go and sell or raise money and own and build Prime Source separately while at the same time still not settling the arbitration on Prime Source?" (*See id* at 21.)

138. Ritz replied, "Again, I don't want to kind of give you how that will proceed, but there is a situation in which LZGI is fighting this arbitration because the party is LZGI, and Prime Source can move on itself…," and then detailing how he would proceed with his fraudulent scheme, together with naming others, including Moe, who would be involved in this scheme. (*See id* at 21, 32.)

139. Ritz and Moe's plan for Genius has been clear from the outset: either (1) receive monies from Genius, under the guise of Genius purchasing the PSG assets, and through LZG, wire the monies received from Genius to Ritz and Moe's personal bank accounts; or (2) financially extort Genius into paying LZG by seeking and maintaining an improper injunction.

140. Ritz and Moe's current scheme is a repeat of their previous pattern of mail fraud, wire fraud and extortion, with the asking price again escalating by millions of dollars each passing month, with empty promises in return.

The RICO Enterprise

141. LZG is the RICO "enterprise" within the meaning set forth in 18 U.S.C. § 1961(4).

142. The goal, objective, and/or purpose of the Enterprise is to seize profits from its business acquisitions, and then wire the revenues generated from the acquired businesses to Ritz and Moe, to the detriment of the acquired business.

143. Publicly-available information demonstrates that the Enterprise has made similar acquisitions over the past four years.

144. LZG is engaged in interstate commerce and uses the instrumentalities of interstate commerce in its usurious lending business, as described herein.

145. LZG is located in Florida and operates its business from within the State of New York, where it, *inter alia*, negotiates the contracts for the purchase and acquisition of businesses,

makes its wire transfers to purchase and acquire said businesses, and subsequently decides when to allocate revenues from the acquired businesses to LZG.

146. LZG, in furtherance of its business model, extensively used interstate emails, mail, wire transfers, and among other things, coordinated with persons situated outside the State of New York to facilitate its goals of purchasing and acquiring businesses, and ultimately funnel monies and revenues from the acquired businesses to Ritz and Moe's personal bank accounts.

147. For example, at all relevant times hereto, Genius' Chief Executive Officer resided in and worked from Singapore. Thus, all interactions, communications, and negotiations by and between Genius and LZG—including the exchange of drafts and transmission of the final and executed copies of the APA—affected interstate commerce as such interactions, communications, and negotiations were conducted through the usage of the means of interstate commerce (*e.g.*, mail, emails, and texts).

148. LZG, also in the furtherance of its business model, defends claims against its businesses in New York and across the United States.[18]

The RICO Culpable Persons

149. Ritz and Moe are each individuals who are capable of holding a legal and/or beneficial interest in property, and therefore, both Ritz and Moe are a "person" within the meaning set forth in 18 U.S.C. § 1961(3).

150. The Enterprise (LZG), on the one hand, and Ritz and Moe, on the other hand, are legally distinct from each other.

[18] *See Genius Group Limited v. LZG International, Inc., et al.*, No. 1:24-cv-08464 (S.D.N.Y. 2024).

151. The Enterprise, and Ritz and Moe, are legally distinct from each other, and each have legal rights, responsibilities, obligations, power, and privileges separate and apart from each other.

152. The Enterprise commits its RICO violations of wire fraud, mail fraud, and extortion under the direction and control of Ritz and Moe.

153. Defendants Ritz and Moe, collectively or individually, are the ultimate decision makers of LZG.

154. Defendant Ritz is a RICO Culpable person because, *inter alia*:

a. Ritz is an individual capable of holding a legal or beneficial interest in property;

b. Upon information and belief, Ritz is one of the control persons and decision makers of LZG and, at all relevant times has possessed and exercised the power and authority to, directly or indirectly, control LZG's statements, representations, and decisions;

c. Upon information and belief, Ritz is the ultimate decision maker of LZG, exercises final decision-making authority over LZG's acts and decisions, executes all agreements, and approves the majority of LZG's wire transfers;

d. Upon information and belief, Ritz—alongside Moe—is responsible for the day-to-day operations of LZG and has final say on all of its business decisions, including without limitation which business LZG seeks to purchase or acquire;

e. Upon information and belief, Ritz—alongside Moe—used various instrumentalities on behalf of LZG, including but not limited to email, mail, and phone to: (i) negotiate contracts on behalf of LZG; (ii) to electronically sign contracts on behalf of LZG; (iii) to disburse LZG common stock and pay cash and/or cash equivalents; and (iv) to receive shares of common stock and receive cash and/or cash equivalents;

f. Upon information and belief, Ritz—alongside Moe—is responsible for creating, approving, and implementing the policies, practices, and instrumentalities used by LZG to accomplish its goals, objectives, and/or purpose, chiefly among which being usurious lending, including: (i) supervising agents and/or employees of LZG; (ii) determining the form of the agreements used by LZG to purchase and acquire other businesses; (iii) determining the amount that LZG pays for the purchase and acquisition of

other businesses; and (v) authorizing LZG's wiring activity to and from LZG's business; and

g. Upon information and belief, Ritz—alongside Moe—takes actions and directs employees and/or agents of the Enterprise to take actions necessary to accomplish the overall goals, objectives, and/or purpose of the Enterprise.

155. Defendant Moe is a RICO culpable person because, *inter alia*:

a. Moe is an individual capable of holding a legal or beneficial interest in property;

b. Upon information and belief, Moe is one of the control persons and decision makers of LZG and, at all relevant times has possessed and exercised the power and authority to, directly or indirectly, control LZG's statements, representations, and decisions;

c. Upon information and belief, Moe—alongside Ritz—is responsible for the day-to-day operations of LZG and has final say on all of its business decisions, including without limitation which business LZG seeks to purchase or acquire;

d. Upon information and belief, Moe—alongside Ritz—used various instrumentalities on behalf of LZG, including but not limited to email, mail, and phone to: (i) negotiate contracts on behalf of LZG; (ii) to electronically sign contracts on behalf of LZG; (iii) to disburse LZG common stock and pay cash and/or cash equivalents; and (iv) to receive shares of common stock and receive cash and/or cash equivalents;

e. Upon information and belief, Moe—alongside Ritz—is responsible for creating, approving, and implementing the policies, practices, and instrumentalities used by LZG to accomplish its goals, objectives, and/or purpose, chiefly among which being usurious lending, including: (i) supervising agents and/or employees of LZG; (ii) determining the form of the agreements used by LZG to purchase and acquire other businesses; (iii) determining the amount that LZG pays for the purchase and acquisition of other businesses; and (v) authorizing LZG's wiring activity to and from LZG's business; and

f. Upon information and belief, Moe—alongside the Ritz—takes actions and directs employees and/or agents of the Enterprise to take actions necessary

to accomplish the overall goals, objectives, and/or purpose of the Enterprise.

156. At all times relevant hereto, Ritz and Moe intended to engage in the practice of wire fraud, mail fraud, and extortion, with the knowledge that such activity was unlawful, and not in good faith.

157. Upon information and belief, through millions—possibly even tens of millions—of dollars in salaries, bonuses, profits, and/or other distributions from the Enterprise, both Ritz and Moe have financially benefited from the Enterprise achieving its goals, objectives, and/or purpose of wire fraud, mail fraud, and extortion.

RICO Acts: Wire Fraud, Mail Fraud, and Extortion

158. The Enterprise (LZG)—at the direction of Ritz and Moe—engages in the RICO act of wire fraud, as defined in 18 U.S.C. § 1961(1).

159. The Enterprise (LZG)—at the direction of Ritz and Moe—engages in the RICO act of mail fraud.

160. The Enterprise (LZG)—at the direction of Ritz and Moe—engages in the RICO act of extortion.

161. As alleged herein, since 2021, LZG has engaged in the business of purchasing and acquiring businesses, ceasing making payment obligations towards liabilities and employees of the acquired businesses, gatekeeping financial information from the managerial teams of the acquired businesses, and then wiring monies from the acquired businesses to Ritz and Moe's personal bank accounts, to the acquired business' detriment.

Genius Has Been—and Continues to Be—Injured by Defendants

162. Genius would not have suffered the injuries and damages but for the Defendants' racketeering activities alleged herein, including the overt acts of purchasing businesses and funneling monies from the acquired businesses, and conspiracy to commit such racketeering activities.

163. The injuries to Genius directly, proximately, reasonably, and foreseeably resulting from or caused by the violations of the Defendants' racketeering activities alleged herein include, but are not limited to, the cash payments of $6,595,180 towards the PSG assets under the APA.

164. Genius has suffered damages by incurring attorneys' fees and costs associated with exposing, prosecuting, and defending against the RICO violations alleged herein.

165. Moreover, Genius continues to face harm on a daily basis, *vis-a-vis*, the injunction that Ritz and Moe, through LZG, procured in the Southern District of New York to extort Genius into paying LZG more money.

166. In addition to the $ 500,000 per week in lost funding Genius has incurred for over six weeks due to being prohibited from the normal use of its At-The-Market funding agreement, Ritz and Moe are aware that the prolonged restriction on Genius' funding to maintain normal operations has led to a precipitous drop in Genius' share price and market capitalization.

167. Genius is now in danger of both delisting and losing its entire $250 million funding facility as a result of falling below the Securities and Exchange Commission's threshold for the use of its ATM in the coming month, causing irrecoverable damages of an additional $220 million.

168. All of the foregoing harm was foreseeable by the Defendants and was directly and proximately caused by the racketeering activities alleged herein.

169. The assessment of the total damages to Genius due to the Defendants' violations of RICO alleged herein is difficult to quantify and will be determined at trial, and the total damages sought by Genius will not be less than $150 million, implying treble damages under the RICO Act to be $450 million or more.

COUNT I
Violation of Racketeer Influenced and Corrupt Organizations Act,
18 U.S.C. § 1962(c) and Fla. Stat. § 895.03(3)

170. This Count arises under the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(c) and Fla. Stat. § 895.03(3). The allegations of paragraphs 66 through 140 are incorporated herein by reference.

171. 18 U.S.C. § 1962(c) makes it unlawful "for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity ...."[19]

172. Defendants Peter B. Ritz and Michael Moe are individuals capable of holding a legal and beneficial interest in property, and thus constitute "persons" within the meaning of 18 U.S.C. § 1961(3).[20]

173. LZG is a corporation engaged in, or the activities of which affect interstate and foreign commerce, and thus constitutes an "enterprise" within the meaning of 18 U.S.C. § 1961(4) and Fla. Stat. § 895.02(5).[21]

---

[19] Fla. Stat. § 895.03(3) reads: "It is unlawful for any person employed by, or associated with, any enterprise to conduct or participate, directly or indirectly, in such enterprise through a pattern of racketeering activity . . ."

[20] A "person" is defined to include "any individual or entity capable of holding a legal or beneficial interest in property." 18 U.S.C. § 1961(3).

[21] An "enterprise" is defined as "any individual, partnership, corporation, association, or other legal entity, and any union or group of individuals associated in fact although not a legal entity." 18 U.S.C. § 1961(4); *see also* Fla. Stat. § 895.02(5) (defining "enterprise" as "any individual, sole proprietorship, corporation, business trust, union chartered

174. At all times relevant hereto, Individual Defendants Ritz and Moe either were controlling officers, directors, or employees of LZG, the enterprise described in paragraphs 41 through 48, and intentionally conducted and participated, directly and indirectly, in the operation and management of LZG, and its wholly owned subsidiary, FBPA, through a pattern of racketeering activity,[22] described in paragraphs 158 through 161, that involved the predicate acts of mail and wire fraud and extortion.

175. Defendants Ritz and Moe, together and with intent to defraud, knowingly participated in a fraudulent scheme to acquire different microcap companies with the false promise of helping those companies grow their business, and once the acquisition agreement was signed, Defendants took over control of the acquired microcap companies, through additional acts of mail and wire fraud and extortion, and looted and diverted by wire the assets of the acquired microcap companies, until the point of insolvency.

176. Specifically, Defendants Ritz and Moe, with intent to defraud Genius, managed and operated LZG and its wholly owned subsidiary, Prime Source Acquisition, to fraudulently induce Genius to acquire the assets of Prime Source Acquisition, by making false promises through the wires, including in SEC filings electronically posted to the public EDGAR database, to the shareholders and insiders of Genius, including the CEO, that, once acquired by Genius, Defendants would remain the controlling officers and directors of Prime Source Acquisition and assist Genius in integrating into its business the Prime Source Group assets.

---

under the laws of this state, or other legal entity, or any unchartered union, association, or group of individuals associated in fact although not a legal entity; and it includes illicit as well as licit enterprises and governmental, as well as other, entities. . . .").

[22] A "pattern of racketeering activity" is defined as "at least two acts of racketeering activity," the last of which occurring "within ten years … after the commission of a prior act of racketeering activity." 18 U.S.C. § 1961(5).

177. In furtherance of their scheme to fraudulently induce Genius to acquire the PSG assets, Defendants Ritz and Moe intentionally concealed from the insiders of Genius, including its CEO, LZG's financial history and condition, by failing to identify during the due diligence process the existence of LZG's liabilities with respect to the PSG assets, and misrepresented the ability and intent of LZG, and its wholly owned subsidiary, Prime Source Acquisition, to consummate the transaction and transfer the PSG assets. These misrepresentations and omissions of material fact were made, *inter alia*, by electronic communications, including by email, and in publicly filed SEC documents.

178. Genius relied on the misrepresentations and omissions of material facts made by Defendants through wire communications and in public SEC filings, and was fraudulently induced into entering into the asset purchase agreement with LZG and its wholly owned subsidiary, Prime Source Acquisition, to acquire the PSG assets and certain of LZG's liabilities.

179. In reliance on Defendants' misrepresentations of LZG's financial condition and ability to consummate the acquisition, Genius forwarded by wire to LZG sums in excess of $6 million for the purpose of purchasing the Prime Source Group assets. Upon information and belief these funds were instead diverted by wire transfer to Defendants for their personal use.

180. In furtherance of the same scheme to fraudulently induce Genius to purchase the PSG assets, Defendants Ritz and Moe negotiated to remain as the controlling officers of the newly-acquired Prime Source Acquisition and join Genius by falsely representing, by electronic communications and public SEC filings, their desire and intent to assist Genius with the integration into Genius's business of the PSG assets and to conduct the affairs of the newly-acquired Prime Source Acquisition in the best interests, to help grow and expand, the business of Genius.

181. Defendants falsely represented that LZG possessed the necessary funds to consummate the asset purchase transaction. Defendants Ritz and Moe engaged in acts of mail and wire fraud by electronically communicating in SEC filings posted to a public database, these false representations and illusory promises in furtherance of their scheme to have LZG takeover Genius and misappropriate for their own personal use, Genius's business and assets.

182. Through the use of wire communication (i.e. telephone and email), Ritz and Moe induced Genius into executing the APA on January 24, 2024, whereby LZG obtained more than $ 6 million and 73,873,784 shares of Genius common stock from Genius in exchange for encumbered title to the Prime Source Assets by means of a fraudulent material misrepresentation by omission between January 10, 2024, and March 29, 2024.

183. Prior to entering into the APA, Ritz and Moe participated in the same or similar schemes to defraud no less than three other entities by inducing them, by wire communication, into entering fraudulent transactions for their own personal financial benefit, as alleged in paragraphs 14 through 65.

184. The actions described herein constitute a pattern of racketeering activity by Ritz and Moe—two or more predicate acts of fraud by wire.[23]

185. As a direct and proximate result of Ritz and Moe's racketeering activity, Genius has been injured with regard to its property because Ritz and Moe, among other things: (i) pocketed $6,595,180.00 that Genius paid toward the purchase of encumbered title to the Prime Source Assets; (ii) prevented Genius from utilizing the common shares transferred to Ritz and Moe

[23] Pursuant to 18 U.S.C. § 1343, fraud by wire occurs when "whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice…." 18 U.S.C. § 1343.

pursuant to the APA to raise additional working capital pursuant to the ATM Agreement; (iii) caused Genius to lose over $15 million in working capital by improperly seeking injunctive relief for the sole purpose of extorting Genius to pay millions of dollars to LZG; and (iv) will cause Genius to suffer damages in the amount of no less than $ 150 million in lost working capital should Genius lose access to its At-The-Market funding agreement.

186. Therefore, pursuant to the provisions of 18 U.S.C. § 1964(c), Genius is entitled to treble damages against Ritz and Moe as allowed herein, as well as costs and reasonable attorney's fees.

COUNT II
Violation of Racketeer Influenced and Corrupt Organizations Act,
18 U.S.C. § 1962(d) and Fla. Stat. § 895.03(4)

187. This Count arises under the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(d) and Fla. Stat. § 895.03(4). The allegations of paragraphs 66 through 140 are incorporated herein by reference.

188. 18 U.S.C. § 1962(d) states it "shall be unlawful for any person to conspire to violate any of the provisions of subsection (a), (b), or (c) of this section."

189. Through words or actions, Ritz and Moe, as persons employed by, or associated with the enterprise, LZG, agreed to participate in conducting the affairs of LZG.

190. Through LZG, Ritz and Moe agreed to participate in two or more predicate acts prohibited by 18 U.S.C. § 1961.

191. Specifically, upon information and belief, Ritz and Moe intentionally agreed to and conspired to, by and through their agents and/or on behalf of themselves as individuals, to conduct and participate in the affairs of the enterprise by fraudulently inducing the purchase of multiple

companies or sale of encumbered assets by wire, in the manner alleged in Count I, paragraphs 172 through 188, *supra*.

192. Upon information and belief, Ritz and Moe knew that their predicate acts were part of a scheme to fraudulently induce the purchase of multiple companies or the sale of encumbered assets by wire for the purpose of obtaining money or property, and nonetheless agreed to the commission of those acts to further the schemes described above. Such conduct constitutes a conspiracy to violate 18 U.S.C. § 1962(c) in the manner alleged in Count I, paragraphs 172 through 188, *supra*, in violation of 18 U.S.C. § 1962(d).

193. As a direct and proximate result of the foregoing conspiracy, the overt acts taken in furtherance of that conspiracy, and the violations of 18 U.S.C. § 1962(d), Genius has been injured in its business and property because Ritz and Moe, among other things: (i) pocketed $6,595,180.00 that Genius paid toward the purchase of encumbered title to the Prime Source Assets, (ii) prevented Genius from utilizing the common shares transferred to Ritz and Moe pursuant to the APA to raise additional working capital pursuant to the ATM Agreement; (iii) caused Genius to lose over $ 15 million in working capital by improperly seeking injunctive relief for the sole purpose of extorting Genius to pay millions of dollars to LZG; and (iv) will cause Genius to suffer damages in the amount of no less than $ 150 million in lost working capital should Genius lose access to its At-The-Market funding agreement.

JURY DEMAND

Genius demands a trial by jury on all issues properly so tried.

PRAYER FOR RELIEF

WHEREFORE, for the reasons set forth in Counts I and II, Genius seeks a verdict and judgment against Ritz and Moe as follows:

A. Awarding Genius monetary damages in the amount of no less than $150 million;

B. Awarding treble damages, attorney's fees and court costs pursuant to 772.104(1), Fla. Stat. (2024); and

C. Awarding any such other relief the Court deems just and proper.

Dated: March 31, 2025
Naples, Florida

Respectfully Submitted,
THE BASILE LAW FIRM P.C.

/s/ Agapija Cruz

Agapija Cruz, Esq.
365 Fifth Avenue S.
Suite 202
Naples, Florida 33472
Tel.: (239) 232-8400
Fax: (631) 498-0478
Email: agapija@thebasilelawfirm.com

Mark R. Basile, Esq. *(Pro Hac Vice forthcoming)*
390 N. Broadway, Ste. 140
Jericho, New York 11753
Tel.: (516) 455-1500
Fax: (631) 498-0478
Email: mark@thebasilelawfirm.com

Joseph F. Rose, Esq. *(Pro Hac Vice forthcoming)*
390 N. Broadway, Ste. 140
Jericho, New York 11753
Tel.: (516) 455-1500
Fax: (631) 498-0478
Email: joe@thebasilelawfirm.com

Alyssa Feldman, Esq. *(Pro Hac Vice forthcoming)*
390 N. Broadway, Ste. 140
Jericho, New York 11753
Tel.: (516) 455-1500

Fax: (631) 498-0478
Email: alyssa@thebasilelawfirm.com

Counsel for Plaintiff Genius Group Limited

CERTIFICATE OF SERVICE

I hereby certify that on the 31st day of March 2025, the foregoing document was electronically filed with the Clerk of the Court using the CM/ECF system, which will send a notification of such filing to all counsel of record.

/s/ Agapija Cruz

EXHIBIT 1

Michael C. Moran
Russell A. Mawn
Alexandra B. Lavin
Jeffrey Olshan
Attorneys for Plaintiff
Securities and Exchange Commission
33 Arch Street, 24th Floor
Boston, MA 02110
(617) 573-8931 (Moran direct)
moranmi@sec.gov

UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JOHN S. CLAYTON, FIRST EQUITY HOLDINGS CORP., STANDARD REGISTRAR AND TRANSFER CO., INC., DANIEL W. JACKSON, DONALD H. PERRY, CLARK M. MOWER, TIMOTHY J. RIEU, AND CHESAPEAKE GROUP, INC.,

Defendants,

and

BRYAN DEVELOPMENT, LLC, CAPITAL COMMUNICATIONS, INC., COMPASS EQUITY PARTNERS, INC., EMPIRE FUND MANAGERS, INC., GREENWICH STREET COMMERCIAL MORTGAGE, LLC, INVESTRIO, INC., KLAJA PARTNERS, LLC, LIBERTY PARTNERS, LLC, AND MAESTRO INVESTMENTS, INC.,

Relief Defendants.

Case No.: 2:24-cv-918

COMPLAINT
JURY TRIAL DEMANDED

COMPLAINT

Plaintiff, United States Securities and Exchange Commission (the "Commission" or the "SEC"), alleges as follows against Defendants John S. Clayton ("Clayton"), First Equity Holdings Corp. ("First Equity"), Standard Registrar and Transfer Co., Inc. ("Standard Registrar"), Daniel W. Jackson ("Jackson"), Donald H. Perry ("Perry"), Clark M. Mower ("Mower"), Timothy J. Rieu ("Rieu"), and Chesapeake Group, Inc. ("Chesapeake"), and Relief Defendants Bryan Development, LLC ("Bryan Development"), Capital Communications, Inc. ("Capital Communications"), Compass Equity Partners, Inc. ("Compass"), Empire Fund Managers, Inc. ("Empire"), Greenwich Street Commercial Mortgage, LLC ("Greenwich Street"), Investrio, Inc. ("Investrio"), Klaja Partners, LLC ("Klaja Partners"), Liberty Partners, LLC ("Liberty Partners"), and Maestro Investments, Inc. ("Maestro"):

SUMMARY

1. From at least 2014 to 2024, Clayton engaged in a securities fraud scheme to secretly amass and then illegally sell stock of small, publicly traded companies. Clayton hid his stock ownership from investors, brokerage firms, and regulators, by spreading his shares among business entities that he secretly controlled, each of them a Relief Defendant (hereafter, the "Clayton Nominees"). While concealing his stock ownership, Clayton retained Rieu, and Rieu's investor relations firm, Chesapeake, to promote the stock to investors and to increase the price and trading volume of the stock. Clayton then illegally sold his shares in the public securities markets at inflated prices, leaving behind harmed investors after the price and trading volume fell.

2. Clayton engaged in numerous deceptions to conceal his involvement and further his scheme. Clayton paid third parties to act as nominal heads of the Clayton Nominees. In turn, Clayton impersonated the heads of the Clayton Nominees when communicating with at least one brokerage firm. He used blank checkbooks, pre-signed by the head of each Clayton Nominee, to move money. And, after learning of the Commission's investigation that led to this action, Clayton used a pre-paid cell phone—commonly known as a "burner phone"—to communicate with Rieu and directed Rieu to himself procure a burner phone.

3. Clayton's sales were intended to defraud investors. He deliberately avoided fundamental safeguards under the federal securities laws designed to protect the investing public by informing investors about the nature of the stock being sold and the significant holders of that stock. Clayton engaged in transactions that were illegal under the federal securities laws because they were neither registered with the Commission under Section 5 of the Securities Act of 1933 ("Securities Act") nor exempt from registration. Clayton's multifaceted scheme, however, made it appear that his sales were exempt from such registration. Clayton was an "affiliate" of the companies whose stock he sold, and he therefore faced a legal limit on how much stock he could sell at any one time in unregistered transactions. By concealing stock among the Clayton Nominees, Clayton avoided the legal limitations on sales by affiliates, and avoided reporting his stock ownership as required by federal law, while dumping significant amounts of stock into public securities markets.

4. Clayton often obtained stock from loans that he made, or purported to make, to public companies through the Clayton Nominees. The loans were convertible into stock, which Clayton, through the Clayton Nominees, then illegally sold. To the extent that Clayton's convertible loans actually took place—*i.e.*, were not fabricated as part of his scheme—Clayton's

scheme was designed for him to avoid risk by converting the loans to stock at low prices and then illegally selling that stock to the public at higher prices during stock promotional campaigns.

5. Clayton carried out his fraud, in part, through his companies First Equity and Standard Registrar. Clayton was aided and abetted in his scheme by Jackson, Perry, Mower, Rieu, and Chesapeake.

6. Jackson is an attorney who shared an office with Clayton and worked with him on microcap securities matters for decades. Jackson issued letters falsely representing that the Clayton Nominees were not affiliates of the companies with stock that Clayton planned to sell as part of the scheme, providing a fraudulent paper trail necessary for Clayton to sell the stock.

7. Perry also worked for decades as Clayton's bookkeeper, managing multiple bank and brokerage accounts for the numerous Clayton Nominees. Perry prepared and delivered materially false information to brokerage firms to facilitate the illegal sale of stock. Perry acted on behalf of multiple Clayton Nominees, including one, Empire, that was purportedly run by Perry's wife. Perry worked with Clayton to forge Perry's wife's signature on documentation relating to a brokerage account. Perry at other times arranged for his wife to sign Empire-related documents.

8. Mower was CEO of one of the companies whose stock Clayton sold, and Mower provided Clayton with falsified documentation necessary to the sale of the company's stock.

9. Rieu and his company Chesapeake were stock promoters whom Clayton retained to publicly promote, and increase the price and liquidity of, the stock that Clayton sold. Rieu, acting on his own behalf and through Chesapeake, engaged in fraudulent trading with the purpose of deceiving the public about the true demand for the securities that Clayton planned to

sell as part of his scheme. Rieu, again acting on his own behalf and through Chesapeake, also engaged in deceptive trading for other clients—separate and apart from Clayton. Further, Rieu engaged in insider trading in the stock of one of Chesapeake's clients.

10. Finally, as part of the scheme, Clayton used Standard Registrar, which is a stock transfer agent that he has owned since 2017, to remove the restrictive legends from stocks, which allowed them to be sold publicly. Jackson has served on Standard Registrar's board of directors since 2017. Clayton and Jackson knew or recklessly ignored that Standard Registrar removed restrictive legends on false pretenses.

NATURE OF THE PROCEEDING AND RELIEF SOUGHT

11. The Commission brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d)(1) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78u(d)(1)].

12. The Commission seeks: (i) against Defendants, permanent injunctions, enjoining them from engaging in the transactions, acts, practices, and courses of business alleged in this Complaint, including enjoining them from committing or engaging in specified actions or activities relevant to violations charged herein; (ii) against Defendants and Relief Defendants, disgorgement of all ill-gotten gains from the unlawful conduct set forth in this Complaint, together with prejudgment interest, under Sections 21(d)(5) and (7) of the Exchange Act [15 U.S.C. §§ 78u(d)(5) and (7)]; (iii) against Defendants, civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; (iv) against Defendants, orders barring them from participating in any offering of a penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)]; (v) against Clayton, First Equity, Perry,

Rieu, and Chesapeake, further permanent injunctive relief prohibiting activity related to their misconduct; (vi) against Clayton, Jackson, Perry, Mower, and Rieu, orders barring them from acting as an officer or director of any public company, pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)]; and (vii) such other relief as the Court may deem appropriate.

JURISDICTION AND VENUE

13. This Court has subject-matter jurisdiction over this action pursuant to Sections 20(d)(1) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(d)(1) and 77v(a)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), 78aa].

14. The Court has personal jurisdiction over Defendants and Relief Defendants because, among other things, all Defendants reside in the United States and all Relief Defendants have principal places of business and transact business in the United States.

15. Venue lies in this district pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Clayton, First Equity, Standard Registrar, Jackson, Perry, and Mower reside in this District and have transacted business in this District. Each of the Relief Defendants resides in this District and conducts business in this District. Rieu and Chesapeake transacted business with Clayton and/or his business entities while Clayton was located in this District. Rieu periodically traveled to this District to meet with Clayton concerning business transactions.

16. In connection with the transactions, acts, practices, and courses of business alleged in this Complaint, Defendants, directly or indirectly, singly or in concert, made use of the means or instrumentalities of transportation or communication in interstate commerce, or the mails.

DEFENDANTS

17. **John S. Clayton**, age 60, resides in Salt Lake City, Utah. Clayton is self-employed and is the manager and beneficial owner of First Equity and the owner of Standard Registrar. Clayton has also served as an officer and director of ForeverGreen Worldwide, Corp.

18. **First Equity Holdings Corp.** is a Delaware corporation with its principal place of business in Salt Lake City, Utah. First Equity is an operating entity through which Clayton purchases and manages real estate as well as securities. Clayton is the beneficial owner of First Equity, and Jackson is its registered agent.

19. **Standard Registrar & Transfer Company, Inc.** is a Utah corporation with its principal place of business in Salt Lake City, Utah. Standard Registrar is registered as a transfer agent with the Commission. Clayton has owned Standard Registrar since 2017 and Jackson has been a Standard Registrar director since 2017.

20. **Daniel W. Jackson**, age 73, resides in Salt Lake City, Utah. Jackson is an attorney and has served as manager of Bryan Development and Greenwich Street. Jackson is the registered agent for First Equity and Standard Registrar, as well as for Klaja Partners and Investrio. Jackson has been a director of Standard Registrar since 2017.

21. **Donald H. Perry**, age 82, resides in Mount Pleasant, Utah.

22. **Clark M. Mower**, age 77, resides in Woods Cross, Utah. Mower is the president and Chief Executive Officer of Flexpoint Sensor Systems, Inc.

23. **Timothy J. Rieu**, age 65, resides in West Friendship, Maryland. He is the founder and president of Chesapeake.

24. **Chesapeake Group, Inc.**, is a Nevada corporation with its principal place of business in Maryland. Chesapeake engages in stock promotion and describes itself as an "investor relations" firm.

RELIEF DEFENDANTS

25. **Bryan Development, LLC** is a Utah corporation with its principal place of business in Salt Lake City, Utah.

26. **Capital Communications, Inc.** is a Wyoming corporation with its principal place of business in Salt Lake City, Utah.

27. **Compass Equity Partners, Inc.** is a Wyoming corporation with its principal place of business in Salt Lake City, Utah.

28. **Empire Fund Managers, Inc.** is a Wyoming corporation with its principal place of business in Salt Lake City, Utah.

29. **Investrio, Inc.** is a Wyoming corporation with its principal place of business in Salt Lake City, Utah.

30. **Greenwich Street Commercial Mortgage, LLC** is a Delaware corporation with its principal place of business in Salt Lake City, Utah.

31. **Klaja Partners LLC** is a Utah corporation with its principal place of business in Salt Lake City, Utah.

32. **Liberty Partners, LLC** is a Wyoming corporation with its principal place of business in Sandy, Utah.

33. **Maestro Investments, Inc.** is a Wyoming corporation with its principal place of business in Salt Lake City, Utah.

THE MICROCAP COMPANIES

34. Defendants' illegal conduct involved stock of microcap companies. Microcap companies include companies with stock that trades at less than $5.00 per share, which are commonly known as "penny stocks." Defendants' actions generally, though not exclusively, involved stock traded in the over-the-counter ("OTC") securities market using "alternative trading systems" ("ATSs"), rather than on the NASDAQ, New York Stock Exchange, or any other national securities exchange.

Microcap Issuers with Stock Involved in Clayton's Scheme

35. **Flexpoint Sensor Systems, Inc.** ("Flexpoint") is a Delaware corporation, with its principal place of business in West Jordan, Utah, that manufactures thin-film sensor technology. Its common stock is registered with the Commission under Section 12(g) of the Exchange Act and is quoted on OTC Link ATS under the symbol "FLXT."

36. **ForeverGreen Worldwide Corp.** ("ForeverGreen") was a Nevada corporation, with its principal place of business in Lindon, Utah, that used multi-level marketing to sell meal replacement shakes, nutritional beverages, and marine phytoplankton products. Its common stock was registered with the Commission under Section 12(g) of the Exchange Act and was quoted on OTC Link ATS under the symbol "FVRG." On July 29, 2021, the Commission revoked the registration of each class of ForeverGreen's securities pursuant to Section 12(j) of the Exchange Act. ForeverGreen subsequently ceased operations.

37. **KwikClick, Inc.** ("KwikClick") is a Delaware corporation, with its principal place of business in Bountiful, Utah, that operates an online referral software platform. Its common stock is registered with the Commission under Section 12(g) of the Exchange Act and is quoted on OTC Link ATS under the symbol "KWIK."

38. **LZG International Inc**. ("LZG International") was a Florida corporation, with its principal place of business in New York, New York. In 2021, it acquired the assets of an artificial intelligence technology company, FatBrain, LLC. Its common stock was registered with the Commission under Section 12(g) of the Exchange Act and was quoted on OTC Link ATS under the symbol "LZGI." In 2024, LZG International merged with Genius Group Limited, and currently trades on the NYSE American exchange under the symbol "GNS."

Additional Microcap Clients of Rieu and Chesapeake

39. **C-Bond Systems, Inc.** ("C-Bond") is a Colorado corporation, with its principal place of business in Houston, Texas, that operates a nanotechnology company. Its common stock is registered with the Commission under Section 12(g) of the Exchange Act and is quoted on OTC Link ATS under the symbol "CBNT."

40. **Pressure BioSciences, Inc.** ("Pressure BioSciences") is a Massachusetts corporation, with its principal place of business in Canton, Massachusetts, that develops high-pressure technology-based instruments. Its common stock is registered with the Commission under Section 12(g) of the Exchange Act and is quoted on OTC Link ATS under the symbol "PBIO."

41. **Sidus Space, Inc.** ("Sidus Space") is a Delaware corporation, with its principal place of business in Merritt Island, Florida, that operates a commercial aerospace company. Its common stock is registered with the Commission under Section 12(b) of the Exchange Act and is listed on NASDAQ under the symbol "SIDU."

FACTUAL ALLEGATIONS

Background

42. Clayton's scheme used stock that was issued by a microcap company (the stock's "issuer") as "restricted" in its ability to be sold. The stock was issued in transactions that were not registered with the Commission. Restricted stock bears a legend stating that it is restricted. Absent an exemption under the federal securities laws and rules, restricted stock cannot legally be offered or sold to the public unless a securities registration statement has been filed with the Commission (for an offer) or is in effect (for a sale).

43. An "affiliate" of an issuer is a person or entity, like Clayton, that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such issuer (*i.e.*, a control person). "Control" means the power to direct the management and policies of the company in question. Affiliates include officers, directors and controlling shareholders, as well as any person who is under common control with, or has common control of, an issuer. Clayton was at all relevant times an affiliate of Flexpoint, ForeverGreen, KwikClick, and LZG International (the "Clayton Issuers").

44. A "transfer agent," like Standard Registrar, is a company which, among other things, issues and cancels certificates of a company's stock to reflect changes in ownership. Many companies that have publicly traded securities use transfer agents to keep track of the individuals and entities that own their stock. Transfer agents also track whether shares are restricted from resale. Clayton has owned Standard Registrar since 2017 and had access to transfer agent records for each of the Clayton Issuers. Jackson has served as a Standard Registrar director since 2017.

45. One exemption to the registration requirements of the federal securities laws is contained in Section 4(a)(1) of the Securities Act, which exempts "transactions by any person other than an issuer, underwriter, or dealer." In turn, Rule 144 under the Securities Act [17 C.F.R. § 240.144] provides a set of conditions, commonly referred to as a safe harbor, for a seller of stock to avoid acting as an underwriter.

46. As a critical impediment to Clayton's scheme, the Rule 144 safe harbor limits the amount of stock that an affiliate can publicly sell in an unregistered transaction. As applicable here, affiliates were limited to selling during a three-month period an amount equal to one percent of all of a company's outstanding shares.

47. Transfer agents often require an attorney opinion letter stating that the requirements of Rule 144 have been met, including representations about whether the stockholder is an affiliate, before removing restrictive legends from stock on the basis of the Rule 144 safe harbor. Brokerage firms also rely on attorney opinion letters in accepting their customers' deposit of stock obtained in unregistered transactions.

48. Jackson issued at least fourteen attorney opinion letters relevant to this action. Jackson opined in pertinent letters that the Rule 144 conditions were met and that the transfer agent (Standard Registrar) could remove restrictive legends. Jackson's letters often included the proviso that "[i]n issuing this opinion, I am aware that you and the Company's shareholders and broker-dealers may rely upon this opinion, and I hereby give my permission and consent to rely on and exhibit this opinion to those shareholders and broker-dealers."

49. Jackson's letters falsely recited facts indicating, among other things, that the stockholder, a Clayton Nominee, was not an affiliate of the issuer. Jackson's statements were materially false and misleading because, as Jackson knew or was reckless in not knowing,

Clayton beneficially owned the stock held by the Clayton Nominees and Clayton was an affiliate of the issuers. Jackson's letters allowed Clayton Nominees to publicly sell stock in violation of the federal securities laws. Clayton, as owner of Standard Registrar, used or recklessly allowed Standard Registrar to remove restrictive legends in reliance on Jackson's opinion letters. Jackson was also a director of Standard Registrar and knew or recklessly ignored that Standard Registrar would remove restrictive legends in reliance on his opinion letters.

50. The federal securities laws require certain disclosures when a person acquires beneficial ownership of more than five percent of a registered class of a company's equity securities. First, those persons or groups are required to file a "beneficial ownership report" under Schedule 13D or 13G with the Commission. Second, those persons—and certain transactions they have entered into with the issuer—must be identified in registration statements and other company filings with the Commission. Further, beneficial owners of more than ten percent of a registered class of an issuer's stock are required under Section 16(a) of the Exchange Act to report their ownership with the Commission on a Form 3 within ten days, any changes in beneficial ownership on a Form 4 within two days, and total beneficial ownership annually on a Form 5. Clayton violated these disclosure requirements and did so in furtherance of his scheme.

OVERVIEW OF THE SCHEME

Clayton's Use of Nominee Entities to Conceal Stock Ownership

51. Clayton acquired, but hid, significant stock holdings in Flexpoint, ForeverGreen, KwikClick, and LZG International. Clayton concealed his ownership by acquiring stock in the name of one or more of the Clayton Nominees.

52. Clayton often acquired shares of stock in the Clayton Issuers from convertible loans held in the names of Clayton Nominees. A convertible loan is a form of corporate debt

that can be converted into shares of stock of the issuing corporation in lieu of repayment of the loan in cash.

53. Clayton often paid employees or friends to act as nominal corporate officers of the Clayton Nominees that acquired and sold shares of the Clayton Issuers. These individuals exercised no real control over the Clayton Nominees despite corporate records identifying them as the officers. Clayton used these individuals to sign necessary forms such as brokerage and bank records. Clayton, however, controlled and was the beneficial owner of the stock held by the Clayton Nominees.

54. Clayton controlled and funded the financial accounts of the Clayton Nominees, and Clayton, with the assistance of First Equity staff, carried out the business of the Clayton Nominees. Clayton used generic email addresses in the name of the Clayton Nominees to conduct this business—for example, sending emails to a brokerage firm through CompassEquityPartners@[redacted].com—but signing the email with the name of the nominal officer. Clayton and First Equity maintained passwords for Clayton and his staff to access the Clayton Nominees' email and brokerage accounts.

55. ***Capital Communications, Liberty Partners, and Maestro Investments:*** Clayton used handymen from his property management business to act as the nominal officers of Capital Communications, Liberty Partners, and Maestro. Clayton paid those employees nominal annual sums in exchange for those employees signing documents as the purported heads of the Clayton Nominees. In one such practice, the nominal officers would come to First Equity's offices and pre-sign blank checkbooks for the relevant entity for Clayton's later use.

56. ***Compass Equity Partners:*** Clayton used a friend, and then subsequently that friend's son, to act as the nominal officer of Compass. That nominal officer understood that

Clayton controlled the securities held by Compass. In addition to posing as the nominal officer in emails, Clayton caused a pre-paid cell phone—a burner phone—to be listed as the nominal officer's phone number on brokerage records so that Clayton could further pose as the nominal officer in phone calls. A pre-paid cell phone is a cell phone that can be purchased in a store with pre-paid calling minutes and that has a phone number that is not registered to any particular name. Pre-paid phones are colloquially referred to as "burner phones." As described further below, Clayton communicated with Rieu using the same burner phone used for Compass and directed Rieu to also purchase a burner phone because of the Commission's investigation.

57. ***Empire Fund Managers:*** Clayton, with Perry's help, used Perry's wife as the nominal officer of Empire. Clayton also paid Perry's wife a nominal sum for her role. Nonetheless, the Empire accounts were managed by Clayton, Perry, and First Equity staff in the same manner as the other Clayton Nominees. Perry arranged for his wife to sign documentation relating to Empire's acquisition and deposit of relevant stock. In one instance on January 23, 2019, Perry emailed Clayton asking him to affix a copy of Perry's wife signature to a letter from Empire to a brokerage firm. The letter gave Perry and Clayton's assistant authority to trade in Empire's brokerage account and to withdraw trading proceeds. Clayton affixed Perry's wife's signature to the letter and returned it to Perry that day.

58. ***Investrio:*** Clayton used a business associate, who was also at times on Clayton's payroll, to act as nominal officer of Investrio. The business associate understood that Clayton controlled the securities held by Investrio.

59. ***Klaja Partners:*** Clayton used Jackson's employee's relative as the nominal officer of Klaja Partners. In a February 25, 2019 letter prepared by Clayton and signed by Jackson, Jackson claimed the Klaja Partners brokerage account as his own, but—consistent with

Perry's role in handling the Clayton Nominees' accounts—Jackson gave Perry "full power and authority" for the "sale of securities."

60. ***Bryan Development and Greenwich Street:*** Jackson was the head of Bryan Development and Greenwich Street but held stock for Clayton's benefit and in aid of Clayton's scheme. Distinct from the other Clayton Nominees, Jackson at times did use these entities for business activities unrelated to holding stock of the Clayton Issuers. Nonetheless, Jackson also used these entities to facilitate Clayton's scheme. For example, in 2018, Bryan Development held stock in Clayton Issuer ForeverGreen, and, in 2019, Bryan Development paid $100,000 to Capital Communications which was sent to ForeverGreen and other Clayton Nominees. Clayton fully repaid the $100,000 in 2022. Then, in August 2022, Greenwich Street acquired $250,000 of Clayton Issuer KwikClick stock, which Clayton again fully repaid in November 2022.

Jackson's False Attorney Opinion Letters and Other Services to Aid Clayton's Scheme

61. Through at least 2020, Clayton kept Jackson as an attorney on a paid retainer, but Jackson continued to act at Clayton's behest thereafter. Jackson provided various services over a period of years to aid Clayton's fraudulent scheme. Most critically, Jackson prepared attorney opinion letters for at least Clayton Nominees Capital Communications, Compass, Empire, Liberty, and Maestro, as well as First Equity. Jackson's letters stated falsely that the conditions of Rule 144 were met, and that Standard Registrar could remove restrictive legends from stock, allowing the stock to be sold publicly without volume limitations. For each of the Clayton Nominees, Jackson received the request to prepare the opinion letter from Clayton or Clayton's employees, received supporting documentation (to the extent he actually received it) from Clayton or Clayton's employees, and delivered finalized letters to Clayton or Clayton's employees. Despite this, Jackson's letters concealed Clayton's involvement, falsely stating that

the nominal officers requested the letters, provided supporting documentation, and received the final letters.

62. Jackson knew or was reckless in not knowing that Clayton controlled the Clayton Nominees and was an affiliate of the Clayton Issuers. Jackson shared an office building with Clayton for decades. Jackson knew that the records for the Clayton Nominees were stored in that same office, and that Clayton had access to records for the Clayton Nominees. Clayton or First Equity employees provided Jackson with backup documentation for Jackson's preparation of opinion letters for Clayton Nominees. Not only did Clayton or his employees request and receive the opinion letters—without the involvement of the Clayton Nominees' nominal officers—Clayton's employees often assisted Jackson in the preparation of opinion letters. Jackson further knew of or recklessly ignored red flags concerning the Clayton Nominees, including that they often shared addresses (one such address was the shared office in which Jackson and Clayton worked). Jackson also personally knew the nominal officers and knew or was reckless in not knowing that they likely did not possess the means to make sizeable (often six-figure) loans to the Clayton Issuers.

Perry's Fraudulent Conduct with Brokerage Firms in Aid of the Scheme

63. Perry served as bookkeeper for Clayton and his entities for many years. Perry maintained records of the Clayton Nominees' stock holdings. Perry prepared tax returns for Clayton Nominees. He received payments, through a business entity, from the Clayton Nominees for his services. Perry also prepared, or assisted in the preparation of, the financial reporting portions of public filings made with the Commission for publicly traded companies with which Clayton was involved.

64. Perry often served as the middleman between Clayton and brokerage firms, coordinating activities for the various Clayton Nominees such as delivering stock deposit forms,

ordering stock sales, and receiving proceeds of those sales. Perry knowingly or recklessly delivered false deposit forms, many purportedly signed by Perry's wife, concerning the Clayton Nominees and the stock to be deposited.

Rieu and Chesapeake's Promotion of the Clayton Issuers to Generate Investor Interest

65. Chesapeake provided promotional services to penny stock companies, which included typical investor relations services such as drafting press releases and fielding investor inquiries, but, most importantly, included canvassing investors and brokers to promote purchases of the stock of issuers. Although Chesapeake had clients independent of Clayton, Chesapeake was largely or entirely dependent on Clayton for funding during periods relevant to this Complaint.

66. Clayton retained Rieu and Chesapeake to generate investor interest in the stock of companies that Clayton held and wanted to sell. Clayton paid Chesapeake over $3.6 million between 2014 and 2024, including payments to Chesapeake that arrived from numerous Clayton Nominees.

67. Rieu knew or was reckless in not knowing that Clayton was engaged in a microcap stock selling scheme. Rieu knew or was reckless in not knowing that Clayton paid Chesapeake through Clayton Nominees as part of Clayton concealing his involvement in the scheme. Rieu knew or was reckless in not knowing that Clayton retained Rieu and Chesapeake to promote stocks because Clayton held those stocks and wished to sell them into an inflated market.

68. In 2023, Clayton learned of the Commission's investigation that led to this action and accordingly directed Rieu to acquire a burner phone to discuss their ongoing activities, and Rieu obliged because he knew or was reckless in not knowing that he and Clayton had been involved in illegal activity.

69. With respect to Flexpoint and ForeverGreen, Clayton compensated Rieu and Chesapeake according to the average price and total trading volume of the stock, thus incentivizing Rieu and Chesapeake to artificially inflate both price and trading volume. Acting accordingly, Rieu traded in stock of Flexpoint and ForeverGreen with the intent of artificially inflating their stock price and trading volume.

70. More broadly, Rieu traded in his own accounts, accounts of a relative, and Chesapeake accounts to repeatedly buy and sell stock of Chesapeake clients (Clayton Issuers and others) for the purpose of artificially inflating the price and trading volume of those stocks.

71. Further, acting separately from Clayton's scheme, Rieu engaged in insider trading of one of Chesapeake's only non-microcap clients, Sidus Space, using material non-public information concerning major upcoming press releases to trade profitably.

FRAUDULENT SALES OF FLEXPOINT STOCK

72. Since at least 2005, Clayton has been intimately involved with financing Flexpoint, during which time Mower has been the CEO of Flexpoint. Clayton controlled Flexpoint and therefore was an affiliate for purposes of his stock sales. Clayton controlled Flexpoint in numerous ways, including owning more than ten percent of Flexpoint stock, acting on Flexpoint's behalf to arrange for promotion of its stock, directing Flexpoint's management (including Mower), accessing Flexpoint's finances, drafting Commission filings, and often providing the sole source of funding for Flexpoint. Further, Mower received a biweekly paycheck through First Equity's payroll company from at least 2021 through at least August 2024.

73. Mower knew or was reckless in not knowing that Clayton was an affiliate of Flexpoint for those same reasons. Mower also knew or was reckless in not knowing that Clayton

was the beneficial owner of the Clayton Nominees. Mower's company relied on financing from the Clayton Nominees to survive, yet Mower did not meet with the nominal officers. Mower instead dealt exclusively, for over a decade, with Clayton and Clayton's administrative staff concerning each such nominee. Mower repeatedly sought financing from the Clayton Nominees through Clayton, received that financing through Perry and Clayton's staff, converted Clayton Nominee loans to Flexpoint stock at Clayton's direction, and otherwise acted at Clayton's direction for Flexpoint.

74. Jackson knew or was reckless in not knowing that Clayton was an affiliate of Flexpoint. Jackson knew that Clayton had made loans to Flexpoint, that Clayton provided advice or consulting services to Flexpoint, and that Clayton was intimately familiar with Flexpoint's operations. Jackson, who shared office space with Clayton, saw Clayton meet frequently with Flexpoint's CEO, Mower, and Jackson performed legal work for Flexpoint coordinated by Clayton. Clayton also provided Jackson with documents relating to the issuance of Flexpoint stock that was the subject of Jackson's opinion letters. Jackson intentionally or recklessly ignored these facts when representing in attorney opinion letters that the Clayton Nominees were not affiliates of Flexpoint. Jackson knew, or was reckless in not knowing, that Clayton was acting through the Clayton Nominees.

75. At various times since 2019, Clayton has beneficially owned through the Clayton Nominees (including Capital Communications, Compass, Empire, Liberty, and Maestro) and First Equity greater than five percent of Flexpoint stock, including owning more than ten percent of Flexpoint stock after transactions on or about January 21, 2021, March 23, 2021, and March 14, 2022. Clayton failed to file with the Commission required reports of his beneficial ownership or disposition of stock.

76. From at least 2014 to 2024, Clayton, aided and abetted by Perry, Jackson, Mower, Rieu, and Chesapeake, and using Standard Registrar, repeatedly undertook a scheme to fraudulently sell Flexpoint stock to the public in an artificially inflated securities market. Transfer and brokerage records show that Clayton repeated this scheme in numerous cycles with the Clayton Nominees, selling at least 45 million shares of Flexpoint. Examples include:

Fraudulent Sales of Flexpoint Stock Issued in July 2019

77. Clayton coordinated the conversion and subsequent sale of stock by different Clayton Nominees. For example, the Clayton Nominee Capital Communications purportedly made convertible loans to Flexpoint in 2016. All of the funds for these loans ultimately came from Clayton, and the loans were made to benefit Clayton. To avoid conversion of a reportable amount of stock by Capital Communications, in 2016 and 2017, those loans were purportedly assigned to Clayton Nominees Empire and Compass, having the effect of further concealing Clayton's ownership. In 2019, Clayton then undertook a series of deceptive and misleading steps to sell this Flexpoint stock to investors. Each of Perry, Jackson, Mower, Rieu, and Chesapeake aided and abetted Clayton in this process, and Clayton used Standard Registrar to further effect the scheme.

78. First, Clayton directed Flexpoint's CEO, Mower, to sign and return two $150,000 promissory notes on July 3, 2019, but backdated to January 20, 2016. Backdating loans was important to Clayton's scheme because the Rule 144 safe harbor includes a holding period requirement for shares acquired from an issuer in an unregistered transaction before they can be resold.

79. Second, although the two backdated promissory notes had just been executed by Mower on July 3, 2019, the Clayton Nominees fraudulently utilized documentation that

purportedly assigned the notes in years prior: one $150,000 note to Empire on April 15, 2016 and another to Compass on January 10, 2017. Splitting the notes between two Clayton Nominees was also important to Clayton's scheme, to avoid any one nominee holding an amount of stock requiring public disclosure through a Commission filing.

80. Third, after splitting the convertible note across the two nominee entities, Clayton converted the debt to stock. The same day that Mower signed the backdated notes, July 3, 2019, Flexpoint issued 3.65 million shares of stock to Empire and then on July 16, 2019, Flexpoint issued 3.2 million shares to Compass. In reality, Clayton owned these shares, had the power to direct their disposition, and benefitted from their sale. The total 6.85 million shares of Flexpoint stock would have been approximately six percent of outstanding shares, requiring reporting to the Commission on Schedule 13D.

81. Fourth, Clayton sought and received attorney opinion letters from Jackson—containing false representations—in order to remove restrictive legends and deposit the stock at a brokerage firm. Jackson issued such attorney opinion letters for both Empire and Compass, dated July 5, 2019 and November 22, 2019, respectively. Among other things, Jackson's letters falsely stated that the letter was requested by the nominee entity, that the documents had been provided by the nominee entity, and that the nominee entity had never been an affiliate of Flexpoint. Those representations were false, because, as Jackson knew or was reckless in not knowing, Clayton had requested the letters, Clayton provided any purported supporting documents, Clayton was the beneficial owner of Empire's and Compass's stock holdings, and Clayton was an affiliate of Flexpoint.

82. Fifth, on July 5, 2019, purportedly in reliance on Jackson's letter, Standard Registrar removed restrictive legends for 3.65 million shares of Flexpoint stock for Empire. On

July 18, 2019—apparently without receiving the yet-to-be-written November 22, 2019 attorney opinion letter—Standard Registrar removed restrictive legends on the 3.2 million shares of Flexpoint stock for Compass.

83. Sixth, Mower signed board resolutions and letters, drafted by Clayton or his staff, that issued the shares and attested that each of Capital Communications, Empire, and Compass "are not currently, nor have they ever been an . . . affiliate of Flexpoint." Mower then returned the letters to Clayton or his staff.

84. Seventh, now holding unrestricted stock, Clayton needed to deposit it at a brokerage firm to sell it to the public. To do so, Perry assisted Clayton in submitting (a) the false Jackson letters, (b) the false Mower letters, and (c) false brokerage deposit forms for Empire and Compass. For these deposit forms, the brokerage firm required that entities depositing stock make representations about that stock signed under penalty of perjury (here by Perry's wife as nominal officer of Empire, and separately the nominal officer of Compass). The Empire forms were signed by Perry's wife, either at Perry's direction or by Clayton or Perry affixing a copy of her signature. The Compass forms were signed by the nominal officer of Compass at the direction of Clayton or his staff. The forms falsely represented to the brokerage firm, among other things, that Empire and Compass were not:

a. "Affiliates" of Flexpoint, which was false because Clayton controlled each entity and was an affiliate of Flexpoint;

b. Engaged in "promotional efforts regarding the Issuer," which was false because Clayton—at times through Empire and Compass—was paying Rieu and Chesapeake for stock promotion;

c. Engaged in a "plan to violate or evade the registration provisions of the Securities Act or any other federal or state law or regulation," which was false, because, among other things, Clayton structured these transactions to evade registration requirements;

d. "Coordinated with possible sales by other stockholders," which was false because Clayton was coordinating sales activity with the other Clayton Nominees; and

e. Beneficial owners of more than the number of shares deposited (here 3.2 million and 3.65 million), which was false because Clayton beneficially held additional Flexpoint stock through the Clayton Nominees.

85. After attempting to deposit the stock, the brokerage firm found Jackson's attorney opinion letters to be deficient and required Jackson to submit corrected letters, which Clayton directed Perry to further assist in obtaining. The brokerage firm, having received an amended letter from Jackson, permitted the deposit of Flexpoint shares "based on [Jackson's] underlying conclusions that the customer is not an affiliate of the issuer and has been the beneficial owner of the securities for more than one year."

86. Eighth, Clayton coordinated with Mower, Rieu, and Chesapeake to issue positive news to artificially inflate the price and trading volume of Flexpoint stock prior to sales by the Clayton Nominees. For example, in late July 2019, Mower sent Clayton and Rieu a press release announcing Flexpoint's filing of a new patent; then on August 13, 2019, Mower sent Rieu and Clayton a draft press release announcing that Flexpoint's revenue had increased by 1,019 percent; and, on October 3, 2019, Rieu discussed with Mower and Clayton press releases for a "big announcement that will really move the stock." During this same period, Rieu, through his and Chesapeake's brokerage accounts, actively traded Flexpoint stock to create an artificial

appearance of interest by investors. Rieu did so despite Chesapeake policies prohibiting trading in the stock of companies to which it provided investor relations services.

87. Finally, Clayton, aided by Perry, needed to sell Flexpoint stock to an artificially inflated market. From August 2019 to December 2019, Empire sold over 3.65 million shares of Flexpoint stock to the public, and from May 2020 to September 2020, Compass sold 3.2 million shares of Flexpoint stock to the public, both of them exceeding the Rule 144 volume limitation of one percent of Flexpoint stock in a three-month period. Clayton's sales through Empire and Compass were illegal because Clayton, as both an affiliate of Flexpoint and beneficial owner of Empire's and Compass's shares, could not legally sell Flexpoint stock to the public in an unregistered transaction.

Fraudulent Sales of Flexpoint Stock Issued in January 2021

88. Clayton repeated the Flexpoint scheme in 2021. Clayton converted purported loans made by Capital Communications to Flexpoint in 2016 and 2017, all of the funds for which ultimately came from Clayton, and the loans were made to benefit Clayton. These convertible loans were then purported to be partially assigned from Capital Communications to Empire and Compass.

89. At least some payments from Empire to Capital Communications to acquire the 2016 Flexpoint loan were sham payments—merely shifting money among Clayton Nominees in a series of transactions designed to create the false appearance that Empire paid Capital Communications to acquire the convertible loan:

a. On January 6, 2021, Compass drew $100,000 from a line of credit belonging to Clayton;

b. On January 8, 2021, Compass sent $100,000 to Capital Communications;

c. Later on January 8, 2021, Capital Communications sent $50,000 to Empire;

d. With a check dated January 12, 2021, Empire sent $40,000 back to Capital Communications;

e. On January 14, 2021, Capital Communications sent $80,000 to Compass;

f. On January 19, 2021, Compass sent $50,000 back to Capital Communications;

g. On January 20, 2021, Capital Communications sent $50,000 to Empire; and

h. With a check dated January 21, 2021, Empire sent $50,000 back to Capital Communications.

90. The checks for the January 12, 2021 and January 21, 2021 payments from Empire to Capital Communications were subsequently submitted to a brokerage firm as part of the purported proof that Empire paid Capital Communications to acquire its 2016 Flexpoint convertible loan. Further, in connection with a different issuance of Flexpoint stock to Capital Communications and Empire in March 2022, Clayton reused the checks dated January 12, 2021 and January 21, 2021 to purportedly show Empire purchasing from Capital Communications a different Flexpoint convertible loan purported to be dated in 2020.

91. After the purported assignment of the loans, all three Clayton Nominees converted the loans to Flexpoint stock. On January 21, 2021, Flexpoint issued to Empire over 4.2 million shares, Capital Communications over 5.1 million shares, and Compass over 5.2 million shares.

92. Clayton again split shares among Empire, Capital Communications, and Compass to avoid public disclosure and again hide his overall ownership of Flexpoint. The total of over 14.5 million shares of Flexpoint stock would have been approximately twelve percent of outstanding shares, requiring reporting on Schedule 13D, and Forms 3, 4, and 5.

93. Relying on the same process described above, Clayton, aided and abetted by Jackson, Perry, Mower, Rieu, and Chesapeake, and using Standard Registrar, engaged in a scheme to deposit the Flexpoint stock and sell it to investors in the public markets.

94. Jackson provided attorney opinion letters for each Clayton Nominee dated February 2, 2021, March 5, 2021, and May 25, 2021. Jackson's letters contained false statements similar to the false statements made in connection with the July 2019 issuance of Flexpoint stock, including false statements about affiliation status.

95. Standard Registrar, acting solely at the direction of Clayton or Clayton's staff for each Clayton Nominee, issued the Flexpoint shares and removed restrictive legends, purportedly in reliance on attorney opinion letters from Jackson.

96. Mower again signed letters falsely attesting that the Clayton Nominees were not affiliates of Flexpoint. Further, on March 11, 2021, Mower subsequently agreed with Clayton to falsely backdate the conversion of the Capital Communications debt to December 2020 rather than in 2021. This allowed Flexpoint to file a 2020 annual report on March 31, 2021, falsely reflecting that Flexpoint had decreased its outstanding debt in 2020.

97. Perry further aided in depositing stock for all three Clayton Nominees at brokerage firms. Each such deposit required the submission of the Jackson and Mower letters and brokerage deposit forms, all of them containing false statements.

98. Clayton again coordinated with Mower, Rieu, and Chesapeake to issue positive news to inflate the price and trading volume of Flexpoint's stock. Clayton reviewed numerous draft press releases created in coordination with Mower, Rieu, and Chesapeake throughout the period that the Clayton Nominees began to sell stock. On August 13, 2021, Clayton emailed Mower that he "had a long conversation with Tim [Rieu] about . . . why [a Flexpoint employee]

can't focus on writing releases" and Rieu "said he was going to speak to [the employee]. So #1 I'm looking for a release." The purpose of issuing press releases was to generate investor interest in Flexpoint stock. During a period of issuing releases from April 2021 to August 2021, Rieu, trading in his own account and on behalf of Chesapeake, traded in Flexpoint stock on 44 out of 99 business days. Rieu traded with the purpose of creating an artificial appearance of interest by investors.

99. Finally, Clayton, aided by Perry, sold over 15 million shares of Flexpoint stock held by the Clayton Nominees in two promotional periods from April 2021 to September 2021 and April 2022 to February 2023. Sales by each of Capital Communications, Empire, and Compass exceeded one percent of Flexpoint stock in a three-month period. Each of the entities' sales were illegal because Clayton, as both an affiliate of Flexpoint and a beneficial owner of each nominee's shares, could not legally sell Flexpoint stock to the public in an unregistered transaction.

FRAUDULENT SALES OF FOREVERGREEN STOCK

100. Since at least 2008, Clayton served as a director of ForeverGreen. He became ForeverGreen's secretary in 2014 and its treasurer in 2020. By virtue of owning over ten percent of ForeverGreen stock, his positions with ForeverGreen, and his ability to direct its operations and management, Clayton controlled ForeverGreen and therefore was an affiliate.

101. In 2022, Clayton requested from ForeverGreen a ledger of "my historical loans as well as my current loans" and received a ledger identifying Empire and Capital Communications loans as "John Clayton Notes."

102. Clayton repeated his stock selling scheme in multiple rounds with ForeverGreen. First Equity, Jackson, Perry, Rieu, Chesapeake, and Standard Registrar each repeated their roles

from the Flexpoint scheme. Jackson assisted Clayton in removing restrictive legends, Standard Registrar removed restrictive legends, Perry deposited shares in brokerage accounts on the basis of false representations, Rieu and Chesapeake promoted ForeverGreen stock, and Clayton then sold the stock to the investing public via Clayton Nominees.

103. Since at least 2014, Clayton Nominees have fraudulently sold over 2 million shares of ForeverGreen. These sales frequently exceeded the one percent per three-month period volume limitation for affiliates. In addition, Clayton failed to file forms related to his beneficial ownership and disposition of stock as required by the federal securities laws, further concealing his beneficial ownership of this stock from the public.

104. Rieu and Chesapeake engaged in promotional and trading activity designed to allow Clayton to sell ForeverGreen stock into an artificial market. For example, on December 19, 2018, Rieu sought additional promotion of ForeverGreen stock because, after issuing press releases, Rieu was "[n]ot seeing the effect I thought we would get out of the news." Chesapeake subsequently paid for a stock newsletter company to publish articles on ForeverGreen stock, variously describing it as "Bargain Hunter's Paradise?", "Grossly Undervalued," and "Turnaround Underway." To artificially affect the market ForeverGreen stock, Rieu, acting on his own behalf and through Chesapeake, traded in ForeverGreen stock on over 100 days.

105. Clayton, aided and abetted by Jackson, took additional deceptive steps in the ForeverGreen scheme. In 2020, a ForeverGreen officer raised concerns with ForeverGreen's auditors that the company had engaged in undisclosed related-party transactions with Clayton Nominees including Jackson's company Bryan Development. ForeverGreen engaged Jackson—despite Jackson's relationship to Clayton and the investigation involving an entity controlled by Jackson himself—to conduct an internal investigation to determine if the officer's allegations

had merit. Jackson's investigation concluded that there were not undisclosed related-party transactions. Ultimately, Clayton, in his capacity as ForeverGreen's board chairman, signed a letter falsely representing to ForeverGreen's auditors that the Clayton Nominees "Capital Communications, Empire Funds Management [sic] . . . Liberty Partners, and Compass Equity Partners are not currently related parties."

FRAUDULENT TRANSACTIONS WITH KWIKCLICK STOCK

106. Since at least 2022, Clayton has been involved in the business of KwikClick. Clayton at times owned more than ten percent of KwikClick stock and directed its operations and management. Clayton drafted press releases and dictated schedules for releases, managed KwikClick's stock listing process, drafted board resolutions and Commission filings, and had full access to KwikClick's corporate records. In a text message dated October 14, 2023, Clayton instructed KwikClick's CEO to make Clayton "feel like I'm your partner and not someone who has to ask to be involved with [the] ownership or profits."

107. Together, Clayton Nominees at times held over twenty percent of KwikClick shares in 2022 and over sixteen percent in 2023. Clayton failed to file forms with the Commission related to his beneficial ownership of stock as required by the federal securities laws.

108. Despite knowing or recklessly not knowing that Clayton had engaged in fraudulent stock selling schemes for years, Jackson continued to participate in Clayton's microcap activity as recently as 2024. In 2022 and 2024, respectively, Jackson caused Greenwich Street and Klaja Partners to purchase KwikClick stock that was beneficially owned by Clayton. In addition, Jackson—at Clayton's direction—acted as the escrow agent for acquisition of KwikClick stock by Clayton Nominees and others. Finally, Jackson assisted

Clayton and KwikClick in responding to a regulatory inquiry concerning promotion and sale of KwikClick stock. KwikClick's written response to the regulator was drafted and reviewed by Jackson and Clayton. The regulator asked KwikClick to identify a primary contact at Investrio, which was a Clayton Nominee, and the letter falsely identified the nominal officer for Investrio while concealing Clayton's role.

109. Clayton had not sold the KwikClick stock through any known Clayton Nominee at the time of the Commission's investigation that led to this action. Nonetheless, Clayton had begun the stock promotional phase of his scheme which typically preceded his illicit sales, again paying Chesapeake and working with Rieu. In September 2023, Clayton directed Rieu to issue a series of "6 new press releases" to boost KwikClick stock. In November 2023, Clayton sought from KwikClick's CEO drafts of four "press releases ASAP" to aid "the market, values, and a capital raise and market uplift."

FRAUDULENT TRANSACTIONS WITH LZG INTERNATIONAL STOCK

110. Beginning by 2009, Clayton maintained LZG International as a public, non-operating shell company with the purpose of merging with an operating microcap company. The same business associate whom Clayton installed as the nominal officer of Investrio also served as the nominal officer of LZG International when it was a shell company, but that person had no control over LZG International. Instead, the business associate signed required Commission filings and corporate documents as directed by Clayton or his staff. The filings contained various false statements, including that the business associate held stock in LZG International and that LZG International owed moneys to certain of the Clayton Nominees.

111. Clayton, with Jackson's assistance, arranged for LZG International to bring FatBrain LLC public by acquiring its assets. Following the acquisition, which took place on or

about October 23, 2021, Clayton at times owned more than five percent of LZG International stock and directed its operations and management. Clayton told LZG International management when to pay certain invoices and he directly paid invoices on behalf of the company. Clayton drafted LZG International board resolutions and instructed a board member to sign such a resolution. Clayton also managed LZG International's stock listing process.

112. Clayton used the Clayton Nominees to conceal his ownership of stock in LZG International. Clayton directly funded the Clayton Nominees' acquisition of LZG International Stock. For example, on June 7, 2023, Clayton's staff emailed Perry that "John [Clayton] has a fairly significant acquisition of shares that will probably make . . . around 7.5 million dollars, do we have a company that has big losses that we could buy it in and his thoughts were Investrio, or would Compass, Liberty & Empire be best?" Perry responded that he had reviewed draft tax returns for Compass, Empire, Liberty and Maestro, but determined that "Investrio by far has the biggest losses." The next day on June 8, 2023, Clayton directed his bank to "transfer $610,000 from First Equity's . . . account into Investrio's new account . . . [t]hen a wire of $600,000 needs to be sent to the wire instruction below [to FatBrain] from Investrio's account."

113. Clayton, through the Clayton Nominees, has beneficially owned over six percent and over seven percent of LZG International shares in 2023 and 2024, respectively. Clayton failed to file forms with the Commission related to his beneficial ownership of stock as required by the federal securities laws.

114. Again, despite knowing or recklessly not knowing that Clayton had repeatedly engaged in fraudulent microcap stock selling schemes, Jackson assisted Clayton with preparing to sell LZG International stock in the public securities markets. Jackson knew, or was reckless in not knowing, that Clayton was an affiliate of LZG International. Among other things, Jackson

worked closely with Clayton on LZG International's transaction with FatBrain. Following the transaction, Jackson provided attorney opinion letters to assist Clayton in selling LZG International stock.

115. Clayton had not yet sold LZG International stock through any known Clayton Nominee at the time of the Commission investigation. Clayton, however, had begun the process of depositing stock with a brokerage firm on behalf of First Equity and the Clayton Nominees, on the basis of false representations.

116. Clayton had also begun the stock promotional phase of his scheme, again paying Chesapeake and working with Rieu. For example, in August 2023, Clayton directed Rieu to "take the financial release and split it in[to] two" press releases to boost LZG International stock. Chesapeake and Rieu engaged in further promotional and trading activity.

RIEU AND CHESAPEAKE ENGAGED IN SECURITIES FRAUD WITH CLAYTON AND INDEPENDENT OF CLAYTON

117. Rieu, as president of Chesapeake, gained knowledge about Chesapeake's investor relations clients and was privy to inside information about those companies. He generally held weekly calls with clients to stay apprised of their business and to discuss potential press releases and the timing of those releases. At all times relevant to this action, Chesapeake maintained a written policy that prohibited employees, including Rieu, from owning or trading in client securities to avoid employees abusing their access to the companies and trading while "privy to inside information regarding that Client's activities which may be deemed to be of a material nature." Rieu, however, regularly traded in client securities in personal and Chesapeake brokerage accounts.

118. Therefore, in addition to aiding and abetting Clayton's scheme through investor relations and promotional work, Rieu and Chesapeake violated the securities laws in three ways.

First, Rieu, acting on his own behalf and through Chesapeake, traded in client stock with the intent of benefiting clients by artificially inflating the price of the stock and providing artificial liquidity to the stocks. Second, Rieu profited from his illegal trading on the basis of material non-public information about a client stock. Third, Rieu and Chesapeake touted clients to the public without adequately disclosing their compensation, as required by law.

Rieu and Chesapeake Traded Stock to Artificially Affect Price and Trading Volume

119. Rieu often engaged in trading of Chesapeake client stock, not to generate a trading profit but instead to artificially inflate the price and trading volume of client stocks to attract investors to the stock. For both Clayton and other clients, Rieu traded to boost his clients' stock, so they would continue to compensate Chesapeake. To do so, Rieu often traded to stabilize a client's stock price in falling markets. Other trading took place around the time of client press releases and was intended to condition the market ahead of the news. Rieu, on his own behalf and through Chesapeake, frequently traded in client securities, and the trading often constituted a significant percentage of the market for client securities, as shown below:

Issuer	Days Traded	Days Over 10% of Traded Volume	Days Over 50% of Traded Volume
C-Bond Systems	66	15	1
Flexpoint Sensor Systems	203	120	16
ForeverGreen Worldwide	131	104	50
LZG International	22	9	1
Pressure BioSciences	81	45	12

Rieu's Fraudulent Trading in Clayton Issuer Stock

120. Rieu's trading in Flexpoint, ForeverGreen, and LZG International was designed to allow Clayton to sell stock at higher prices. To incentivize Rieu to artificially inflate the price and volume of Flexpoint and ForeverGreen specifically, Clayton paid Chesapeake a percentage, often ten percent, of the overall amount of stock traded in the market, determined by multiplying

a stock's average price by all trading volume. For example, on June 4, 2020, Rieu sought payment from Clayton by sending him a spreadsheet of "Chesapeake Activity" which showed the market's daily traded volume and price for Flexpoint and ForeverGreen. Rieu identified a period when the entire market traded $180,000 of Flexpoint and ForeverGreen, and Rieu requested payment of at least $18,000 from Clayton.

121. Clayton knew that Rieu traded in the Clayton Issuers to artificially inflate the price of Clayton Issuers. For example, on February 19, 2019, Clayton emailed Rieu to give guidance about "how you are currently trading." On September 11, 2019, Rieu promised Clayton for ForeverGreen he would "get the stock [price] up," and Rieu then purchased 42,217 ForeverGreen shares in Chesapeake accounts the following week. In another instance with Flexpoint, on August 25, 2020, Rieu wrote to Clayton asking for his payment because "we did buy all the FLXT." Rieu, through Chesapeake, purchased 258,000 shares of Flexpoint in July and August 2020.

Rieu's Fraudulent Trading in Pressure BioSciences Stock

122. Separate from the above-described conduct concerning the Clayton Issuers, Rieu, acting on his own and through Chesapeake, engaged in a coordinated campaign to artificially increase the price and trading volume of client Pressure BioSciences' stock. Beginning in or around September 2018, Pressure BioSciences engaged Chesapeake and two other firms for stock promotional services.

123. On January 22, 2019, Rieu wrote to the other promotional firms memorializing an agreement to trade in their own accounts to increase the price of Pressure BioSciences stock, making it appear more attractive, while promoting the security to investors:

> Ok team, Friday we all agreed to jump in early and get bids and take the offer. Chesapeake has done 2000 [shares] at 2.30 and we

> are the bid at 2.10 for 1500 [shares]. The 200 share bids are cute but can we all jump in as discussed and get some real buying. . . . Either Lead, Follow or get the f[***] out of the way. We have another 1000 [shares] coming at the offer in less then 10 minutes.

124. Rieu later wrote, "Love to get it to 2.60 today," referring to the stock price. The trades described by Rieu were executed in Rieu's personal brokerage account. That day, January 22, 2019, Rieu entered orders to buy 6,500 shares and bought 3,000 shares. In total, Pressure BioSciences traded 6,800 shares and closed at $2.28 per share compared to 2,380 shares and $2.20 per share the prior trading day.

125. On January 29, 2019, after Pressure BioSciences' CEO instructed that a news release "can't fail," *i.e.*, could not fail to increase the price of Pressure BioSciences stock, Rieu-controlled accounts entered orders to buy 3,500 shares and bought 938 shares. Pressure BioSciences traded 10,256 shares and closed at $2.64 per share compared to 2,828 shares and $2.05 per share the prior trading day.

126. On June 12, 2019, Pressure BioSciences' CEO wrote to Rieu that after issuing a press release, "We need market support" and that "We have traded 100 shares today and the highest current bid is $2.70." Rieu responded, "We have buying in at 2.90 and more coming." Around the same time as Rieu's email, Chesapeake and Rieu accounts began sending buy orders for 1,500 shares with limit prices at $2.80 per share and $2.90 per share, which had the effect of increasing the price and liquidity of Pressure BioSciences stock.

Rieu's Fraudulent Trading in C-Bond Systems Stock

127. While not in coordination with other firms, Rieu and Chesapeake traded to artificially affect client C-Bond's stock as well. On April 14, 2021, C-Bond filed with the Commission its 2020 annual report on Form 10-K, which provides important financial information to investors. The next day, on April 15, 2021, C-Bond's CEO emailed Rieu with the

directive "Let's bring it back by close!" This was a directive to increase C-Bond's stock price by that day's close of trading. When the stock price decreased, Rieu wrote, "What's going on? . . . We have been buying a ton today. . . I personall[y] have bought 600,000 [shares] so far today." That day, Rieu bought 650,000 shares of C-Bond stock to arrest the falling stock price.

128. To further incentivize Rieu and Chesapeake's artificial inflation of C-Bond stock, beginning in or about October 2021, C-Bond used a compensation model similar to that of Clayton, paying Chesapeake based on the average closing price of the stock. On January 31, 2023, C-Bond's CEO again complained about the price of C-Bond stock. Rieu advertised his buying with the hopes of continuing the engagement, stating, "I commit a lot of resources and $$ to the market every week."

RIEU'S INSIDER TRADING IN SIDUS SPACE STOCK

129. In June 2022, Chesapeake client Sidus Space announced its participation in a large NASA contract to build the next generation of space suits. Following the news, Sidus Space's stock price rose over 200% from the previous day. Rieu traded on the basis of material non-public information about Sidus Space's announcement, profiting in the amount of $28,641.

130. Chesapeake and Sidus Space entered into an agreement for investor relations services on March 2, 2022. Chesapeake and Rieu both owed a duty of confidence to Sidus Space, and, as an investor relations firm, were temporary insiders of Sidus Space. Rieu further told Sidus Space's CEO that Chesapeake had a duty of confidence to Sidus Space, assuring her that Chesapeake "can't share" and "never release[s]" news before it is public.

131. Rieu violated this duty by trading on the basis of his knowledge of drafts that Sidus Space management provided to him for an upcoming June 15, 2022 press release. On June 14, 2022 at 12:38 p.m., Rieu wrote to Sidus Space management stating that Sidus Space's CEO had requested "to have the draft sent to [Chesapeake's COO] and I to help with edits." In

response, at 12:58 p.m., Sidus Space staff sent Rieu a draft of the press release concerning the NASA spacesuit contract, and at 1:22 p.m., Chesapeake's COO, copying Rieu, responded with proposed edits to the press release.

132. Starting two minutes later, on June 14, 2022, between 1:24 p.m. and 5:36 p.m., Rieu purchased 5,066 shares of Sidus Space stock.

133. Sidus Space published the NASA contract press release at 9:00 a.m. on June 15, 2022. Sidus Space's stock price increased to $4.68 per share compared to a closing price of $1.44 per share on June 14, 2022. Rieu sold 5,000 shares of Sidus Space on June 15, 2022 at 9:32 a.m.

134. On June 15, 2022 at 1:20 p.m., Rieu wrote to Sidus Space's CEO, "Big difference, we were ready for this one, great release stock almost doubling."

135. The following day, Sidus Space's stock price continued to increase to over $7.00 per share, and on June 16, 2022, Rieu sold an additional 4,000 shares of Sidus Space stock held in a relative's brokerage account. Rieu had acquired and attempted to sell those shares on the basis of additional material non-public information the prior month. Rieu bought the 4,000 shares on May 5, 2022 in a relative's brokerage account after receiving from Sidus Space, on May 3, 2022, a draft press release concerning a memorandum of understanding with an Indian space company, and, on May 4, 2022, a draft quarterly financial report on SEC Form 10-Q. Rieu twice attempted to sell shares at higher prices after the release of these two pieces of news, but he set limit prices that were too high, and his sale orders went unfilled. Rieu was not able to profit from his illegal trading until after the NASA contract press release.

136. Rieu knew, or was reckless in not knowing, that the draft press releases and draft Commission filing he received on May 3, May 4, and June 14, 2022, were nonpublic. Further, as

an investor relations consultant with decades of experience and who regularly opined on the impact that press releases would have on the stock market, Rieu knew, or was reckless in not knowing, that the information in these releases was material.

RIEU AND CHESAPEAKE ILLEGALLY TOUTED CLIENT STOCK

137. Since at least January 2019, Chesapeake promoted stock of various clients while failing to disclose the compensation that Rieu and Chesapeake received for the promotions. Chesapeake staff, at Rieu's direction, engaged in mass email and calling campaigns to share information and encourage investors to purchase the stock of Chesapeake clients. To the extent Chesapeake staff disclosed that Chesapeake was compensated, they disclosed only that Chesapeake was "compensated, either directly or via a third party to provide investor relations services." This disclosure failed to state the amount of compensation received by Chesapeake and Rieu as is required by the securities laws.

138. Clayton paid Rieu and Chesapeake to promote Flexpoint, ForeverGreen, LZG International, and KwikClick. Other clients, Pressure BioSciences, C-Bond, and Sidus Space, separately retained and compensated Chesapeake to promote their stock.

139. Rieu and Chesapeake executed statute of limitations tolling agreements with the Commission tolling the period March 25, 2024 through August 23, 2024.

FIRST CLAIM FOR RELIEF
FRAUD IN THE OFFER OR SALE OF SECURITIES

Violations of Section 17(a)(2) of the Securities Act
(Clayton, First Equity)

140. Paragraphs 1 through 139 above are re-alleged and incorporated by reference as if fully set forth herein.

141. By reason of the conduct described above, Clayton and First Equity, directly or indirectly, in connection with the offer or sale of securities, by the use of the means or

instrumentalities of interstate commerce or of the mails, directly or indirectly, acting intentionally, knowingly, recklessly, or negligently, obtained money or property by means of untrue statements of material fact or by omitting to state material facts necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading.

142. By reason of the conduct described above, Clayton and First Equity violated Securities Act Section 17(a)(2) [15 U.S.C. § 77q(a)(2)] and will continue to violate that section unless enjoined.

SECOND CLAIM FOR RELIEF
FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES

Violations of Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder (Clayton, First Equity)

143. Paragraphs 1 through 139 above are re-alleged and incorporated by reference as if fully set forth herein.

144. By reason of the conduct described above, Clayton and First Equity, directly or indirectly, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce or of the mails, or of any facility of any national securities exchange, intentionally, knowingly, or recklessly made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

145. By reason of the conduct described above, Clayton and First Equity violated Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5(b) [17 C.F.R. § 240.10b-5(b)] thereunder and will continue to violate that section and rule unless enjoined.

THIRD CLAIM FOR RELIEF
FRAUD IN THE OFFER OR SALE OF SECURITIES

Violations of Sections 17(a)(1) and (3) of the Securities Act
(Clayton, First Equity, Standard Registrar, Rieu, Chesapeake)

146. Paragraphs 1 through 139 above are re-alleged and incorporated by reference as if fully set forth herein.

147. By reason of the conduct described above, Clayton, First Equity, Standard Registrar, Rieu, and Chesapeake, directly or indirectly, in connection with the offer or sale of securities, by the use of the means or instrumentalities of interstate commerce or of the mails, directly or indirectly, acting intentionally, knowingly, recklessly, or negligently: (i) employed devices, schemes, or artifices to defraud; and (ii) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon any persons, including purchasers or sellers of securities.

148. By reason of the conduct described above, Clayton, First Equity, Standard Registrar, Rieu, and Chesapeake violated Securities Act Sections 17(a)(1) and (3) [15 U.S.C. § 77q(a)(1) and (3)] and will continue to violate those sections unless enjoined.

FOURTH CLAIM FOR RELIEF
FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES

Violations of Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) thereunder
(Clayton, First Equity, Standard Registrar, Rieu, Chesapeake)

149. Paragraphs 1 through 139 above are re-alleged and incorporated by reference as if fully set forth herein.

150. By reason of the conduct described above, Clayton, First Equity, Standard Registrar, Rieu, and Chesapeake, directly or indirectly, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce or of the mails, or

of any facility of any national securities exchange, intentionally, knowingly, or recklessly: (i) employed devices, schemes, or artifices to defraud; and (ii) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any persons, including purchasers or sellers of securities.

151. By reason of the conduct described above, the Clayton, First Equity, Standard Registrar, Rieu, and Chesapeake violated Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c) thereunder [17 C.F.R. § 240.10b-5(a) and (c)] and will continue to violate that section and those rules unless enjoined.

FIFTH CLAIM FOR RELIEF
FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES
INSIDER TRADING

Violations of Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) thereunder (Rieu)

152. Paragraphs 1 through 139 above are re-alleged and incorporated by reference as if fully set forth herein.

153. By reason of the conduct described above, Rieu, directly or indirectly, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce or of the mails, or of any facility of any national securities exchange, intentionally, knowingly, or recklessly, (i) employed devices, schemes, or artifices to defraud; and (ii) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any persons, including purchasers or sellers of securities.

154. By reason of the conduct described above, Rieu violated Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c) thereunder [17 C.F.R. § 240.10b-5(a) and (c)] and will continue to violate that section and those rules unless enjoined.

SIXTH CLAIM FOR RELIEF
UNREGISTERED OFFERINGS OF SECURITIES

Violations of Sections 5(a) and 5(c) of the Securities Act
(Clayton, Jackson, Standard Registrar)

155. Paragraphs 1 through 139 above are re-alleged and incorporated by reference as if fully set forth herein.

156. By reason of the conduct described above, Clayton, Jackson, and Standard Registrar, directly or indirectly: (a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of a prospectus or otherwise, Flexpoint securities as to which no registration statement has been in effect and for which no exemption from registration has been available; and/or (b) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell, through the use or medium of a prospectus or otherwise, Flexpoint securities, as to which no registration statement has been filed.

157. As a result, Clayton, Jackson, and Standard Registrar violated Section 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)] and will continue to violate those sections unless enjoined.

SEVENTH CLAIM FOR RELIEF
AIDING AND ABETTING

Aiding and Abetting Violations of Section 17(a)(1) and (3) of the Securities Act
(Jackson, Perry, Mower, Rieu, Chesapeake)

158. Paragraphs 1 through 139 above are re-alleged an incorporated by reference as if fully set forth herein.

159. By reason of the conduct described above, Clayton and First Equity, directly or indirectly, in the offer or sale of securities, by the use of the means or instrumentalities of interstate commerce or of the mails, or of any facility of any national securities exchange,

intentionally, knowingly, recklessly, or negligently: (i) employed devices, schemes, or artifices to defraud; and (ii) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon any persons, including purchasers or sellers of securities.

160. Jackson, Perry, Mower, Rieu, and Chesapeake each knowingly or recklessly provided substantial assistance to Clayton and First Equity in their violations of Section 17(a)(1) and (3) of the Securities Act. Therefore, per Section 15(b) of the Securities Act [15 U.S.C. § 77o(b)], Jackson, Perry, Mower, Rieu, and Chesapeake each violated Sections 17(a)(1) and (3) of the Securities Act and will continue to violate those sections unless enjoined.

EIGHTH CLAIM FOR RELIEF
AIDING AND ABETTING

Aiding and Abetting Violations of Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) Thereunder (Jackson, Perry, Mower, Rieu, Chesapeake)

161. Paragraphs 1 through 139 above are re-alleged and incorporated by reference as if fully set forth herein.

162. By reason of the conduct described above, Clayton and First Equity, directly or indirectly, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce or of the mails, or of any facility of any national securities exchange, intentionally, knowingly, or recklessly: (i) employed devices, schemes, or artifices to defraud; and (ii) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any persons, including purchasers or sellers of securities.

163. Jackson, Perry, Mower, Rieu, and Chesapeake knowingly or recklessly provided substantial assistance to Clayton and First Equity in their violations of Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) thereunder. Therefore, per Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Jackson, Perry, Mower, Rieu, and Chesapeake each violated

Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) thereunder and will continue to violate that section and those rules unless enjoined.

NINTH CLAIM FOR RELIEF
FAILURE TO DISCLOSE SECURITIES HOLDINGS

Violation of Section 13(d) of the Exchange Act and Rule 13d-1 thereunder (Clayton)

164. Paragraphs 1 through 139 above are re-alleged and incorporated by reference as if fully set forth herein.

165. Pursuant to Exchange Act Section 13(d) and Rule 13d-1 thereunder, persons who are directly or indirectly the beneficial owners of more than five percent of the outstanding shares of a class of voting equity securities registered under the Exchange Act are required to file a Schedule 13D within ten days of the date on which their ownership exceeds five percent.

166. Clayton had an obligation to file with the Commission true and accurate reports with respect to his ownership of Flexpoint, KwikClick, and LZG International stock pursuant to Exchange Act Section 13(d) and Rule 13d-1 thereunder, but failed to do so.

167. By reason of the foregoing, Clayton violated, and, unless enjoined and restrained will continue to violate, Section 13(d) of the Exchange Act [15 U.S.C. § 78m(d)] and Rule 13d-1 thereunder [17 C.F.R. § 240.13d-1].

TENTH CLAIM FOR RELIEF
FAILURE TO DISCLOSE SECURITIES HOLDINGS

Violations of Section 16(a) of the Exchange Act and Rule 16a-3 thereunder (Clayton)

168. Paragraphs 1 through 139 above are re-alleged and incorporated by reference as if fully set forth herein.

169. Clayton, after acquiring, directly or indirectly, the beneficial ownership of more than ten percent of a class of equity securities of Flexpoint and KwikClick registered pursuant to

Section 12 of the Exchange Act [15 U.S.C. § 78l], failed to file with the Commission a Form 3 providing an initial statement of beneficial ownership and, after effecting transactions in the securities, failed to file with the Commission Forms 4 and 5 providing statements of changes in beneficial ownership.

170. By reason of the foregoing, Clayton has violated, and unless restrained and enjoined will in the future violate, Section 16(a) of the Exchange Act [15 U.S.C. § 78p(a)] and Rule 16a-3 thereunder [17 C.F.R. § 240.16a-3].

ELEVENTH CLAIM FOR RELIEF
UNLAWFUL TOUTING

Violations of Section 17(b) of the Securities Act
(Rieu, Chesapeake)

171. Paragraphs 1 through 139 above are re-alleged and incorporated by reference as if fully set forth herein.

172. By their conduct alleged herein, Rieu and Chesapeake, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, published, gave publicity to, or circulated a notice, advertisement, or communication, which, though not purporting to offer a security for sale, described a security, for a consideration received or to be received, directly or indirectly, from an issuer, underwriter, or dealer, without fully disclosing the receipt of such consideration and the amount thereof.

173. Rieu and Chesapeake thus violated, and unless restrained and enjoined will continue to violate, Section 17(b) of the Securities Act [15 U.S.C. § 77q(b)].

TWELFTH CLAIM FOR RELIEF
OTHER EQUITABLE RELIEF, INCLUDING
UNJUST ENRICHMENT AND CONSTRUCTIVE TRUST

(Relief Defendants)

174. Paragraphs 1 through 139 above are re-alleged and incorporated by reference as if fully set forth herein.

175. Section 21(d)(5) of the Exchange Act states, "In any action or proceeding brought or instituted by the Commission under any provision of the securities laws, the Commission may seek, and any Federal court may grant, any equitable relief that may be appropriate or necessary for the benefit of investors."

176. Relief Defendants received ill-gotten funds by means of a fraudulent stock selling scheme. Relief Defendants have no legitimate claim to this property. In equity and good conscience, Relief Defendants should not be allowed to retain such funds.

177. As a result, Relief Defendants are liable for unjust enrichment and should each be required to return their share of ill-gotten gains, in an amount to be determined by the Court. The Court should also impose a constructive trust on the ill-gotten gains in the possession of Relief Defendants.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court grant the following relief:

I.

Enter a Final Judgment permanently restraining and enjoining Defendants, as well as their agents, servants, employees, attorneys, and those persons in active concert or participation with them, from directly or indirectly engaging in the conduct described above, or in conduct of similar purpose and effect, in violation of Section 17(a) of the Securities Act [15 U.S.C.

§ 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

II.

Enter a Final Judgment permanently enjoining Clayton, Jackson, and Standard Registrar, as well as their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating Section 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e(a) and (c)];

III.

Enter a Final Judgment permanently enjoining Clayton, as well as his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating Sections 13(d) and 16(a) of the Exchange Act [15 U.S.C. §§ 78m(d) and 78p(a)], and Rules 13d-1 and 16a-3 thereunder [17 C.F.R. §§ 240.13d-1 and 240.16a-3];

IV.

Enter a Final Judgment permanently enjoining Rieu and Chesapeake, as well as their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating Section 17(b) of the Securities Act [15 U.S.C. § 77q(b)];

V.

Enter a Final Judgment ordering Defendants to disgorge their ill-gotten gains and pay prejudgment interest thereon pursuant to Sections 21(d)(5) and (7) of the Exchange Act [15 U.S.C. § 78u(d)(5) and (7)];

VI.

Enter a Final Judgment imposing civil money penalties upon Defendants pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)];

VII.

Enter a Final Judgment prohibiting Defendants from participating in any offering of a penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)];

VIII.

Enter a Final Judgment barring Clayton, Jackson, Perry, Mower, and Rieu from acting as an officer or director of any public company, pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)];

IX.

Enter a Final Judgment permanently enjoining Clayton from directly or indirectly, including, but not limited to, through any entity owned or controlled by Clayton: (i) participating in the issuance, purchase, offer, or sale of any security; (ii) being the controlling shareholder of any issuer (which term "controlling shareholder" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an issuer, whether through the ownership of voting securities, by contract, or otherwise); (iii) promoting any issuer

of any security, causing the promotion of any issuer of any security, or deriving compensation from the promotion of any issuer of any security; for purposes of this injunction, "promoting" or "promotion" means, for direct or indirect compensation or pecuniary benefit, directly or indirectly, engaging in, publishing, giving publicity to, or circulating any communication, the goal of which is to generate interest in any security; or (iv) soliciting any person or entity to purchase or sell any security, or to hold any security, as nominee; provided, however, that such injunction shall not prevent Clayton from purchasing or selling securities listed on a national securities exchange for his own personal account;

X.

Enter a Final Judgment permanently enjoining First Equity from directly or indirectly, including, but not limited to, through any entity owned or controlled by First Equity: (i) participating in the issuance, purchase, offer, or sale of any security; (ii) being the controlling shareholder of any issuer (which term "controlling shareholder" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an issuer, whether through the ownership of voting securities, by contract, or otherwise); or (iii) promoting any issuer of any security, causing the promotion of any issuer of any security, or deriving compensation from the promotion of any issuer of any security; for purposes of this injunction, "promoting" or "promotion" means, for direct or indirect compensation or pecuniary benefit, directly or indirectly, engaging in, publishing, giving publicity to, or circulating any communication, the goal of which is to generate interest in any security;

XI.

Enter a Final Judgment permanently enjoining Perry from directly or indirectly, including, but not limited to, through any entity owned or controlled by Perry, participating in the issuance, purchase, offer, or sale of any security; provided, however, that such injunction

shall not prevent Perry from purchasing or selling securities listed on a national securities exchange for his own personal account;

XII.

Enter a Final Judgment permanently enjoining Rieu from directly or indirectly, including, but not limited to, through any entity owned or controlled by Rieu: (i) participating in the issuance, purchase, offer, or sale of any security; (ii) promoting any issuer of any security, causing the promotion of any issuer of any security, or deriving compensation from the promotion of any issuer of any security; for purposes of this injunction, "promoting" or "promotion" means, for direct or indirect compensation or pecuniary benefit, directly or indirectly, engaging in, publishing, giving publicity to, or circulating any communication, the goal of which is to generate interest in any security; or (iii) soliciting any person or entity to purchase or sell any security, or to hold any security, as nominee; provided, however, that such injunction shall not prevent Rieu from purchasing or selling securities listed on a national securities exchange for his own personal account;

XIII.

Enter a Final Judgment permanently enjoining Chesapeake from directly or indirectly: (i) participating in the issuance, purchase, offer, or sale of any security; (ii) promoting any issuer of any security, causing the promotion of any issuer of any security, or deriving compensation from the promotion of any issuer of any security; for purposes of this injunction, "promoting" or "promotion" means, for direct or indirect compensation or pecuniary benefit, directly or indirectly, engaging in, publishing, giving publicity to, or circulating any communication, the goal of which is to generate interest in any security; or (iii) soliciting any person or entity to purchase or sell any security, or to hold any security, as nominee;

XIV.

Enter a Final Judgment ordering Relief Defendants to disgorge their ill-gotten gains and pay prejudgment interest thereon pursuant to Section 21(d)(5) and (7) of the Exchange Act [15 U.S.C. § 78u(d)(5) and (7)]; and

XV.

Granting such other and further relief as this Court deems just and proper.

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff demands that this case be tried to a jury.

DATED: December 11, 2024.

Respectfully submitted,

/s/ Michael C. Moran

Michael C. Moran (Mass. Bar No. 666885)
Russell A. Mawn (Mass. Bar No. 712095)
Alexandra B. Lavin (Mass. Bar No. 687785)
Jeffrey Olshan (Mass Bar. No. 693337)
SECURITIES AND EXCHANGE COMMISSION
Boston Regional Office
33 Arch St., 24th Floor
Boston, MA 02110
Phone: 617-573-8931 (Moran direct)
Email: MoranMi@sec.gov
Fax: 617-573-4590

EXHIBIT 2

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SHAWN CAREY, MSS CAPITAL, LLC, HUNTS ROAD, LLC, ION1 LLC, BRICKELL CAPITAL SOLO 401K TRUST, KAILEY LEWIS, EDWARD REINLE, EMANUEL VALADAKIS and ZITAH MCMILLAN-WARD, individually and on behalf of all others similarly situated, Plaintiffs, v. MICHAEL MOE, PETER B. RITZ, LZG INTERNATIONAL, INC., ROGER HAMILTON, and GENIUS GROUP LIMITED, Defendants.	Case No. CLASS ACTION COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS **JURY TRIAL DEMANDED** **CLASS ACTION**

CLASS ACTION COMPLAINT

Defendants Michael Moe and Peter Ritz used their publicly traded companies LZG International, Inc. ("LZGI") and Genius Group Limited ("GNS") to defraud investors of more than $30 million through a fraudulent LZGI-GNS merger that was forged to conceal their theft of corporate funds and unauthorized issuances of millions of LZGI and GNS shares to themselves. The LZGI-GNS Merger proceeded based on false information LZGI, Ritz, Moe, GNS and Roger Hamilton provided to the companies' investors and to the SEC, and resulted in Moe and Ritz transferring LZGI's only revenue generating asset to GNS while they attempted to assume control over GNS, whose share price has since plummeted causing tens of millions in additional losses to shareholders.

NATURE OF THE ACTION

1. This is a federal securities class action brought pursuant to the Securities Exchange

Act of 1934 (the "Exchange Act") on behalf of all persons or entities who, between December 1, 2023 to September 25, 2024 (the "Class Period"), purchased or acquired the securities of GNS on the NYSE or pursuant to other domestic transactions, as a result of the LZGI-GNS Merger (the "Class").

2. Plaintiffs seek to recover compensable damages caused by Defendants' violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Exchange Act, and Rule 10b-5 promulgated thereunder.

JURISDICTION AND VENUE

3. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and §78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. §240.10b-5).

4. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §1331 and §27 of the Exchange Act.

5. Venue is proper in this judicial district pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. §1391(b), as Defendants' misstatements and subsequent damages took place within this District.

6. LZGI is a publicly traded company incorporated in Florida, and headquartered at 135 West 41st Street, Suite 5-104, New York, NY.

7. LZGI stock is traded on the OTC Pink Markets, in New York.

8. GNS is a publicly traded company organized under the laws of Singapore, whose agent for service is located at 12 E 49th Street, 11th floor, New York, NY.

9. GNS' shares are listed on the New York Stock Exchange, under the trading symbol "GNS".

10. GNS's transfer agent is VStock, which is located at 18 Lafayette Place, Woodmere, NY.

11. Plaintiffs' acquisition of GNS stock is being conducted by VStock, in New York.

12. In addition, the acts that constitute the violations of law complained of herein, including Defendants' dissemination of materially false and misleading information to the investing public, occurred in and/or were issued from this District.

13. In connection with the acts, conduct and other wrongs alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mail, interstate telephone communications and the facilities of the national securities markets.

PARTIES

14. Plaintiff Shawn Carey is a former Chief Operating Officer of LGZI and a shareholder of the company, owning 6,074,452 LZGI shares.

15. Plaintiff MSS Capital is a shareholder of LZGI, owning 1,500,000 LZGI shares.

16. Plaintiff Hunts Road, LLC, is a shareholder of LZGI, owning 1,987,705 LZGI shares.

17. Plaintiff Ion1 LLC is a shareholder of LZGI, owning 1,229,508 LZGI shares.

18. Plaintiff Brickell Capital Solo 401k Trust is a shareholder of LZGI, owning 576,502 LZGI shares.

19. Plaintiff Kailey Lewis is a shareholder of LZGI, owning 458,907 LZGI shares.

20. Plaintiff Edward Reinle is a shareholder of LZGI, owning 100,000 LZGI shares.

21. Plaintiff Emanuel Valadakis is a shareholder of LZGI, owning 1,595,674 LZGI shares.

22. Plaintiff Zitah Mcmillan-Ward is a shareholder of LZGI, owning 1,835,684 LZGI shares.

23. Defendant LZGI is a publicly traded company incorporated in Florida and headquartered in New York. LZGI stock is traded on the OTC Pink Markets, in New York.

24. LZGI owns the assets of FatBrain, LLC, a Delaware limited liability company which was intended to develop artificial intelligence software with applications in various sectors.

25. Defendant Ritz is a Director and the CEO of Defendant LZGI. Until late September 2024, Ritz was also a Director and Chief Revenue Officer of Defendant GNS. Ritz is one of GNS's largest individual shareholders, owning 12,427,876 GNS shares (6.68% of outstanding stock).

26. Defendant Moe is a Director of LZGI. Until late September 2024, Moe acted as Chairman of the Board of Directors of GNS. Moe is one of GNS's largest individual shareholders, owning 5,524,945 GNS shares (2.97% of outstanding stock).

27. Defendant GNS is a Singapore company whose stock is listed on the New York Stock Exchange, and which purchased all or substantially all of the assets of LGZI.

28. Defendant Hamilton is a foreign national, who is the founder of GNS, and, at all relevant times, served as a Director of GNS and as GNS' CEO.

29. On March 14, 2024, GNS and LZGI completed their Merger.

30. According to LZGI and GNS's press releases, letters to stockholders, and SEC filings, the combined GNS-LZGI company is listed on the NYSE American and is trading under the ticker symbol "GNS."

31. These individual Defendants, at all relevant times:

(a) directly and actively participated in the management of GNS and LZGI;

(b) directly negotiated and drafted the terms of the GNS-LZGI merger;

(b) were directly involved in the day-to-day operations of GNS and LZGI at the highest levels;

(c) were privy to confidential financial and proprietary information concerning GNS and LZGI's operations;

(d) were directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information, as alleged below;

(f) were aware that the false and misleading statements were being issued concerning GNS, LZGI, and the GNS-LZGI merger;

(g) approved or ratified these statements in violation of the federal securities laws;

(h) engaged in a coordinated coverup of their fraudulent activities, including by disseminating false and misleading information via SEC filings, popular websites, social media, and press releases.

FACTS

Ritz and Moe Used LGZI as a Vehicle to Deceive and Steal

32. Ritz is a co-founder of FatBrain LLC, a company that had been created to develop AI solutions.

33. The original plan behind FatBrain consisted of developing one-of-a-kind AI solutions with numerous applications in finance, crypto, education, and many other sectors.

34. In simple terms, FatBrain's value proposition was to enable companies to digest a huge amount of strategic data quickly, and to make better business decisions with that information.

35. Ritz, an IP lawyer with no experience in the field, could only achieve that goal with

the help of Plaintiffs Carey and Das, who Ritz recruited to join FatBrain as Chief Scientist Officer (Das) and Chief Operating Officer (Carey).

36. From inception, however, Ritz exercised absolute control over FatBrain.

37. In addition to being the company's majority owner, Ritz took for himself the role of CEO and appointed Moe as Executive Vice Chair of the FatBrain board of directors.

38. While Carey (COO) and Das (CSO) were employees of the company, Ritz and Moe effectively ousted them from any decision-making process, and concealed from them any financial, accounting, and other strategic FatBrain records.

39. On October 23, 2021, Ritz and Moe consummated the reverse merger of FatBrain with LZGI through which LZGI acquired the entirety of FatBrain's assets, in exchange for a total of 90,000,000 shares of common stock issued to FatBrain, that were issued between October 2021 and May 2022.

40. Following the reverse merger, Ritz became the largest shareholder of LZGI, owning 31.59% of the company's outstanding ordinary shares.

41. In addition, Ritz assumed the role of CEO, and joined the LZGI board, as a director, along with Moe.

LGZI Was Never a Legitimate, Operational Company

42. Despite being directors and officers of a publicly traded company, Ritz and Moe never put in place any accounting system for LGZI.

43. The first accounting professional they hired, in June 2022, stated that there was no accounting system at all, and that LZGI had no accounting or financial records at all.

44. And while Ritz and Moe hired an accountant and subsequently a Chief Financial Officer, they never provided either one with full access to the Company's bank accounts.

45. Instead, Ritz made sure that all funds, whether raised from investors or generated by the businesses they were acquiring, were deposited not into LGZI's bank accounts, but rather solely into the bank accounts of FatBrain, a company over whose bank accounts Ritz had exclusive control.

46. Ritz did not even allow his two co-founders, the Chief Technology Officer and the Chief Operating Officer, access to these bank accounts.

47. Because of their lack of visibility into the company's financials, LGZI's accountant and LZGI's CFO would send Ritz, on a monthly basis, a list of payments that LGZI needed to make, and Ritz would then transfer money from the FatBrain bank accounts to enable LGZI to pay its bills.

48. As the company's only two directors, and in the absence of any legitimate internal control systems, Ritz and Moe fully controlled LZGI, and had free reign to use the money as they saw fit.

Ritz and Moe Diverted LZGI Funds, Provided Fraudulent Financials to Auditors, and Ceased Reporting LZGI's Financials to Conceal the Theft

49. Following the reverse merger, Ritz and Moe executed their fraudulent acquisition plan, which allowed them to waste or even steal the $26.4 million of FatBrain investors' (which had become LZGI shareholders) funds.

50. The scheme, in simple terms, consisted of Ritz and Moe representing to investors and shareholders that LZGI would acquire companies in the AI field, attempting to deceive investors and shareholders into believing that LZGI was a legitimate enterprise.

51. Pursuant to Ritz and Moe' fraudulent scheme, LZGI acquired four companies in quick succession without having enough money to complete the deals, without having enough money to invest in the companies to grow their business, and without having the management

expertise, or even interest, to support the companies.

52. As a result, LZGI went down on a spiral of constantly running out of money, not delivering any products, and then trying to get more money raised which Ritz and Moe would steal.

53. And every time Ritz and Moe negotiated and closed each acquisition, they simply disappeared and abandoned the acquired companies.

54. Ritz would not hold or even join management meetings or be involved in the companies in any way, and would not delegate authority to anyone.

55. Given that Ritz was the CEO, his neglect left the companies paralyzed.

56. Unable to generate revenue, these companies ran out of money, and shut down.

57. Instead of growing these companies, Ritz and Moe let them die on the vine.

i. *The Fraudulent Intellagents Acquisition*

58. On February 25, 2022, Ritz and Moe acquired Intellagents, a company that integrated and aggregated data in the insurance sector. Ritz induced Intellagents to sell all its assets to LZGI for $3 million by promising to put money into Intellagents to help grow the company. At the time of the acquisition, Intellagents was already developing, selling, and promoting new products.

59. Ritz and Moe structured the deal in a way that allowed them to fund the acquisition by paying only $200,000 in cash, and $2.8 million in LZGI stock, stealing a full $2.8 million from LZGI that was supposed to fund the deal.

60. At that point, Intellagents became LGZI and Ritz's business, as Ritz was the CEO and the Director of the company.

61. Once Ritz owned Intellagents, however, he refused to provide its founders any

access to any financial information. In the first few months into the acquisition, Intellagents generated more than $1 million. However, Ritz took that $1 million for his own use and refused to pay Intellagents suppliers, thereby destroying relationships and gravely harming the business.

62. What's worse, Ritz stopped paying the salaries of Intellagents' employees, who promptly quit and filed lawsuits for failure to pay wages. Intellagents' founders continually demanded payment and information, but they never received anything from Ritz, who let the promising, revenue generating company die on the vine without payment to suppliers or employees, and without even responding to entreaties to allow the founders of Intellagents to buy the company back to allow them to service their customers.

63. In addition to stealing the Intellagents' revenue, Ritz used that revenue to put out press releases attempting to pump up the LZGI stock by telling baloney stories about the growing business that simply were not true.

ii. *The Fraudulent SoTech Deal*

64. In September 2022, Ritz and Moe used LGZI to purchase SoTech, a UK developer of sophisticated website and marketing campaigns in the SMB space.

65. While the total acquisition price was set at approximately $2.8 million, Ritz and Moe structured the deal in a way that allowed them to pay over $1 million in LZGI shares, and $1.7 million through a deferred cash payment.

66. Once again, Ritz and Moe structured the deal in a way that allowed them to falsely justify to shareholders the use of $1.7 million of investor funds, which they intended to steal.

67. As expected, Moe and Ritz pocketed the full $1.7 million and then failed to make the deferred payments to complete the transaction. The breach prompted SoTech's prior owner, Dent Global, to buy back the company from LZGI for only $1, pursuant to a contract term that

anticipated LGZI's breach.

68. Ritz and Moe's actions resulted in a multimillion-dollar loss for LZGI.

69. And to conceal the theft, Ritz and Moe never disclosed LZGI's breach of the purchase agreement, as required under the federal securities laws.

iii. The Fraudulent Predictive Black Deal

70. In November 2022, Ritz and Moe bought Predictive Black, a company developing a software as a service platform for predicting revenues and cashflows.

71. As in every other fraudulent deal they had negotiated, Ritz and Moe committed to pay $3.1 million for Predictive Black, with only $600,000 in cash and the balance in LGZI shares.

72. Once again, Ritz and Moe breached the agreement with Predictive Black, and failed to pay the cash component of the LZGI-PB purchase price: LGZI, under Ritz and Moe's directions, paid only $80,000 to PB's owners, and, to this date, still owes the remaining $520,000 in cash.

73. Within a mere 6-8 months into the acquisition, Ritz began stifling employees on their salaries. When PB's leadership complained to Ritz and Moe, they were ignored—meaning no communication at all from Ritz—and so the leadership formally resigned, pretty much ending the business.

74. Ritz and Moe then laid everyone off, shuttering the company. PB leadership states that Ritz and Moe had no interest in the business, but rather it was merely all "smoke and mirrors" to them.

iv. The Fraudulent Prime Source Deal

75. On June 17, 2022, Ritz and Moe closed a deal to acquire Prime Source, a Kazakhstani software development company.

76. At the time, Prime Source was a traditional IT consulting company, with an existing

work force and big government contracts, generating roughly $12 million per year in revenue.

77. Because of their close relationship with Prime Source's owners, Ritz and Moe structured the deal differently. This time, the deal required LZGI to pay the full acquisition price, $18 million, in cash.

78. As with any other acquisition they have spearheaded, Ritz and Moe saw the Prime Source deal as an opportunity to conduct another round of funding, to raise more money for LZGI.

79. This time, Ritz and Moe sought to raise (and did in fact raise) millions of dollars in funding, by falsely representing to investors that the funds were necessary to complete the Prime Source acquisition. Ritz and Moe represented to new investors that the LZGI-Prime Source deal would generate tens of millions in revenues and would position LZGI as an international AI company.

80. However, Ritz and Moe knew they could not raise more funds from US investors, as these investors would certainly demand an explanation as to how Ritz and Moe applied the tens of millions of dollars they had stolen.

81. Thus, Ritz and Moe devised a plan to deceive foreign investors, who invested millions of dollars into the company in exchange for LZGI shares.

82. Ritz and Moe, who fully controlled LZGI, instructed the Dubai investors to transfer all those funds to FatBrain's bank account, rather than LZGI's.

83. Ritz and Moe did so for two reasons. First, they were the only ones who had access to the FatBrain bank accounts. Second, by receiving the funds through FatBrain, Ritz and Moe could further conceal their theft from shareholders, as well as from LZGI's CFO and in-house accountant, by avoiding any SEC registrations.

84. Ritz and Moe did not use the funds to pay Prime Source's owners.

85. Ritz and Moe also diverted other LZGI funds through Prime Source, by channeling these funds through fraudulent payments to Prime Source's bank account in Kazakhstan.

86. Specifically, Ritz and Moe orchestrated a fraudulent scheme with Prime Source's owners, through which (a) Prime Source would regularly send invoices to LZGI for work that Prime Source claimed to be doing for Ritz, (b) LGZI would pay Prime Source millions of dollars in fees.

87. However, Prime Source never delivered any products, and all of Ritz's demands for work were wasteful if not fraudulent, and meant to allow stolen funds to flow from LZGI to Prime Source.

88. These payments from LZGI to Prime Source along with the fact that Prime Source should have been but was not generating millions of dollars in revenues for LZGI raised grave concerns on LZGI's CFO and in-house accountant.

89. Thus, on various occasions, LZGI's accountant requested to inspect the records justifying those expenses, and demanded to review LZGI's bank statements to confirm the amounts and the basis for those payments.

90. Ritz refused to provide any explanation and denied all requests to inspect bank statements and other corporate records of LZGI.

91. Likewise, Prime Source refused to share its complete financials with LZGI even to assist LGZI in completing the audit required for it to remain a publicly traded company.

LZGI's Auditor Resigned After Learning of Ritz and Moe's Fraud

92. As the federal securities laws and SEC rules require LZGI to disclose audited financial information on an ongoing basis, Ritz and Moe were forced to retain an audit company to conduct an audit of LZGI's financials in connection with LZGI's filing of its 10-K and 10-Q

forms.

93. In early 2022, Ritz and Moe retained "the firm of Adeptus Partners, LLC," to "act[] as our independent registered public accounting firm."[1]

94. However, Ritz and Moe manipulated LZGI's records and provided false information to Adeptus, and demanded that the auditors rely on false information to conduct its audit on LZGI's financials.

95. Yet, as Adeptus conducted its audit on LZGI's financials in connection with the filing of the Forms 10-Q for the three months ended August 31, 2022, it identified several misstatements and inconsistencies in the information that Ritz and Moe had provided.

96. From August 2022 to January 2023, Adeptus constantly demanded that Ritz and Moe provide an explanation and accurate financial records of LZGI.

97. In January 2023, as Ritz and Moe were not forthcoming, Adeptus refused to audit LZGI's financials based on false financial information and resigned.

98. Rather than promptly disclosing Adeptus resignation, as they are required by law, Ritz and Moe did not file any Form 8-K to inform the SEC and LZGI shareholders that the company's auditor had resigned or state that the reason the firm resigned was due to its inability to obtain accurate financial information from Ritz and Moe.

99. Rather, Ritz and Moe lied to shareholders and investors, by falsely claiming that Adeptus ceased to provide services because it had not received payment for its services.

100. Even worse, Ritz and Moe sought to raise, and did in fact raise, $1.4 million from an LZGI shareholder, claiming that LZGI needed those funds to pay Adeptus and other auditors to be able to complete and file its audited financials with the SEC.

---

[1] LZGI's 10-Q Form, filed on September 13, 2022, available at: https://www.sec.gov/Archives/edgar/data/1126115/000121390022055586/f10k2022_lzginter.htm.

101. However, Ritz and Moe did not use the $1.4 million they received from the shareholder to pay Adeptus or any other audit company. Rather, Ritz and Moe diverted those funds entirely.

102. On December 18, 2023, long after Adeptus had resigned, and only after Ritz and Moe had stolen funds from a shareholder, LZGI filed a Form 8-K in which the company disclosed the Adeptus resignation:

> On January 26, 2023 ("Resignation Date") Adeptus Partners LLC ("Adeptus") notified the Company about its resignation as the Company's independent registered accounting firm, effective immediately. . . . Adeptus advised the Company, effective on the Resignation Date that the financial information in the Company's 10-Q for the three months ended August 31, 2022 and the 10-Q for the period ended November 30, 2022 are materially misstated, and that the 10-Q for the period ended November 30, 2022 was filed without Adeptus' knowledge and before the auditor's SAS 100 review was completed . . . No reliance should be placed on Company's unreviewed 1Q23, 2Q23 and 3Q23 statements which will be reviewed and restated, if needed, by the new accountant.

103. However, since September 13, 2022, none of LZGI's financials have been audited, and Ritz and Moe could not retain a new accountant.

104. Since then, Ritz has prepared and filed all LZGI's 10-Q and 10-K forms, through which he disclosed to the investing public fraudulent and materially misstated financial information.

105. Ritz did so until October 2023, when Moe and Ritz ceased reporting LZGI's financials to the SEC. They did so to preclude any FatBrain investors and LZGI shareholders from having any credible and audited information on the company's finances, effectively concealing their fraudulent management from the shareholders, while continuing to plunder the corporation.

106. In December 2023, Due to Ritz and Moe's refusal to file LZGI's financials, the SEC has placed LZGI under delinquent status, rendering the LZGI stock worthless.

107. Moe and Ritz's omission not only violated their duty, as directors of the company, to disclose fully the material facts relating to all corporate transactions, but the failure to file mandatory financials to the SEC was a key element in Ritz's over-all scheme to defraud LZGI and its shareholders.

Defendants Conspired to Defraud Shareholders In Connection With the GNS-LZGI Merger

108. In late 2023, LZGI had run out of money, had been delisted due to non-compliance with its SEC mandatory filings, and no audit company agreed to audit LZGI's financials.

109. By being delisted, LZGI shares were worth $0.

110. Ritz and Moe realized that, in order to maintain their fraudulent scheme alive, they needed to reinvent LZGI by getting rid of all of the liabilities they had created, and concealing all their wrongdoing.

111. At the time, all acquisitions Ritz and Moe negotiated had failed, except for Prime Source, the Kazakhstani company that LZGI had acquired in mid-2022, which was expected to generate $80 million in revenue in 2024.

112. Thus, Ritz and Moe devised a plan to merge with GNS, a publicly traded company that claims to provide AI solutions in the digital learning sector around the globe, and whose shares are traded on the NYSE.

113. Ritz and Moe targeted GNS because they saw an opportunity to market the merger as an expansion of LZGI's operations into the learning sector globally, which would enable them to raise even more money from investors that they could divert. In short, Ritz and Moe could sell the deal to investors as a continuation of LZGI's international expansion.

114. The deal, however, did not make any business sense, and was entirely conceived to defraud LZGI shareholders.

115. LZGI would not benefit from a merger with GNS, a company that has never been profitable and that has reported roughly $70 million in losses since its inception in 2019.

116. In fact, GNS was losing money, year after year, was desperately in need of cash, and was on the brink of collapsing altogether without capital raised.[2]

117. Likewise, a merger with LZGI would not benefit GNS, given that Ritz and Moe had stolen all LZGI's funds and destroyed every company they ever acquired. And while Prime Source was a cash generating business, Ritz and Moe were using Prime Source as a tool to steal from LZGI, rather than as a tool to expand LZGI's revenues.

118. But the deal would benefit Ritz and Moe, personally, who could extract benefits to themselves in connection with the merger, and then walk away from their wrongdoing at LZGI with no repercussions.

119. Thus, in late 2023, Moe approached his long-time friend Eric Pulier who had just joined the GNS Board, as one of GNS's three directors.

120. After discussing a potential LZGI-GNS merger with Pulier, Moe, Ritz and Michael Carter, a US investor and shareholder of LZGI, devised a plan to bribe Pulier, to secure the votes necessary they needed to approve the merger with GNS.

121. Indeed, Carter played a pivotal role in the bribery scheme.

122. Carter agreed to receive over 19 million LZGI shares, worth over $7.5 million, which Ritz and Moe would issue to St Michael's Ventures LLC, a company that Carter fully owns.

123. Carter told Moe and Ritz to label the share issuance as a compensation for services

[2] Indeed, as GNS recognized in its Form 20-F/A, filed on August 3, 2023, "due to recent changes in [GNS'] 2022 convertible loan terms in which company elected to pay all future payments in cash, negative cash flows, and continued net losses, management has determined that without additional capital raised, in the next twelve months, there is substantial doubt about [GNS'] ability to continue as a going concern." *See* https://www.sec.gov/Archives/edgar/data/1847806/000149315223026701/form20-fa.htm.

he (Carter) had provided to LZGI, notwithstanding the fact that Carter did not provide any services to the company.

124. This transaction resulted in Carter owning over 12% of LZGI. Under Rule 13(d) of the Exchange Act, Carter should have filed with the SEC a disclosure statement containing that information. In addition, such a material transaction (Carter would become one of LZGI's largest shareholders) should have been disclosed by LZGI, though the company's SEC filings.

125. However, as part of their conspiracy to defraud Plaintiffs, Carter, Moe, and Ritz acted to conceal the transaction, by not filing the required SEC disclosures and by omitting this transaction entirely from any of LZGI's SEC filings, in violation of the federal securities laws.

126. Carter's willful violation of Rule 13d-1 to conspire with Moe and Ritz and defraud Plaintiffs consists of a criminal violation, and subjects Carter to criminal penalties, under Section 32(a) of the Securities Exchange Act.

127. Despite the criminal nature of his willful actions, Carter told Moe and Ritz that he would still effectuate the bribe, by transferring the shares to Pulier through fraudulent means, while conspiring with Ritz and Moe to conceal from the SEC and from the Plaintiffs that Pulier was the beneficial owner of the securities.

128. Based on Carter's representations, Moe and Ritz issued 19,300,000 LZGI shares to Carter between December 2023 (when GNS and LZGI were negotiating the merger) and March 2024 (when the merger had been publicly announced), without ever obtaining shareholder approval, without any public disclosure, and without LZGI receiving fair compensation for its shares.

129. In addition to issuing tens of millions of LZGI illegally to bribe a GNS board member, Ritz and Moe never sought nor obtained any approval from LZGI shareholders for the

merger.

130. In January 2024, LZGI and GNS publicly announced through a series of letters to investors, press releases, and other filings, their intention to merge.

131. The merger, as GNS described it, is "preliminarily estimated to have achieved approximately $80 million of gross revenue in 2023," and would "accelerate[] our business with substantial growth in anticipated pro forma revenues and profitability."[3]

132. GNS also falsely depicted LZGI as a "global delivery" company that "includes 600+ team across design, development centers in the US, UK, India and Kazakh Republic."

133. LZGI, however, was basically defunct, had no money in the bank, had lost all of the companies it had acquired, and had millions of dollars in liabilities due to Ritz and Moe's fraudulent scheme.

134. The Merger was completed on March 14, 2024.

135. A few days later, on March 18, GNS falsely represented, in its Form 6-K, that "[a]ll necessary approvals for the transaction from shareholders, the board and regulators were received prior to the closing."

136. GNS also relied on LZGI's fake financials, to fraudulently represent to shareholders that the Merger "represent[ed] a significant, potential upside in our share price as we grow and get closer to a fair value in comparison to our public-listed peers in Edtech."

137. In reaction to the announcement, GNS publicly traded securities increased significantly.

138. For example, on March 13, a day before the announcement, GNS's stock traded for $0.29. On March 14, the stock went up to $0.40, and on March 18, to $0.59.

[3] https://ir.geniusgroup.net/news-events/press-releases/detail/118/genius-group-and-fatbrain-ai-agree-to-merge-into-growth

139. When GNS disclosed the terms of the Merger, through a Form 20-F it filed on May 15, 2024, LZGI investors learned that Ritz and Moe had joined GNS's Board (with Moe to act as Chairman of the Board), and that Ritz had been elevated to GNS' Chief Revenue Officer.

140. What is worse, under the terms of the Merger agreement: (a) Ritz and Moe agreed to liquidate LZGI following the deal, (b) GNS did not assume any LZGI liability, except for the "[l]iabilities of [Prime Source], not to exceed fifteen million dollars ($15,000,000)" which were necessary for the uninterrupted continuation of LZGI's business; and (c) GNS committed "to fund LZG's expenses and costs in winding and liquidating LZG after closing."

141. Plaintiffs had also learned that, in April 2024, as a result of the Merger, (a) Ritz received 12,427,876 GNS shares (6.68% of GNS' outstanding stock); and (b) Moe received 5,524,945 GNS shares (2.97% of GNS' outstanding stock).

142. In addition, Plaintiffs learned that on March 22, 2024, only four days after the Merger had been allegedly completed, Ritz and Moe issued 10,000,000 LZGI shares to Prime Source's CEO, Eugene Sheribinn. Those shares were issued without any disclosure, without authorization, and without fair and proper compensation to LZGI, indicating that Sheribinn personally benefited from the fraud.

143. In short, Ritz and Moe had successfully approved the Merger, without ever seeking nor obtaining LZGI shareholder approval, extracted millions of dollars in benefits to themselves, and, on top of that, would conceal their theft of LZGI assets to the detriment of the company and its shareholders.

The Merger was Based on a Fraudulent Scheme to Enrich Moe and Ritz, and Deceive Stockholders

144. While the Merger consisted of such a momentous transaction to the company and its stockholders (it resulted in a forced purchase of GNS stock by all LZGI stockholders), LZGI

did not disclose the terms of the Merger agreement to any of its shareholders.

145. Rather, LZGI filed a letter to investors with the SEC—signed by Ritz—and explained, in broad brushstrokes, the terms of the Merger.

146. According to Ritz's letter, dated May 2, 2024, the Merger was structured as an asset purchase of LZGI assets (i.e., Prime Source, the only viable FatBrain Asset) for GNS shares.

147. In short, LZGI sold Prime Source, its only cash generating asset, to GNS and received "73,873,784 shares of Genius Group common stock" which, under the undisclosed terms of the deal, would "be split by the stockholders of FatBrain AI based upon an exchange ratio that entitles each FatBrain AI stockholder to receive one (1) share of common stock in Genius Group for every three and eight one hundredth (3.08) shares such stockholder holds of FatBrain AI common stock."[4]

148. In addition, as Ritz explained in his letter, these GNS shares "are restricted from trading" for at least "six months" which was the period that Ritz represented that GNS needed to obtain an effective "resale registration statement" with the SEC.[5]

149. Likewise, GNS issued a short press release, providing a summary of key points of the transaction, which GNS described as "the purchase of selected FatBrain AI assets and liabilities by Genius Group in an all-share transaction[.]"[6] GNS also misrepresented that "[a]ll necessary approvals for the transaction from shareholders, the board and regulators were received prior to the closing."[7]

150. However, both GNS and LZGI's press releases and SEC filings regarding the

[4] https://www.sec.gov/Archives/edgar/data/1126115/000165495424005454/lzgi_ex991.htm
[5] *Id.*
[6] https://ir.geniusgroup.net/news-events/press-releases/detail/124/genius-group-release-additional-details-of-fatbrain-ai
[7] *Id.*

Merger contained false information, and omitted material facts from Plaintiffs.

151. In reality, while LZGI and GNS depicted the transaction as highly beneficial to both companies and to shareholders, the Merger, as structured, resulted in a windfall to Ritz and Moe, and in millions of dollars of losses to LZGI.

152. *First*, the number of outstanding LZGI shares and the 1:3.08 exchange ratio set in connection with the Merger, as described in Ritz's letter to investors, painted a false impression of the Merger and of LZGI shareholders' rights under the Merger agreement.

153. Indeed, when the merger was first announced, in January 2024, there were a total of 153,400,505 LZGI outstanding shares. However, by the time the Merger had been completed, a mere two months later, in March 2024, there were 227,306,221 LZGI shares outstanding.

154. That means that, between the announcement of the Merger and its completion, Ritz and Moe issued an additional 73,306,716 LZGI shares without any shareholder approval, without any public disclosure, and without any arms-length compensation.

155. Even worse, among the more than 73 million LZGI shares that Ritz and Moe issued without approval, without disclosure, and without any compensation, they issued a whopping 16 million LZGI shares to themselves.

156. Ritz and Moe issued these LZGI shares to themselves, at some point between January 2024 (when the Merger was announced) and March 2024 (when the Merger was completed).

157. Ritz and Moe did so, through self-interested compensation decisions not approved by the stockholders, and without any independent protections to LZGI or its shareholders.

158. And, like Carter, Moe and Ritz did not disclose this transaction to the SEC, pursuant to the reporting requirements mandated by Section 16 of the Exchange Act.

159. In short, Ritz and Moe defrauded LZGI, forcing it to issue millions of shares to themselves for free.

160. In addition, as detailed above, Ritz and Moe, with Carter's assistance, issued over 19 million LZGI shares that were intended to be transferred to Pulier as part of a bribery scheme to secure Pulier's vote in favor of the merger, without any disclosure, any approval, and without LZGI receiving any compensation.

161. Both LZGI and GNS omitted that information from their joint press releases and from their SEC filings. And because there has been no public disclosure of the issuance of these shares, Plaintiffs, to this date, do not know to whom Ritz and Moe issued these millions of LZGI shares.

162. Had the Merger proceeded according to the number of LZGI outstanding shares that had been approved by shareholders, and properly issued by LZGI for fair value, Plaintiffs would have received one GNS stock for every ***two*** LZGI shares they owned, rather than 1 for every 3.08. That means that Plaintiffs received 54% less GNS stock than they should have received, absent the fraudulent issuance of 73,306,716 LZGI shares.

163. In addition, the GNS stock that LGZI received in connection with the Merger were restricted from trading until at least September 16, 2024. But, since the Merger was completed, in March 2024, the value of GNS stock dropped approximately 82%, further harming LZGI and all its shareholders, which absorbed all these losses as they watched their GNS stock plummet.

164. *Second*, Ritz and Moe abused their fiduciary positions, as officers and directors of LZGI, to structure the Merger in a way that allowed them (Ritz and Moe) to enrich themselves, secure C level positions and seats at the GNS board of directors, in addition to receiving millions of GNS shares they were not entitled to receive.

165. In fact, on April 15, 2024, Ritz voted 12,427,876 GNS shares, and Moe voted 5,524,945 GNS shares, even though no GNS shares had been distributed to any other LZGI shareholder in connection with the Merger.[8]

166. Together, Ritz and Moe received an additional 17,952,821 GNS shares, over and above what Ritz and Moe would be holding as a result of the exchange of their LZGI shares for GNS shares.

167. Of course, Ritz and Moe could not have legitimately received additional 17,952,821 GNS shares without disclosure or shareholder approval, and without fair compensation to LZGI.

168. The receipt of GNS stock was a benefit that only applied to Ritz and Moe (who negotiated the GNS-LZGI Merger with Hamilton) to the detriment of LZGI, Plaintiffs and every other LZGI shareholder, who were forced to receive restricted shares and could not sell their GNS stock, losing millions of dollars to date.

169. *Third*, Ritz and Moe (a) sold LZGI's only asset capable of generating revenue, and secured C level positions and seats at GNS Board, (b) agreed to liquidate LZGI promptly after the Merger, (c) excluded from the deal all of the liabilities resulting from the millions of dollars they stole from LZGI, (d) secured $15 million of GNS's money to secure outstanding payments owed to Prime Source, which were necessary for the uninterrupted continuation LZGI's business.

170. Had Plaintiffs known of Ritz, Moe, and Hamilton's fraudulent actions, they would have prevented the Merger which gave grossly disproportionate proceeds to Ritz and Moe, and destroyed LZGI, causing millions of dollars in losses to Plaintiffs and other members of the Class.

GNS Concealed The Fraud,
and Relied on False Financials to Raise Hundreds of Millions of Dollars

171. In May 2024, Plaintiffs discovered that (i) Carter had participated in a bribe to

[8] *See* https://ir.geniusgroup.net/sec-filings/all-sec-filings/content/0001493152-24-017063/ex10-1.htm.

Pulier, (ii) Moe and Ritz had fraudulently issued millions of LZGI shares, without authorization and public disclosure, (iii) Moe and Ritz received more GNS stock than they should have, and were voting their GNS stock, even though no other LZGI shareholder had received GNS stock as part of the Merger.

172. Between May and August 2024, Plaintiffs formally reported Ritz and Moe's fraudulent actions to Hamilton, and reasonably demanded disclosure of any facts or circumstances justifying or at least explaining these issues.

173. On July 11, 2024, Hamilton confirmed that were no records to support Ritz and Moe's actions, but, in his capacity as CEO and co-founder of GNS, he needed to conduct a fair and impartial investigation of the wrongdoing. Hamilton, however, refused to provide any further explanations, and refused to provide a copy of the Merger Agreement for inspection.

174. But Hamilton did confirm to Plaintiffs, via an email of July 15, 2024, that "[he] had heard elsewhere that Eric may be connected with LZGI shares issued with relation to St Michael's, a company on the cap table owned by Michael Carter."

175. In addition, Hamilton confirmed to Plaintiffs that GNS promoted Ritz to a C-level leadership position at GNS (as GNS's CRO), and elevated Moe to Director and Chairman of the GNS Board. In short, GNS not only participated in Ritz and Moe's wrongdoing, but rewarded it.

176. It appears that Hamilton negotiated extremely favorable Merger terms to Ritz and Moe and agreed to conceal their wrongful actions, to salvage GNS (a company he founded and of which he is one of the largest individual shareholders) from collapsing.

177. Indeed, at the time the GNS-LZGI transaction was announced, GNS's cash position was precarious, while LZGI's Prime Source Asset could potentially generate millions of dollars in annual revenues to GNS.

178. And, following the Merger, GNS misrepresented to shareholders and investors that the LZGI-GNS deal catapulted GNS's revenues, in multiple SEC filings.[9]

179. Thus, GNS's motive for entering into the Merger agreement, and for covering up Ritz and Moe's fraudulent actions was to secure a source of revenues that GNS was unable to generate itself, and artificially bolster the price of GNS securities. To do that, Hamilton assisted Ritz and Moe fraudulently conceal their wrongdoing from Plaintiffs and all other LZGI stockholders, so that GNS and LZGI could complete the Merger.

180. In addition, the Merger would also allow GNS to secure necessary financing, as the reported revenues resulting from the merger would be substantially higher than what they were prior to the transaction.

181. In fact, ever since GNS publicly announced that the GNS-LZGI Merger had been completed, GNS filed a Form F-1/A to raise up to $250 million, by relying on the revenues GNS would extract from Prime Source.

Ritz and Moe Conspired to Prevent GNS from Investigating The Fraud

182. After Plaintiffs sent multiple formal demands for GNS to investigate Ritz and Moe's fraudulent scheme, Hamilton was forced to take action, as CEO.

183. But before GNS could conduct a thorough, impartial investigation, Moe and Ritz conspired to terminate Hamilton's employment and shut down any investigative effort that would expose their fraudulent actions.

184. Specifically, in late September 2024, Moe and Ritz held a secret GNS Board meeting without ever providing notice to Hamilton and other board members. During the meeting,

[9] *See, e.g.*, F-1/A (Registration statement) of filed (2024-06-25); F-1/A (Registration statement) of filed (2024-07-10); F-3/A (Registration statement) of filed (2024-07-26); F-1/A (Registration statement) of filed (2024-08-15); F-1/A (Registration statement) of filed (2024-08-27); F-3/A (Registration statement) of filed (2024-08-27).

Ritz and Moe voted to terminate and indeed terminated Hamilton's employment as CEO.

185. When Hamilton found out about Ritz and Moe's plot, he had already been terminated.

186. Thus, on September 24, 2024, GNS filed a Form 6-K to report Moe and Ritz's wrongdoing, and inform that Ritz had been terminated and that GNS would consider taking additional actions as to both Ritz and Moe:

> On September 24, 2024, Roger Hamilton, Chief Executive Officer and a Director of Genius Group Limited (the "Company") was made aware of an attempt by the Chairman of the Company's Board of Directors, Michael Moe, to hold a board meeting of the Company without notice to him and at least one other director. Singapore counsel has advised the Company that such attempt to hold a Board meeting is not valid under Singapore law and thus any actions purported to have taken place at such alleged meeting, including, but not limited to, termination of Mr. Hamilton as CEO, are invalid.
>
> Furthermore, the Company has received allegations from shareholders of LZG International Inc., the seller of Prime Source Acquisition, Inc. to the Company, that LZGI's principals, Michael Moe and Peter Ritz, have not complied with LZGI's corporate governance obligations in connection with the Prime Source transaction and the issuance of LZGI shares to themselves. The Company has also recently learned about issues relating to the corporate structure and representations regarding the ownership and control of shares and the alleged financial obligations of Prime Source itself, which may be in violation of the transactional documents between the Company and LGZI. Under these circumstances, the Company is in the process of investigating these allegations, through counsel, who have been asked to provide recommendations to the Company about any remedial steps, including litigation, that may be appropriate going forward.
>
> The Company has terminated Mr. Ritz's employment with the Company and is consulting with counsel with respect to further action as to Mr. Moe and Mr. Ritz.

187. GNS's filing is an admission that all its prior statements regarding the Merger were materially false. Indeed, GNS went along with Ritz and Moe's fraudulent scheme to deceive LZGI and GNS shareholders, as well as other investors and lenders, as GNS attempted to raise $250 million based on the revenues GNS purportedly would obtain from the LZGI-GNS Merger.

188. Following his termination by Ritz and Moe, Hamilton, in his capacity as GNS's

founder, submitted a letter to GNS's Board, which GNS disclosed, on September 25, 2024, through its Form 6-K.[10] In his letter, Hamilton stated, in relevant part:

> In light of recent events, including the various allegations against Mr. Moe and Mr. Ritz, the impact of their conduct on the company, and the invalid Board meeting that took place last Sunday, I have called the Emergency Board Meeting today for three main reasons.
>
> The first reason is for our legal counsel to advise all our Board Members of the fiduciary duty each of us hold to act in the best interests of the company and our shareholders. . . .
>
> The second reason is for our executive team to provide their report, supported by factual details, of the inquiries and investigations into the allegations of misconduct and alleged fraud that have been received by the company. . . .
>
> The third reason is for our Board to be fully aware of the concerns of our shareholders and their right to expect the highest level of conduct from our Board. . . . What happened this past Sunday, which has been described by some observers as an illegal board room coup, has resulted in my own concern as a shareholder being dramatically increased. . . .
>
> I have instructed the company to include in the upcoming AGM a shareholder vote for the removal and replacement of each of the Board Directors who took part in the invalid board meeting and vote that took place on Sunday. I believe the independent investigation will be complete prior to the AGM and shareholders will be equipped to make their own decisions based on the information available to them, and each Board Director can make their own decision if they want to see a future for themselves in Genius Group or not.
>
> I hereby give the Board notice that the company has today engaged Andrew Levander of Dechert, LLP to commence legal action against Mr. Moe and Mr. Ritz for alleged misconduct and breaches of contract, and to protect the company on behalf of its shareholders. . . .

189. Hamilton and GNS only adopted these belated actions, after Hamilton's position at the company was at stake, confirming that both Hamilton and GNS supported and concealed the fraud, until Ritz and Moe, through their controlling positions at GNS, terminated Hamilton.

[10] https://ir.geniusgroup.net/sec-filings/all-sec-filings/content/0001493152-24-038062/0001493152-24-038062.pdf.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

190. Plaintiffs bring this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired the publicly traded securities of GNS during the Class Period, as a result of the GNS-LZGI merger, and were damaged. Excluded from the Class are Defendants, the officers and directors of both GNS and LGZI, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

191. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, LGZI securities were actively traded on the OTC Pink market, in New York, and GNS securities were actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiffs at this time and can be ascertained only through appropriate discovery, Plaintiffs believe that there are hundreds of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by GNS and LGZI or their transfer agent, VStock, and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

192. Plaintiffs' claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal securities law.

193. Plaintiffs will fairly and adequately protect the interests of the members of the Class and have retained counsel competent and experienced in class and securities litigation. Plaintiffs have no interests antagonistic to or in conflict with those of the Class.

194. Common questions of law and fact exist as to all members of the Class and

predominate over any questions solely affecting individual members of the Class.

195. Among the questions of law and fact common to the Class are:

(a) whether Defendants' acts violated the federal securities laws;

(b) whether Defendants' statements to the investing public during the Class Period misrepresented and/or omitted material facts about the financial condition, business, operations, and management of GNS and LGZI;

(c) whether Defendants' statements to the investing public during the Class Period omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, including by failing to disclose vital negative information in GNS and LGZI SEC filings, as detailed above and below;

(d) whether Defendant Hamilton, with the assistance of Ritz and Moe, caused GNS to issue false and misleading SEC filings and public statements during the Class Period;

(e) whether Defendants acted knowingly or recklessly in issuing false and misleading SEC filings and public statements during the Class Period;

(f) whether the prices of LGZI securities during the Class Period were artificially reduced because of the Defendants' fraudulent conduct;

(g) whether the prices of GNS were artificially inflated during the Class Period, because of Defendants' misrepresentations; and

(h) whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

196. A class action is superior to all other available methods for the fair and efficient

adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

COUNT I
Violation of Section 10(b) of The Exchange Act and Rule 10b-5
(All Defendants)

197. Plaintiffs reallege and incorporate by reference all preceding paragraphs as if fully set forth herein.

198. The Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

199. The Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they: employed devices, schemes and artifices to defraud; made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or engaged in acts, practices and a course of business that operated as a fraud or deceit upon Plaintiffs in connection with the GNS-LZGI Merger.

200. The Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of LZGI and GNS were materially false, omitted material adverse information, and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or dissemination of such statements or documents as primary violations

of the securities laws.

201. The Defendants by virtue of their receipt of information reflecting the true facts of the GNS-LZGI Merger, their control over, and/or receipt and/or modification of LZGI and GNS's materially misleading statements, and/or their associations with LZGI and GNS which made them privy to financial, accounting, and proprietary information concerning LZGI and the GNS-LZGI Merger, participated in the fraudulent scheme to defraud investors, stockholders, US auditors, and the SEC.

202. Defendants Ritz and Moe, as LZGI's senior officers and directors, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiffs and other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or other personnel of LZGI to members of the investing public, including Plaintiffs.

203. Defendant Hamilton, as GNS's CEO, director and founder, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiffs, or, in the alternative, acted with reckless disregard for the truth when he failed to ascertain and disclose the true facts in the statements made by him or other personnel of GNS to members of the investing public, including Plaintiffs.

204. Specifically, Defendants disseminated the following materially false statements:

a. **01.24.2024**: GNS and LZGI issued a press release to announce the merger,[11] and represented that "[t]he merger has been approved by the boards of both companies, a definitive agreement has been signed and the merger will close

[11] https://ir.geniusgroup.net/news-events/press-releases/detail/118/genius-group-and-fatbrain-ai-agree-to-merge-into-growth

subject to . . . shareholder and NYSE approval."

b. **03.14.2024**: GNS issued a press release[12] and misrepresented that "[GNS] . . . and [LZGI] today announced completion of their merger" even though LZGI never sought nor obtained shareholder approval, a condition that GNS itself had stated was necessary for the merger to close. GNS also relied on the announcement to falsely represent to shareholders and lenders that its revenues would skyrocket, following the merger, in "approximately 150%", a representation GNS deliberately made to deceive, as GNS would seek to raise hundreds of millions of dollars based on those numbers.

c. **03.18.2024:** GNS misrepresented, in its Form 6-K,[13] and via a press release, that the deal involved "the purchase of selected FatBrain AI assets and liabilities . . . and no merger into Genius has taken place." That, of course, was contrary to all prior GNS and LZGI's representations, and were meant to deceive investors, as part of Ritz and Moe's scheme (Moe had become Chairman of the GNS Board, and Ritz director and CRO of GNS) to walk away from all the liabilities they had created at LZGI. Even worse, GNS misrepresented that "[a]ll necessary approvals for the transaction from shareholders, the board and regulators were received prior to the closing." That was also false, because LZGI shareholders had never approved the merger.

d. **05.15.2024:** GNS relies heavily on LZGI's fraudulent financials to paint a

[12] https://ir.geniusgroup.net/news-events/press-releases/detail/122/genius-group-completes-fatbrain-ai-merger-150-increase-in

[13] https://www.sec.gov/Archives/edgar/data/1847806/000149315224010222/ex99-1.htm

false picture of GNS as a thriving business, in its Form 6-K, dated May 15, 2024,[14] and Form 20F, of the same date. In these Forms, GNS misrepresented to shareholders and investors that its revenues were expected to increase substantially, in an effort to secure funding while raising its stock price: "Pro forma 2023 revenue increased 150% to $70.4 million from $28.1 million in 2022, including revenue from the FatBrain AI transaction."

e. **06.25.2024 to 08.27.2024**: GNS falsely represented, in several SEC filings, that the Merger added tens of millions of dollars in annual revenues to GNS, to deceive investors by painting a picture that GNS was thriving and its revenues growing. In addition to deceiving shareholders and Class Members, GNS misrepresented those financials to deceive investors and lenders, as it attempted to raise $250 million. For example, GNS misrepresented its financials by relying on LZGI's fraudulent revenues in its Forms (i) F-1/A of June 25, 2024;[15] (ii) F-1/A of July 10, 2024;[16] (iii) F-3/A of July 26, 2024;[17] (iv) F-1/A of August 15, 2024;[18] (v) F-1/A of August 27, 2024;[19] (vi) F-3/A of August 27, 2024.[20]

205. In addition, Defendants engaged in a concerted fraudulent scheme to defraud LZGI shareholders in connection with the Merger, and to conceal the wrongdoing from Plaintiffs and

[14] *See* https://www.sec.gov/Archives/edgar/data/1847806/000149315224019678/ex99-1.htm (Form 6-K); and https://www.sec.gov/ix?doc=/Archives/edgar/data/1847806/000149315224019663/form20-f.htm (Form 20-F).
[15] https://www.sec.gov/Archives/edgar/data/1847806/000149315224025009/formf-1a.htm.
[16] https://www.sec.gov/Archives/edgar/data/1847806/000149315224026791/formf-1a.htm.
[17] https://www.sec.gov/Archives/edgar/data/1847806/000149315224029246/formf-3a.htm.
[18] https://www.sec.gov/Archives/edgar/data/1847806/000149315224032524/formf-1a.htm.
[19] https://www.sec.gov/Archives/edgar/data/1847806/000149315224034004/formf-1a.htm.
[20] https://www.sec.gov/Archives/edgar/data/1847806/000149315224034007/formf-3a.htm.

other members of the Class. The scheme consisted of:

a. **December 2023 to March 2024**: Ritz and Moe issued over 73 million LZGI shares, without public disclosure, without shareholder approval, and without any compensation to the company. Ritz and Moe did so, with the intent to defraud LZGI shareholders in connection with the merger, as they issued 16 million shares to themselves and over 19 million shares to Carter, which were meant to bribe Pulier. GNS knew that Ritz and Moe had issued those shares, as the amount of outstanding stock, as of the date GNS announced the Merger, was 153,400,505, and, as GNS closed the Merger, the number of LZGI outstanding shares had increased to 227,531,255.

b. **03.18.2024**: GNS represented, in its Form 6-K,[21] that: "All of [LZGI's] former shareholders, which includes investors in the US and accomplished technology and education entrepreneurs and investors, including Michael Moe and Peter Ritz, will receive one (1) Genius Group share for every three (3) FatBrain AI shares." That exchange ratio was fraudulent, and GNS knew it was fraudulent. That is why GNS omitted from its Form 6-K that Ritz and Moe had issued over 73 million LZGI shares fraudulently, in connection with the merger, which impacted the exchange ratio to the detriment of LZGI and all its shareholders who received less GNS stock than they should have. In essence, GNS was covering up Ritz and Moe's scheme, because GNS also wanted to exploit the deal to secure hundreds of millions of dollars in financing.

[21] https://www.sec.gov/Archives/edgar/data/1847806/000149315224010222/ex99-1.htm

c. **03.22.2024**: Ritz and Moe wrongfully issued (a) 8,000,000 LZGI shares to Ritz, (b) 8,000,000 LZGI shares to Moe, and (c) 2,025,000 LZGI shares to St. Michael's Ventures LLC (Michael Carter's company). There are no records of shareholder approval authorizing issuance of LZGI shares to Ritz, Moe and Carter. There are no SEC filings or formal documentation to support the issuance of these LZGI shares. GNS knew that these shares had been wrongfully issued, and relied on the fraudulent issuance of shares to determine the exchange ratio it would employ to convert LZGI shares to GNS shares, in connection with the Merger.

d. **03.26.2024**: In addition, Ritz and Moe wrongfully issued (a) 10,000,000 shares to Ritz and (b) 17,300,000 shares to St. Michael's Ventures LLC (Michael Carter's company). There are no records of shareholder approval authorizing issuance of these LZGI shares, nor any SEC filings or formal documentation to support the issuance of these shares. Moreover, Carter, as the beneficial owner of St. Michael's Ventures LLC, should have, but did not disclose the receipt of those shares. Even worse, both GNS and LZGI omitted from its SEC filings that Carter used those shares to bribe a GNS board member, Pulier, to defraud shareholders. GNS omitted all those facts from its SEC filings, which, if disclosed, would expose the falsity of GNS's prior statements that the Merger had been properly approved by its board and by all shareholders (it was not, as it resulted an intricate fraudulent scheme).

e. **04.29.2024**: GNS filed with the SEC a copy of a voting agreement with Ritz

and Moe, as GNS stockholders. The agreement reflected that GNS had issued (a) 12,427,876 GNS shares to Ritz (6.68% of outstanding stock); and (b) 5,524,945 GNS shares to Moe (2.97% of outstanding stock). In fact, Ritz owned more stock than Hamilton (GNS's founder), who owns 8,311,175 GNS shares (4.47% of outstanding stock). Nowhere has GNS disclosed why it had issued 17,952,821 GNS shares to Ritz and Moe, in addition to the GNS shares they would receive in connection with the Merger. This omitted material fact would expose the falsity of GNS's prior statements that all LZGI shareholders would receive 1 GNS stock for every 3 LZGI shares they owned, given that Moe and Ritz received more GNS shares than any other LZGI shareholder.

f. **05.15.2024**: GNS disclosed a non-final version of the GNS-LZGI agreement as an Exhibit to its Form 20-F.[22] The agreement, however, did not contain a purchase price nor the exchange ratio for the conversion of LZGI shares into GNS stock. However, the agreement contained a provision that GNS, Ritz and Moe would liquidate LZGI, and that GNS would "fund LZG's expenses and costs in winding and liquidating LZG after closing." This provision confirms Defendants' scheme to defraud LZGI, as they sold LZGI's asset to GNS and covered up all their theft of LZGI's assets.

g. **May-June 2024**: Several LZGI shareholders formally reported to Hamilton, in his capacity as GNS's CEO, that Ritz and Moe had wrongfully issued over 73 million LZGI shares in connection with the Merger,

[22] https://www.sec.gov/ix?doc=/Archives/edgar/data/0001847806/000149315224019663/form20-f.htm.

including 16 million shares to themselves, and over 19 million shares that Carter used to bribe Pulier. GNS omitted that material information from its SEC filings, to conceal the wrongdoing and deceive investors. That was a material omission, as these facts made GNS's affirmative statements that the Merger had been legitimately approved by all shareholders were materially misleading.

h. **07.11. 2024**: Hamilton confirmed that were no records to support Ritz and Moe's actions, in his capacity as CEO and co-founder of GNS. GNS, however, omitted that material information from its SEC filings, to conceal the wrongdoing and deceive investors. That was material omission, as these facts made GNS's affirmative statements that the Merger had been legitimately approved by all shareholders were false and misleading.

206. On September 24, 2024, GNS filed a Form 6-K through which the company admitted that all the statements above were materially false, as it learned that "Michael Moe and Peter Ritz, have not complied with LZGI's corporate governance obligations in connection with the Prime Source transaction and the issuance of LZGI shares to themselves."

207. As a result of Defendants' false and misleading statements, as well as Defendants' fraudulent omission of key adverse material facts regarding the GNS-LZGI Merger, Plaintiffs received less GNS shares than they were entitled to. Indeed, due to Defendants' fraudulent actions, Plaintiffs received GNS shares which are virtually worthless, resulting in millions of dollars in losses.

208. In addition, Defendants forced LZGI to engage in fraudulent direct dealing with Carter, Moe, and Ritz, and issue millions of shares to themselves, for no consideration, and without

any disclosure or approval.

209. Defendant GNS is liable for Ritz and Moe's fraudulent scheme and for their wrongful issuance of LZGI shares, because the LZGI-GNS deal, as structured by GNS, consisted of a de facto merger, resulting in (a) continuity of ownership, as Ritz and Moe remained as major shareholders of GNS, and all other LZGI shareholders became GNS stockholders (owning 43% of the company), (b) cessation of LZGI's ordinary business operations and dissolution of LZGI (with all costs covered by GNS), (c) GNS assumed all liabilities necessary for the uninterrupted continuation of LZGI, in the amount of $15 million, and refused to assume any other LZGI liabilities to avoid liability through corporate transformations in form only, (d) Moe and Ritz retained their leadership positions, as Ritz was elevated to CRO and director, and Moe as Chairman of the GNS Board, overseeing all operations that LZGI sold to GNS.

210. By reason of the foregoing, the Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the Plaintiffs for substantial damages which they suffered in connection with the GNS-LZGI Merger.

COUNT II
Violation of Section 20(a) of the Exchange Act
(Moe, Hamilton and Ritz)

211. Plaintiffs reallege and incorporate by reference all preceding paragraphs as if fully set forth herein.

212. Moe, Ritz and Hamilton acted as controlling persons of GNS and LZGI within the meaning of Section 20(a) of the Exchange Act as alleged herein.

213. By virtue of their high-level positions with the Companies, participation in, and/or awareness of the Companies' operations, and intimate knowledge of the false statements filed by the Companies with the SEC and disseminated to the investing public, these individual Defendants

had the power to influence and control and did influence and control, directly or indirectly, the decision-making of both LZGI and GNS, including the content and dissemination of the various statements which are false and misleading.

214. Each of these individual Defendants was provided with or had unlimited access to copies of the reports, press releases, public filings, and other statements alleged by Plaintiffs to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

215. Ritz, Moe and Hamilton were also responsible for creating and overseeing LZGI and GNS's internal controls over financial reporting, and failed to install controls that would have prevented the fraudulent scheme in connection with the Merger.

216. Further, Ritz, with Moe's assistance, and Hamilton signed the Form 20-Fs and certifications, and authorized the filing or dissemination of the Form 20-Fs, Form 6-Ks, and 8-KS, as well as press releases, that are alleged herein to contain materially false and misleading statements or material omissions.

217. In particular, the Individual Defendants had direct and supervisory involvement in the day-to-day operations of LZGI and GNS and, therefore, had the power to control or influence the Merger giving rise to the securities violations as alleged herein, and exercised the same.

218. As set forth above, LZGI, GNS and all individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons of LZGI and GNS, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act.

219. As a direct and proximate result of these Defendants' wrongful conduct, Plaintiffs and other members of the Class suffered damages in connection with the LZGI-GNS Merger

during the Class Period.

JURY DEMAND

220. Plaintiffs demand a trial by jury on all issues so triable.

Dated: October 4, 2024.

Respectfully submitted,

AXS LAW GROUP, PLLC
2121 NW 2nd Avenue, Suite 201
Miami, FL 33127
Tel: 305.297.1878

By: */s/ Jeffrey W. Gutchess*
Jeffrey W. Gutchess
jeff@axslawgroup.com
Bernardo N. de Mello Franco
bernardo@axslawgroup.com

MCMULLIN & ASSOCIATES
11 Broadway, Suite 615
New York, NY 10004
Tel: (212) 882-1606
Fax: (866) 750-7586

By: */s/ Stephen McMullin*
Stephen McMullin
stephen@mcmullinlawfirm.com

Counsel for Plaintiffs

Certification and Authorization of Named Plaintiff Pursuant to Federal Securities Laws

The individual or institution listed below (the "Plaintiff") authorizes and, upon execution of the accompanying retainer agreement by The AXS Law Group, PLLC, retains The AXS Law Group, PLLC to file an action under the federal securities laws to recover damages and to seek other relief against Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz. Genius Group Limited. The AXS Law Group, PLLC will prosecute the action on a contingent fee basis and will advance all costs and expenses. The Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The AXS Law Group, PLLC

Name: **R. Scott Caputo**

Address: 59 La Costa Drive

City: Annandale

State: N.J.

Zip: 08801

Country: US

Facsimile:

Phone:908-255-9271

Email: scottcaputo@me.com

Plaintiff certifies that:

1. Plaintiff has reviewed the complaint and authorized its filing.

2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

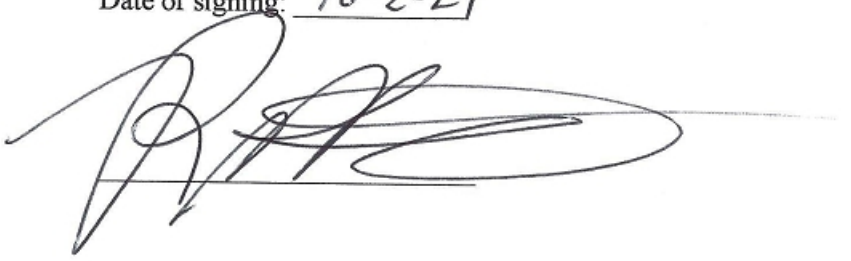
4. Plaintiff represents and warrants that he/she/it is fully authorized to enter into and execute this certification.

5. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and

Certification for **R. Scott Caputo** (cont.)

By clicking on the button below, I intend to sign and execute this agreement and retain the AXS Law Group, PLLC to proceed on Plaintiff's behalf, on a contingent fee basis. **YES**

Date of signing: 10-2-24



expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

6. Plaintiff has made no transaction(s) during the Class Period in the debt or equity securities that are the subject of this action except those set forth below:

Acquisitions:

Type of Security	Buy Date	# of Shares	Price per Share
Common Stock	04/28/22	1,500,000	1255

7. I have not served as a representative party on behalf of a class under the federal securities laws during the last three years, except if detailed below. ☒

I declare under penalty of perjury, under the laws of the United States, that the information entered is accurate: **YES**

Certification and Authorization of Named Plaintiff Pursuant to Federal Securities Laws

The individual or institution listed below (the "Plaintiff") authorizes and, upon execution of the accompanying retainer agreement by The AXS Law Group, PLLC, retains The AXS Law Group, PLLC to file an action under the federal securities laws to recover damages and to seek other relief against Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited. The AXS Law Group, PLLC will prosecute the action on a contingent fee basis and will advance all costs and expenses. The Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The AXS Law Group, PLLC

Name: **Hunts Road LLC**

Address: 81 N Sussex St

City: Dover

State: NJ

Zip: 07860

Country: USA

Facsimile:

Phone: (973) 271-2322

Email: klughill@aol.com

Plaintiff certifies that:

1. Plaintiff has reviewed the complaint and authorized its filing.

2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. Plaintiff represents and warrants that he/she/it is fully authorized to enter into and execute this certification.

5. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and

expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

6. Plaintiff has made no transaction(s) during the Class Period in the debt or equity securities that are the subject of this action except those set forth below:

Acquisitions:

Type of Security	Buy Date	# of Shares	Price per Share
Common Stock	9/27/2021	409,837	.1220
Common Stock	10/08/2021	327,868	.1220
Common Stock	8/26/2022	300,000	.7333
Common Stock	12/03/2023	950,000	.1500

7. I have not served as a representative party on behalf of a class under the federal securities laws during the last three years, except if detailed below. [ ]

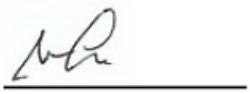
I declare under penalty of perjury, under the laws of the

United States, that the information entered is accurate: **YES**

Certification for **Hunts Road LLC** (cont.)

By clicking on the button below, I intend to sign and execute this agreement and retain the AXS Law Group, PLLC to proceed on Plaintiff's behalf, on a contingent fee basis. **YES**

Date of signing: October, 2 2024



Manager

Hunts Road LLC

Certification and Authorization of Named Plaintiff Pursuant to Federal Securities Laws

The individual or institution listed below (the "Plaintiff") authorizes and, upon execution of the accompanying retainer agreement by The AXS Law Group, PLLC, retains The AXS Law Group, PLLC to file an action under the federal securities laws to recover damages and to seek other relief against Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited. The AXS Law Group, PLLC will prosecute the action on a contingent fee basis and will advance all costs and expenses. The Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The AXS Law Group, PLLC

Name: **Ion1 LLC**

Address: 81 N Sussex St

City: Dover

State: NJ

Zip: 07860

Country: USA

Facsimile:

Phone: (973) 271-2322

Email: klughill@aol.com

Plaintiff certifies that:

1. Plaintiff has reviewed the complaint and authorized its filing.

2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. Plaintiff represents and warrants that he/she/it is fully authorized to enter into and execute this certification.

5. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and

expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

6. Plaintiff has made no transaction(s) during the Class Period in the debt or equity securities that are the subject of this action except those set forth below:

Acquisitions:

Type of Security	Buy Date	# of Shares	Price per Share
Common Stock	11/01/2021	819,672	.1220
Common Stock	12/01/2021	409,836	.1220

7. I have not served as a representative party on behalf of a class under the federal securities laws during the last three years, except if detailed below. [ ]

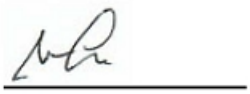
I declare under penalty of perjury, under the laws of the

United States, that the information entered is accurate: **YES**

Certification for **Ion1 LLC** (cont.)

By clicking on the button below, I intend to sign and execute this agreement and retain the AXS Law Group, PLLC to proceed on Plaintiff's behalf, on a contingent fee basis. **YES**

Date of signing: October, 2 2024



Manager

Ion1 LLC

Certification and Authorization of Named Plaintiff Pursuant to Federal Securities Laws

The individual or institution listed below (the "Plaintiff") authorizes and, upon execution of the accompanying retainer agreement by The AXS Law Group, PLLC, retains The AXS Law Group, PLLC to file an action under the federal securities laws to recover damages and to seek other relief against Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited. The AXS Law Group, PLLC will prosecute the action on a contingent fee basis and will advance all costs and expenses. The Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The AXS Law Group, PLLC

Name: **Brickell Capital Solo 401k Trust**

Address: 11 Broadway, Suite 615

City: New York

State: New York

Zip: 10004

Country: USA

Facsimile: NA

Phone: 2128821606

Email: stephen@mcmullinlawfirm.com

Plaintiff certifies that:

1. Plaintiff has reviewed the complaint and authorized its filing.

2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. Plaintiff represents and warrants that he/she/it is fully authorized to enter into and execute this certification.

5. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and

expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

6. Plaintiff has made no transaction(s) during the Class Period in the debt or equity securities that are the subject of this action except those set forth below:

Acquisitions:

Type of Security	Buy Date	# of Shares	Price per Share
Common Stock	10/12/21	409,835	$0.122
Common Stock	03/28/22	166,667	$0.60

7. I have not served as a representative party on behalf of a class under the federal securities laws during the last three years, except if detailed below. [ ]

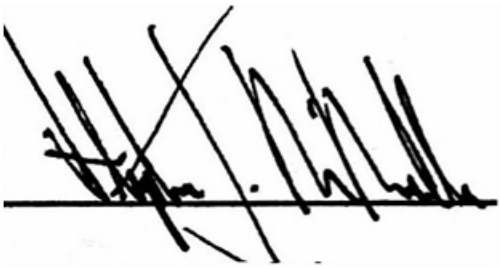
I declare under penalty of perjury, under the laws of the

United States, that the information entered is accurate: **YES**

Certification for **Stephen McMullin** (cont.)

By clicking on the button below, I intend to sign and execute this agreement and retain the AXS Law Group, PLLC to proceed on Plaintiff's behalf, on a contingent fee basis. **YES**

Date of signing: 10/3/24



Stephen McMullin, Trustee

On behalf of Brickell Capital Solo 401K Trust

Certification and Authorization of Named Plaintiff Pursuant to Federal Securities Laws

The individual or institution listed below (the "Plaintiff") authorizes and, upon execution of the accompanying retainer agreement by The AXS Law Group, PLLC, retains The AXS Law Group, PLLC to file an action under the federal securities laws to recover damages and to seek other relief against Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited. The AXS Law Group, PLLC will prosecute the action on a contingent fee basis and will advance all costs and expenses. The Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The AXS Law Group, PLLC

Name: **Edward Reinle**

Address: 15 Witherwood Dr

City: Hamburg

State: NJ

Zip: 07419

Country: USA

Facsimile:

Phone: (973) 271-2322

Email: klughill@aol.com

Plaintiff certifies that:

1. Plaintiff has reviewed the complaint and authorized its filing.

2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. Plaintiff represents and warrants that he/she/it is fully authorized to enter into and execute this certification.

5. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and

expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

6. Plaintiff has made no transaction(s) during the Class Period in the debt or equity securities that are the subject of this action except those set forth below:

Acquisitions:

Type of Security	Buy Date	# of Shares	Price per Share
Common Stock	8/26/2022	100,000	.5000

7. I have not served as a representative party on behalf of a class under the federal securities laws during the last three years, except if detailed below. [ ]

I declare under penalty of perjury, under the laws of the

United States, that the information entered is accurate: **YES**

Certification for **Edward Reinle** (cont.)

By clicking on the button below, I intend to sign and execute this agreement and retain the AXS Law Group, PLLC to proceed on Plaintiff's behalf, on a contingent fee basis. **YES**

Date of signing: October, 2 2024

Edward Reinle

Edward Reinle

Certification and Authorization of Named Plaintiff Pursuant to Federal Securities Laws

The individual or institution listed below (the "Plaintiff") authorizes and, upon execution of the accompanying retainer agreement by The AXS Law Group, PLLC, retains The AXS Law Group, PLLC to file an action under the federal securities laws to recover damages and to seek other relief against Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited. The AXS Law Group, PLLC will prosecute the action on a contingent fee basis and will advance all costs and expenses. The Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The AXS Law Group, PLLC.

Name: Emanuel Valadakis

Address: 3415 Washington Blvd, Unit 208

City: Arlington

State: Virginia

Zip: 22201

Country: Unites States

Facsimile: N/A

Phone: 484-467-5698

Email: mvaladakis@comcast.net

Plaintiff certifies that:

1. Plaintiff has reviewed the complaint and authorized its filing.

2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. Plaintiff represents and warrants that he/she/it is fully authorized to enter into and execute this certification.

5. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and

expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

6. Plaintiff has made no transaction(s) during the Class Period in the debt or equity securities that are the subject of this action except those set forth below:

Acquisitions:

Type of Security	Buy Date	# of Shares	Price per Share
Common Stock	Nov 30, 2022	150,228	$0.5160
	May 11, 2023	139,100	$0.00
	June 16, 2023	1,306,346	$0.5160

7. I have not served as a representative party on behalf of a class under the federal securities laws during the last three years, except if detailed below. [ ]

I declare under penalty of perjury, under the laws of the

United States, that the information entered is accurate: **YES**

Certification for **Emanuel Valadakis** (cont.)

By clicking on the button below, I intend to sign and execute this agreement and retain the AXS Law Group, PLLC to proceed on Plaintiff's behalf, on a contingent fee basis. **YES**

Date of signing: October 4, 2024

Emanuel Valadakis

Certification and Authorization of Named Plaintiff Pursuant to Federal Securities Laws

The individual or institution listed below (the "Plaintiff") authorizes and, upon execution of the accompanying retainer agreement by The AXS Law Group, PLLC, retains The AXS Law Group, PLLC to file an action under the federal securities laws to recover damages and to seek other relief against Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited. The AXS Law Group, PLLC will prosecute the action on a contingent fee basis and will advance all costs and expenses. The Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The AXS Law Group, PLLC.

Name:	Zitah McMillan-Ward
Address:	Lions Farm, Penn Bottom, Penn
City:	High Wycombe
State:	Buckinghamshire
Zip:	HP10 8PJ
Country:	United Kingdom
Facsimile:	
Phone:	
Email:	zitahmcmillan@gmail.com

Plaintiff certifies that:

1. Plaintiff has reviewed the complaint and authorized its filing.

2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. Plaintiff represents and warrants that he/she/it is fully authorized to enter into and execute this certification.

5. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and

expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

6. Plaintiff has made no transaction(s) during the Class Period in the debt or equity securities that are the subject of this action except those set forth below:

Acquisitions:

Type of Security	Buy Date	# of Shares	Price per Share

ACCOUNT SUMMARY

RESTRICTED BOOK SHARES*	BOOK SHARES	CERTIFICATE SHARES	TOTAL SHARES
1,835,684	0	0	1,835,684

*Any RESTRICTED book entry shares listed on this statement are subject to the following restrictions: The shares represented by this statement have not been registered under the Securities Act of 1933, as amended. The shares have been acquired for investment and may not be offered, sold or otherwise transferred in the absence of an effective registration statement with respect to the shares or an exemption from the registration requirements of said act that is then applicable to the shares, as to which a prior opinion of counsel will be required by the issuer or the transfer agent.

CURRENT ACTIVITY

Transaction Date	Cert#/Book Transaction Description	Shares Deposited or Withdrawn	Running Balance
	BEGINNING BALANCE		163,512
05/11/23	ISSUE SECURITIES	100,000	263,512
05/11/23	ISSUE SECURITIES	151,400	414,912
06/16/23	ISSUE SECURITIES	1,420,772	1,835,684

7. I have not served as a representative party on behalf of a class under the federal securities laws during the last three years, except if detailed below. [ ]

I declare under penalty of perjury, under the laws of the

United States, that the information entered is accurate: **YES**

Certification for **Zitah McMillan-Ward** (cont.)

By clicking on the button below, I intend to sign and execute this agreement and retain the AXS Law Group, PLLC to proceed on Plaintiff's behalf, on a contingent fee basis. **YES**

Date of signing: 4th October 2024

_____

Certification and Authorization of Named Plaintiff Pursuant to Federal Securities Laws

The individual or institution listed below (the "Plaintiff") authorizes and, upon execution of the accompanying retainer agreement by The AXS Law Group, PLLC, retains The AXS Law Group, PLLC to file an action under the federal securities laws to recover damages and to seek other relief against Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited. The AXS Law Group, PLLC will prosecute the action on a contingent fee basis and will advance all costs and expenses. The Michael M. Carter, Michael Moe, Roger Hamilton, Eric Pulier, Peter B. Ritz, Genius Group Limited Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The AXS Law Group, PLLC

Name: **Kailey Lewis**

Address: 65 Stevensville Rd

City: Underhill

State: VT

Zip: 05489

Country: USA

Facsimile:

Phone: (862)266-0464

Email: kaileyslewis@gmail.com

Plaintiff certifies that:

1. Plaintiff has reviewed the complaint and authorized its filing.

2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.

3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. Plaintiff represents and warrants that he/she/it is fully authorized to enter into and execute this certification.

5. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and

expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

6. Plaintiff has made no transaction(s) during the Class Period in the debt or equity securities that are the subject of this action except those set forth below:

Acquisitions:

Type of Security	Buy Date	# of Shares	Price per Share
Common Stock	8/26/2022	409,836	.1220
Common Stock	"various"	49,071	2.2887

7. I have not served as a representative party on behalf of a class under the federal securities laws during the last three years, except if detailed below. [ ]

I declare under penalty of perjury, under the laws of the United States, that the information entered is accurate: **YES**

Certification for **Kailey Lewis** (cont.)

By clicking on the button below, I intend to sign and execute this agreement and retain the AXS Law Group, PLLC to proceed on Plaintiff's behalf, on a contingent fee basis. **YES**

Date of signing: October, 2 2024

Kailey Lewis

EXHIBIT 3

PURCHASE AGREEMENT

This **PURCHASE AGREEMENT** ("Agreement") is entered into on January 24, 2024, BETWEEN:

Genius Group Ltd and its subsidiaries, a public limited company duly organized and operating under the Laws of Singapore, having its registered seat at 8 Amoy Street, #01-01 Singapore 049950 represented by Roger James Hamilton.

(Hereinafter referred to as the "**Purchaser**", "GG" or a "**Party**")

AND

LZG International, Inc

(Hereinafter referred to as the "**Seller**", "LZG" or "**Company**" or a Party, and collectively with the Purchaser, the "Parties")

Table of Contents

WHEREAS:

(A) **Genius Group and its subsidiaries Ltd**. (hereinafter referred to as "**GG**") is a global Edtech and education company with over 5.4 million students in 200 countries, publicly listed on NYSE American (Ticker: GNS). The Purchaser has plans to continue its growth through the ongoing acquisition of the IP assets and integration of online education and transformation companies with its online platform, GeniusU, a full entrepreneur education curriculum and its global network of mentors and city leaders. GG has an MTP to be the leading learning platform for the Entrepreneur Movement with a Moonshot of igniting the genius in 100 million students.

(B) **LZG International, Inc**. and its subsidiaries is a Florida Corporation, a pioneer in artificial intelligence technologies. The Company offers a bundle of modern software, market data and expert service.

(C) This agreement is for the purchase of the assets of LZG, consisting primarily of the stock of all of its subsidiaries, or by a subsidiary of GG to be formed ("Acquisition Sub"), of the assets of LZG in exchange for stock of GG, and is intended to qualify as a tax-free reorganization/merger under Section 368(a)(1)(C) of the Internal Revenue Code of 1986.

(D) The Parties have agreed to make certain warranties, covenants and agreements in connection with the transactions contemplated by this Agreement.

NOW THEREFORE, in consideration of the above recitals, the warranties, covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are now acknowledged, the Parties agree as follows:

1. DEFINITIONS

1.1. Defined Terms: The terms below have the following meanings when used in this Agreement in capitalized form unless otherwise expressed.

(a) "Affiliate" means with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with such Person.

(b) "Agreement" or "the Agreement" or "this Agreement" means this Asset Purchase Agreement and shall include the recitals and/or schedules attached hereto, and the contracts, certificates, disclosures and other documents to be executed and delivered pursuant hereto, if any and any amendments made to this Agreement by the Parties in writing.

(c) "Annual Revenue" means the total revenue recognized based on US IFRS from sales or services in a given year before costs or expenses are taken out.

(d) "Assets" means all of the property, rights and assets of the Company which are to be conveyed to GG.

(e) "Books and Records" means all files, documents, instruments, papers, relating to the business or financial condition of the Company, including financial statements, internal reports, tax returns and related work papers and letters from accountants, budgets, pricing guidelines, ledgers, journals, deeds, title policies, minute books, contracts, licenses, customer lists, computer files and programs (including data processing files and records), retrieval programs and operating data;

(f) "Business Day" means any day other than a Saturday, a Sunday, a public holiday or a day on which banking institutions are authorized or obligated by Law to be closed.

(g) "Claims" means any demand, claim, action, cause of action, notice, suit, litigation, prosecution, mediation, arbitration, inquiry, assessment or proceeding made or brought by or against a Party, however arising and whether present, unascertained, immediate, future or contingent, losses, Liabilities, Damages, costs and expenses, including reasonable legal fees and disbursements in relation thereto;

(h) "Closing Date" means the date on which Closing takes place in accordance with the terms of this Agreement.

(i) "Closing" means the sale and purchase of the Sale Assets in accordance with the terms of this Agreement.

(j) "Conditions Precedent" means the conditions precedent to Purchaser's purchase of the Sale Assets as set out in this Agreement.

(k) "Consideration Shares of GG" means the ordinary, free trading shares of the publicly listed Genius Group Limited at the NYSE American (Ticker: GNS) issued to the Seller on the Closing in the amount set out in Section 3 of the Agreement.

(l) "Customer Confidential Information" means any information disclosed (whether disclosed in writing, orally or otherwise) by the customer to the Company that is marked as "confidential", described as "confidential" or should have been understood by the Company at the time of disclosure to be confidential.

(m) "Customer Data" means the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, including any customer's Confidential Information,

(n) "Damages" means: (a) any and all monetary (or where the context so requires, monetary equivalent of) damages, fines, fees, penalties, Losses, and out-of-pocket

expenses (including without limitation any liability imposed under any award, writ, order, judgment, decree or direction passed or made by any Person); (b) subject to applicable Law, any punitive, or other exemplary or extra contractual damages payable or paid in respect of any contract; and (c) amounts paid in settlement, interest, court costs, costs of investigation, reasonable fees and expenses of legal counsel, accountants, and other experts, and other expenses of litigation or of any Claim, default, or assessment;

(o) "Encumbrance" with respect to any property or Asset or securities, shall mean: (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest, equitable interest, title retention agreement, voting trust agreement, commitment, restriction or limitation or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law; (b) any voting agreement, interest, option, pre-emptive rights, right of the first offer, refusal or transfer restriction in favor of any Person; and (c) any adverse claim as to title, possession or use; "Encumber" and "Encumbered" shall be construed accordingly;

(p) "Execution Date" means the date of this Agreement.

(q) "GAAP" means the Generally Accepted Accounting Principles as used in financial statements in the United States.

(r) "GG Shares" means the ordinary shares of GG, listed at NYSE (Ticker: GNS).

(s) "Indemnified Party" has the meaning set out in Section 10.1.

(t) "Indemnifying Party" has the meaning set out in Section 10.1.

(u) "Intellectual Property" means collectively or individually, the following worldwide rights relating to intangible property, whether or not filed, perfected, registered or recorded and whether now or hereafter existing, filed, issued or acquired: (a) patents, patent applications, patent disclosures, patent rights; (b) rights associated with works of authorship, including without limitation, copyrights, copyright applications, copyright registrations; (c) rights in trademarks, trademark registrations, and applications thereof, trade names, service marks, service names, logos, or trade dress; (d) rights relating to the protection of trade secrets and confidential information; (e) internet domain names, Internet and World Wide Web (WWW) URLs or addresses; and (f) all other intellectual, information or proprietary rights anywhere in the world including rights of privacy and publicity, rights to publish information and content in any media;

(v) "Law" or "Laws" shall mean any statute, law, regulation, ordinance, rule, court order, notification, order, decree, permits, licenses, approvals, consents, authorizations, government approvals, directives, guidelines, requirements or other governmental restrictions, or any similar form of a decision of, or determination by, or any interpretation, policy or administration, having the force of the law of any of the foregoing, in the jurisdiction of Singapore, unless otherwise stated, over the matter in question, whether in effect as of the date of this Agreement or thereafter;

(w) "Liabilities" means with respect to any person any direct or indirect liability, indebtedness, obligation, expense, deficiency, guaranty or endorsement of or by such person of any type, known or unknown, and whether accrued, absolute, contingent, unmatured, matured, otherwise due or to become due.

(x) "Market Price" means the average of the daily VWAP prices of the GG Shares for 30 consecutive trading days immediately preceding the day in question.

(y) "Material Adverse Effect" means a material adverse effect in the business or in the financial condition, results of operations, properties, assets, liabilities or prospects of Seller or the Subsidiaries, or any of them, or on the ability of Seller to enter into this Agreement and perform its obligations hereunder.

(z) "Organizational Documents" (a) the certificate of incorporation or articles of incorporations and the bylaws of a corporation; (b) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a person; and (c) any amendment to any of the foregoing.

(aa) "Owned IP" means all Intellectual Property in which LZG and/or any of its subsidiaries or affiliates has an ownership interest, including, but not limited to the Intellectual Property identified on Exhibit 1.

(bb) "Purchase Price" shall mean 73,873,784 ordinary shares in GG, restricted from trade for six months, to be issued by GG to LZG.

(cc) "Substantiated Claim" means a Claim in respect of which liability is admitted by the defaulting party, or which has been adjudicated on by a court of competent jurisdiction and no right of appeal lies in respect of such adjudication, or the parties are prevented by passage of time or otherwise from appealing.

(dd) "Transaction Documents" means, collectively, this Agreement, and each other agreement, certificate or document to be executed in connection with the Transaction.

(ee) "Transaction" means this Asset purchase contemplated in this Agreement.

(ff) "Transfer" (including with correlative meaning, the terms "Transferred by" and "Transferability") shall mean to transfer, sell, assign, pledge, hypothecate, create a

security interest in or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily.

1.2. Interpretation

In this Agreement:

(i) Words denoting any gender shall be deemed to include all other genders.

(j) Words importing the singular shall include the plural and vice versa, where the context so requires.

(k) The terms "hereof", "herein", "hereby", "hereto" and other derivatives or similar words, refer to this entire Agreement or specified Sections of this Agreement, as the case may be.

(l) Reference to the term "Section" shall be a reference to the specified Section or Schedule of this Agreement.

(m) Any reference to "writing" includes printing, typing, lithography and other means of reproducing words in a permanently visible form.

(n) The term "directly or indirectly" means directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and "direct or indirect" shall have correlative meanings.

(o) All headings and sub-headings of Sections, and the use of bold typeface are for convenience only and shall not affect the construction or interpretation of any provision of this Agreement.

(p) Reference to any legislation or Law or any provision thereof shall include references to any such Law as it may, after the Execution Date, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

(q) Reference to the word "include" or "including" shall be construed without limitation.

(r) Terms defined in this agreement shall include their correlative terms.

(s) Time is of the essence in the performance of the Parties' respective obligations. If any period specified herein is extended, such extended time shall also be of the essence.

(t) References to the knowledge, information, belief or awareness of any Person shall be deemed to include the knowledge, information, belief or awareness of such Person after examining all information which would be expected or required from a Person of ordinary prudence.

(u) All references to this Agreement or any other Transaction Document shall be deemed to include any amendments or modifications to this Agreement or the relevant Transaction Document, as the case may be, from time to time.

(v) Reference to days, months and years are to calendar days, calendar months and calendar years, respectively, unless defined otherwise or inconsistent with the context or meaning thereof; and

(w) Any word or phrase defined in the recitals or in the body of this Agreement as opposed to being defined in Section 1.1 shall have the meaning so assigned to it, unless the contrary is expressly stated or the contrary clearly appears from the context.

2. PURCHASE OF ASSETS

2.1. Upon the satisfaction of the condition relating to the Offering, as defined in the Recitals, the Seller agrees to sell, and the Purchaser agrees to purchase the assets of LZG consisting mainly of the stock of its subsidiaries and the assets thereof (the "Assets") for the Purchase Price. The Assets shall be sold free from all Encumbrances and together with all rights and privileges attached to them at the Execution Date or subsequently becoming attached to them. The list of the assets constitutes the Exhibit 1 to this Agreement.

2.2. For the avoidance of doubt, the Parties acknowledge that the transaction contemplated herein includes all rights, title, interest, and benefits appertaining to the Assets. The purchase includes all agreements, intellectual property, goodwill, Customer Data subject to compliance with the relevant data protection laws.

3. PURCHASE PRICE

3.1 The Price for acquiring the Assets of LZG by GG or by Acquisition Sub is the Purchase Price, and shall be paid in shares of GG Shares.

3.2 The Purchaser shall on the Closing Date pay the Purchase Price as agreed in accordance with Section 3.1 by issuing to the Seller GG Shares (the "Consideration Shares") restricted from trade for 6 months in a transaction exempt from registration under Section 4(a)(2) of

the Securities Act of 1933, as amended. The Consideration Shares of GG shall be issued to the Seller fully paid at a deemed price per share at the date of Closing ("Deemed Issue Price") equal to the Market Price and rank *pari passu* with other GG Shares in issue.

3.3 If, prior to closing, there is:

(i) a subdivision, consolidation or reclassification of GG Shares; and

(ii) a consolidation, amalgamation or merger of the Purchaser with or into another entity (other than consolidation, amalgamation or merger following which the Purchaser is the surviving entity and which does not result in any reclassification of, or change in the GG Shares, then the Purchaser shall adjust the Deemed Issue Price, conditional on any such event occurring, but with effect from the date of the relevant event (an "Adjustment") so that, after such Adjustment:

(iii) the total number of Consideration Shares of GG issued or to be issued to the Seller carry as nearly as possible (and in any event not less than) the same proportion of the voting rights attached to the fully diluted share capital and the same entitlement to participate in the profits and assets of the Purchaser (including on liquidation) as if there had been no such event giving rise to the Adjustment; and

4. PUBLIC COMPANY

4.1. The Seller shall abide by any rules or restrictions imposed by all state and federal laws and regulatory bodies, NYSE American and the SEC on the Seller as part of GG being a publicly listed company on NYSE American. The Seller, by signing this Agreement, acknowledges that due to SEC restrictions, any companies within GG that seek to issue equity and/or raise capital require a registration statement to be filed and approved by the SEC. Seller represents and warrants that except to the extent previously disclosed it is in compliance with all requirements of the SEC and the OTC Markets, Inc. and all other applicable regulatory bodies.

5. CONDITIONS PRECEDENT

5.1. Purchaser Conditions Precedent to Closing. The obligations of the Purchaser to purchase the Assets on the Closing Date are subject to the satisfaction, or waiver in writing by the Purchaser at or prior to the Closing, of the following conditions:

(a) Compliance with obligations. The Purchaser and the Seller shall have performed and complied in all respects with all agreements, obligations, and conditions contained in the Agreement that are required to be performed or complied with on or before Closing and shall have obtained all approvals, consents, including all consents from third parties, including but not limited to, any investors in and lenders to the Company, and qualifications necessary to complete the sale and purchase of the Assets.

(b) No Proceedings. No administrative, investigatory, judicial, quasi-judicial, or arbitration proceedings shall have been brought by any Person seeking to enjoin or seek Damages from any party in connection with the sale and purchase of the Assets, and no order, injunction, or other action shall have been issued, pending or threatened, which involves a challenge or seeks to or which prohibits, prevents, restrains, restricts, delays, makes illegal or otherwise interferes with the consummation of any of the transactions contemplated under the Agreement and the Transaction Documents;

(c) Accuracy of Warranties. Delivery to Purchaser of a certificate, dated as of the Closing Date, executed by the Seller, certifying that the warranties set out in Section 8 are true and correct.

(d) Delivery to Purchaser by LZG of consolidated financial statements of the five Kazakhstan subsidiaries of FB Primesource Acquisition, LLC (the "Primesource Group") audited by a PCAOB registered firm in full compliance with IFRS and LZG management financial statements with respect to the Assets not held by FB Primesource Acquisition, LLC or the Primesource Group.

(e) Consents and Waivers. The Seller will have obtained all necessary consents, waivers, and no-objections in writing from any Person as may be required under any applicable Law or contract or otherwise for the execution, delivery, and performance of the Transaction Documents.

(f) All assets being purchased are free and clear of all liens and liabilities and that there is no pending or threatened litigation or regulatory action or subpoena, legal process, proceeding or the like.

5.2. Seller Conditions Precedent to Closing. The obligations of the Seller to sell the Assets on the Closing Date subject to the satisfaction, or waiver at or prior to the Closing, of the following conditions:

(a) Compliance with obligations. The Purchaser shall have performed and complied in all respects with all agreements, obligations, and conditions contained in the Agreement that are required to be performed or complied with on or before Closing and shall have obtained all approvals, consents, and qualifications necessary to complete the transfer of the Assets.

(b) Consents and Waivers. The Purchaser will have obtained all necessary consents, waivers, and no-objections in writing from any Person as may be required under any applicable Law or contract or otherwise for the execution, delivery, and performance of the Transaction Documents.

6. PRE-CLOSING ACTIONS

6.1. Between the Execution Date and the Closing Date, except as expressly permitted or required by this Agreement or with the prior written consent of the Purchaser, the Seller shall:

(a) not directly or indirectly initiate or engage in discussions or negotiations with any other Person for the purpose of any transactions in respect of any assets of the Company, including the creation of any interest, direct, indirect, current, future, or contingent, in the assets of the Company.

(b) not carry out any action or omission which may affect the proposed transaction under this Agreement, or which may reduce or dilute the effective ownership of the Purchaser upon Closing, or which may change the ownership of the Assets.

(c) not pass any resolution which is inconsistent with any provision of, or transactions contemplated under, the Transaction Documents.

(d) conduct its operations other than in the ordinary course of business.

(e) materially comply with all applicable Laws.

(f) not agree or otherwise commit to taking any of the actions described in the foregoing subsections (a) through (e).

6.2. Reporting requirements. During the period between the Execution Date and the Closing Date:

(a) Each of the Company and the Purchasr shall promptly advise the other in writing of any event, occurrence, fact, condition, change, development, or effect that, individually or in the aggregate, has had or may reasonably be expected to have a Material Adverse Effect.

(b) Access to Documents, Etc. Each of the Seller and the Purchaser shall allow the other and its representatives to have reasonable access until the Closing Date to its books and records, and other relevant documents necessary for the transactions contemplated herein, subject to the Confidentiality set forth in Section 15 of this Agreement.

(c) No Actions to Cause Warranties to be Untrue. From the period of the Execution Date to the Closing Date, except as otherwise expressly contemplated in the Transaction Documents or agreed in writing by the Purchaser, neither part shall take, or agree or otherwise commit to taking, any of the foregoing actions or any other action that if taken would reasonably be expected to cause any of the warranties set out in Section 8 or 9 to be untrue.

(d) Securities Compliance. From the period of the Execution Date to the Closing Date, GG, as the Purchaser, will make all required pre-transaction disclosures to the SEC as may be required of the Parties by the SEC and shall fulfill all other obligations required by the SEC.

7. CLOSING, DELIVERY, AND PAYMENT

7.1. Closing. Subject to the satisfaction or waiver of the Conditions Precedent to Closing and shareholder approval on both sides, their continued satisfaction or waiver immediately before Closing, Closing shall take place virtually and, unless agreed otherwise between the Parties.

7.2. At Closing, both parties shall confirm they have complied with all necessary compliance as per their constitution, including any necessary Board and Shareholder approvals.

7.3 At Closing, the Seller shall deliver to the Purchaser the following documents:

(a) a bill of sale transferring the Assets to the Purchaser.

(b) any necessary assignments, certificates, or instruments of transfer for the Assets.

(c) any required consents or approvals for the transfer of the Assets.

(d) any other document that may be reasonably required by the Purchaser pursuant to Closing under.

7.4 (change numbering below from 7.4 onwards…) On the Closing Date, the Seller shall cause the direction of the Company to provide a duly signed written resolution of the board of directors of the Company which authorizes and approves (i) the transfer of the relevant Assets to the Purchaser; and (ii) the appointment of a director of the Company, as reasonably instructed by the Purchaser, with effect as of the Closing Date; and (iii) the execution by the company of all other documents contemplated by this Agreement to which the Company is a Party.

7.3 At Closing the Purchaser shall issue the Consideration Shares of GG to Seller.

7.4 The obligations of each of the Parties in this Section are interdependent on each other. Closing shall not occur unless all of the obligations specified in this Section are complied with and are fully effective.

7.5 Notwithstanding anything to the contrary, all transactions contemplated by this Agreement to be consummated at the Closing shall be deemed to occur simultaneously and no such transaction shall be deemed to be consummated unless all such transactions are consummated.

7.6 Purchaser's Post-Closing Commitment to Finance. The Purchaser shall provide operational funding for the businesses included within the acquired Assets as follows:

7.6.1 Post-Closing, the Purchaser shall make a capital contribution to FB Primesource Acquisition, LLC, in the amount of US$2,500,000, which may be used to pay certain acquisition indebtedness incurred in connection with the purchase by LZG of the PrimeSource Group.

7.6.2 As soon as practicable, the Purchaser shall make capital contribution to FB Primesource Acquisition, LLC in the amount of US$12,500,000, which may be used to pay certain obligations of FB Primesource Acquisition, LLC or LZG incurred in connection with LZG's purchase of the Assets, or for general working capital purposes.

7.7 As soon as reasonably practicable after April 1, 2024, but in no event later than six months from Closing, GG shall cause a resale registration statement to be filed and use its reasonable efforts to have it become effective to register the Consideration Shares under the Securities Act of 1933.

7.8 Within one month of closing, both parties will take the following post-closing actions:

7.8.1 Change the Board of Directors with non-executive and executive representation from both the buyer and seller on the Board, including the existing Board of the Seller.
7.8.2 Enter a Management Agreement with Peter Ritz, CEO of LZG, to join GG's Executive Team.
7.8.3 Communicate a joint message on the merger to Investors, Clients and the Market
7.8.4 Execute an integration plan for LZG's assets and operations to be integrated with GG.

8. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants, on behalf of itself, its shareholders and its subsidiaries, to and for the benefit of Purchaser and the other Purchaser Indemnitees, as follows, as of the date hereof and as of the Closing Date:

8.1 Organizational Matters.

(a) Organization, Standing and Power to Conduct Business. LZG: (i) is duly organized, and is validly existing and in good standing (or equivalent status), under the laws of the jurisdiction of its formation; (ii) has the requisite power to carry on its business as now being conducted; and (iii) is duly qualified, licensed and admitted to doing business, and is in good standing (or equivalent status), in each jurisdiction in which such qualification, license or admission is necessary, except in such jurisdictions where the failure to be so qualified, licensed or admitted to do business (or the equivalent thereof) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Organizational Documents. Seller has made available to Purchaser accurate and complete copies of its Organizational Documents, as amended to date and in effect as of the date of this Agreement.

8.2 Authority and Due Execution.

a) Authority. Seller has all requisite power and authority to enter into this Agreement and other Transaction Document to which it is a party and to consummate the Transaction. The execution, delivery and performance by the Seller of each Transaction Document to which it is a Party, and the consummation of the Contemplated Transaction by the Seller, have been (or will be at or prior to the Closing) duly authorized by all necessary actions on its part, and no other proceedings by Seller is necessary to authorize the execution, delivery or performance of this Agreement or any of the other Transaction Documents to which LZG is a party or to consummate the Transaction.

b) Due Execution. This Agreement has been, and, upon execution and delivery by the Seller, each other Transaction Document to which Seller is a party will be, duly executed and delivered by LZG and constitute, or upon execution and delivery will constitute (in each case, assuming the due execution and delivery of each other party hereto or thereto), the legal, valid and binding obligation of the Seller.

8.3 Non-Contravention and Consents.

a) Non-Contravention. The execution and delivery of this Agreement and each other Transaction Document to which LZG is a party do not, and the performance of this Agreement and each other Transaction Document to which LZG is a party will not: (i) conflict with or violate any of the Organizational Documents of LZG; (ii) conflict with or violate any applicable Legal Requirement to which LZG or any of the assets owned or used by LZG is subject; (iii) result in any material breach of or constitute a material default (or an event that with notice or lapse of time or both would become a material default) under, or materially impair the rights of LZG or materially alter the rights or obligations of any person under, or give to any person any right of termination, amendment, acceleration or cancellation of, or result in the creation of a material lien on any of the assets of LZG pursuant to, any Material Contract;

b) Contractual Consents. Except as set forth on Schedule 8.3, no Consent under any Material Contract is required to be obtained from, and the Seller is not or will not be required under a Material Contract to give any notice to, any Person in connection with the execution, delivery or performance of this Agreement or any other Transaction Document.

c) Governmental Consents. No Consent of any Governmental Entity, or other party, is required to be obtained, and no filing is required to be made with any Governmental Entity, by Seller in connection with the execution, delivery or performance of this Agreement or any other Transaction Document.

8.4 Financial Statements.

a) Financial Statements. Attached as an Annex to this Agreement are the financial statements (consisting of balance sheets, statements of income, including the footnotes thereto, for the relevant 12-month periods) of LZG, on a consolidated basis, as of May 31, 2021 and May 31, 2022, as well as the consolidated audited financial statements of each of the five operating subsidiaries of FB Primesource Acquisition, LLC (comprising, i/ Prime Source LLP, ii/ Digitalism LLP, iii/ InFin-IT-Solution LLP, iv/ Prime Source Innovation LLP and v/ Prime Source-Analytical Systems LLP, referred to herein as the "PrimeSource Group" or the "KZ Companies"), for the calendar years 2021 and 2022, together with a Balance Sheet for the PrimeSource Group as at December 31, 2023 (collectively, the "Financial Statements"). The Financial Statements have been prepared in accordance with GAAP or, in the case of the KZ Companies, in accordance with IFRS, consistently applied throughout the periods covered and in accordance with LZG's historic past practice. The Financial Statements fairly present in all material respects the financial position, results of operations and cash flows of LZG as of the dates, and for the periods, indicated therein. LZG maintains a standard system of accounting established and administered in accordance with GAAP including complete books and records in written or electronic form.

b) Accounts Receivable. All of the accounts receivable of LZG arose in the ordinary course of business, are carried on the records of LZG at values determined in accordance with GAAP (applied consistently with the Financial Statements) and are bona fide receivables incurred in the ordinary course. No person has any Lien (other than a Permitted Lien) on any of such accounts receivable, and no request or agreement for deduction or discount has been made with respect to any of such accounts receivable except as fully and adequately reflected in reserves for doubtful accounts.

8.5 No Liabilities; Indebtedness

a) Absence of Liabilities. Except as listed on Schedule 8.5 hereto, neither LZG nor any of its subsidiaries or affiliates has any Liability of any nature, other than: (i) liabilities identified as such in the "liabilities" column of the Balance Sheets for the fiscal years for 2021 and 2022; (ii) liabilities incurred subsequent to the date of the Balance Sheet in the ordinary course of business consistent with past practices of LZG and listed on Schedule 8.5 hereto; (iii) obligations that (A) exist under Contracts, (B) are expressly set forth in and identifiable by reference to the text of such Contracts and (C) are not required to be identified as liabilities in a balance sheet prepared in accordance with GAAP; or (iv) liabilities under this Agreement or any other Transaction Document;

b) Indebtedness. LZG is not in default with respect to any Indebtedness and no payment with respect to any Indebtedness is past due. LZG has not received any notice of default, alleged failure to perform or any offset or counterclaim with respect to any Indebtedness.

Neither the execution, delivery or performance of any Transaction Document will, or would reasonably be expected to, cause or result in a default, breach or acceleration, automatic or otherwise, of any condition, covenant or another term of any Indebtedness.

c) Director and Officer Indemnification. No event has occurred, and no circumstance or condition exists, that has resulted in, or that will or would reasonably be expected to result in, any claim for indemnification, reimbursement or contribution by, or the advancement of any expense to, any Associate pursuant to: (i) any term of any of the Organizational Documents of LZG; (ii) any indemnification agreement or other Contract between LZG and any such Associate; or (iii) any applicable Legal Requirement. No event has occurred, and no circumstance or condition exists, that has resulted in, or that will or would reasonably be expected to result in, LZG incurring any Liability to, or any basis for any claim against LZG by, any current, former or alleged holder of Assets of LZG.

8.7 Intellectual Property.

a) LZG is the sole and exclusive legal and beneficial owner of all right, title and interest in and to the Owned IP, and all Owned IP is freely and fully transferable, alienable, and licensable by LZG without restriction and payment of any kind to any third party and the approval of any third party (other than payments to or approval of the applicable Governmental Entity with respect to Registered IP). All LZG's IP is free and clear of all Liens. LZG owns, or otherwise has sufficient rights to, all LZG IP used in or held for use for the business of LZG, and LZG's IP is all the IP that is required to conduct the business of LZG in the manner in which it is currently being conducted and proposed to be conducted. No funding, facilities or personnel of any educational institution, research center, or governmental entities (i) were used, directly or indirectly, to develop or create, in whole or in part, any Owned IP or (ii) have any ownership interest in or rights to any Owned IP (except for licenses granted under an Outbound License). LZG is not, and never has been, a member or promoter of, or a contributor to, any industry standards body or similar organization that could require or obligate LZG to grant or offer to any other Person any license or right to any Owned IP. All Owned IP has been paid for in full.

b) (i) LZG has never infringed (directly, contributorily, by inducement or otherwise), misappropriated, or otherwise violated any IP of any other person; and (ii) LZG's IP and the conduct of the business of LZG do not infringe (directly, contributorily, by inducement or otherwise), misappropriate, or otherwise violate any IP of any person. There is no legal proceeding pending or threatened in writing against LZG or an offer of a license to LZG involving any LZG's IP or any claim alleging that any of the foregoing infringes (directly, contributorily, by inducement or otherwise), misappropriates or otherwise violates the rights of any person. To the knowledge of LZG, no person is infringing (directly, contributorily, by inducement or otherwise), misappropriating or otherwise violating any Owned IP, or has previously done so. There is no legal proceeding pending or threatened in writing against LZG in which

the ownership, scope, validity, or enforceability of any LZG's IP is being, has been, or would reasonably be expected to be contested or challenged.

c) No Source Code for any LZG Software has been disclosed, delivered, or licensed by LZG to any other person, and LZG has no contractual obligation to provide any Source Code for any such Software to any other person. LZG is not obligated under any Open-Source License to distribute or make available any Software, Source Code or other IP to any other Person, or grant any other rights to any Person. LZG has not granted ownership exclusive license rights in any of LZG Software to another Person.

d) LZG has: (i) taken all reasonable measures to protect and preserve the confidentiality of all Confidential Information owned, used, or held by LZG; and (ii) only disclosed any such Confidential Information pursuant to the terms of a written agreement that requires the person receiving such Confidential Information to reasonably protect and not disclose such Confidential Information. No Confidential Information owned, used, or held by LZG has been disclosed by LZG to any Person other than pursuant to a written agreement restricting the disclosure and use of such Confidential Information by such Person.

e) No Associate has any ownership, license or another right, title or interest in any LZG IP, or to any improvements or modifications thereof. Each Associate who is or has been involved in the creation or development (alone or with others) of any IP by or for LZG, or has or previously had access to any Confidential Information owned, used, or held by LZG, has executed and delivered to LZG a written and enforceable Contract: (i) that irrevocably assigns to LZG all right, title and interest in and to any such IP; and (ii) pursuant to which such Associate agrees to maintain and protect the confidentiality of such Confidential Information. In each case in which LZG has acquired ownership (or purported to acquire ownership) of any IP from any person, LZG has obtained a valid and enforceable written assignment sufficient to irrevocably transfer ownership of all rights with respect to such IP to LZG. No associate is subject to any contract with any other person that conflicts with or restricts the performance of their work for LZG or is in violation of any Contract with another person that pertains to IP. No person (other than LZG) has an interest or right in or to any improvements, modifications, enhancements, customization or derivatives of any Owned IP. There are no royalties, fees, honoraria or other payments payable by LZG to any person by reason of the ownership, development, use, license, sale or disposition of any LZG's IP, other than salaries and sales commissions paid to employees, contractors and sales agents in the ordinary course of business.

f) Neither the execution, delivery or performance of this Agreement or any other Transaction Document will, with or without notice or lapse of time, result in, or give any other person the right or option to cause or declare, any of the following (including if a consent is required to avoid any of the following): (i) a loss of, or encumbrance on, any LZG's IP; (ii) a breach of or default under or termination of any IP License; (iii) the grant, assignment or transfer to any other person of any license or other right or

interest under, in or to any Owned IP or the satisfaction of any condition as a result of which any person would be permitted to exercise any license or other right or interest under, in or to any LZG's IP; (iv) Purchaser or any of its Affiliates being bound by, or subject to, any exclusivity commitment, non-competition agreement or other limitation or restriction on the operation of their respective businesses or the use, exploitation, assertion or enforcement of any IP; (v) a reduction of any royalties or other payments that LZG would otherwise be entitled to receive with respect to any LZG's IP.

8.8 Litigation.

(i) Except as set forth in Schedule 8.8, there has not been any legal proceeding pending (ii) there are no Legal Proceedings for which LZG has been served or, to the knowledge of LZG, that are pending or threatened, against LZG or any LZG associate in their capacities as such; (iii) there are no legal proceedings pending or threatened by LZG against any third party, at law or in equity, or before or by any governmental entity; (iv) there have been no settlements of any legal proceedings or threatened legal proceedings.

8.9 Tax Matters.

(a) Seller has paid on a timely basis all Taxes relating to the Purchased Assets that are due and payable. There are no Liens with respect to Taxes on any of the Purchased Assets, other than statutory Liens for current Taxes not yet due and payable.

(b) There are no pending or, to the Seller's Knowledge, threatened audits, investigations, disputes, notices of deficiency, claims or other actions or proceedings for or relating to any Taxes of Seller which would reasonably be expected to result in any Liens on any Purchased Asset or result in any material liability of Purchaser for any Tax.

8.10 Brokers. No broker, finder or investment banker is entitled to any brokerage, finders or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller.

8.11 Employee Matters. Seller has previously provided to Purchaser a complete and correct list of all employees of the Primesource Group as of the Effective Date (an "Employee Roster"), which lists their (a) respective salaries or hourly pay rates, (b) position, (c) accrued vacation, sick time, and paid time off, and (d) term of employment and part-time or full-time status. An updated Employee Roster as of the Closing Date will be delivered by Seller at the Closing. Such list also contains a list of all non-competition, non-solicitation, confidentiality, or other similar agreements with employees of Seller. There are no labor contracts, collective bargaining agreements, letters of understanding, or other arrangements, formal or informal, with any union or labor organization covering Seller's employees or contractors and none of such employees or contractors are represented by any union or labor organization.

8.12 Employee Benefits. Except for the Long Term Incentive Plan, there are no (collectively, "Employee Benefit Plans"): (a) "employee benefit plans," as defined in the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (b) employment, consulting or other individual compensation agreements, and (c) bonus or other incentive, equity

or equity-based compensation, stock option, deferred compensation, severance pay, sick leave, vacation pay, salary continuation, retirement, disability, hospitalization, paid time off, medical, life insurance, scholarship programs, or other benefits, plans, or arrangements as to which Seller has any obligation or liability, contingent or otherwise. All Employee Benefit Plans are, and have been, maintained in compliance with their terms and applicable law in all material respects. Seller has made or caused to be made all contributions and has paid all premiums under each Employee Benefit Plan and ERISA affiliate plan other than a pension benefit plan within the meaning of ERISA § 3(2) on behalf of employees with respect to periods ending on or prior to the Closing Date. Other than as set forth on Schedule 8.12, Seller has not maintained or contributed to a plan subject to Title IV of ERISA.

8.13 Insurance. In accordance with typical Kazakhstan practice, the Primesource Group has no insurance policies with respect to the Business. All of such insurance policies are in full force and effect, and Seller is not in material default with respect to its obligations under any of such insurance policies. Seller has not received written notice of any cancellation or threat of cancellation of such insurance policies, nor has Seller been denied insurance or suffered the cancellation of any insurance with respect to the Business during the past three (3) years.

8.14 Foreign Person. Such Seller is not a "foreign person" within the meaning of Sections 1445 and 7701 of the IRS Code (i.e. Seller is not a nonresident alien, foreign corporation, foreign partnership, foreign trust, or foreign estate as those terms are defined in the Code and any regulations promulgated thereunder).

8.15 *FCPA; Anti-Bribery; Trade Laws.*

(a)In each case with respect to the Acquired Business, each of the Parent and each of its Subsidiaries is, and at all times has been, in compliance in all material respects with the provisions of, and none of the Parent or its Subsidiaries or any of their respective directors, officers or employees in such capacity, or, to the Knowledge of the Seller, consultants, agents or other Persons acting for or on behalf of any such Person, has taken any action that would result in a violation by such Person of, the Foreign Corrupt Practices Act of 1977 (15 U.S.C. §§ 78m(b), 78dd-1, 78dd-2, 78ff) (the "FCPA"), or each other anti-corruption or anti-bribery law binding on any of them. In each case with respect to the Acquired Business, none of the Parent or any of its Subsidiaries or, to the Knowledge of the Seller, any of their respective Affiliates, managers, directors, officers, agents, employees or other Persons acting on behalf of any of them have, directly or indirectly, paid, offered or promised to pay, or authorized payment of, or will, directly or indirectly, pay, offer or promise to pay, or authorize payment of, any monies or any other thing of value to any government official or employee (including employees of government-owned or controlled entities), including "foreign officials" (as such term is defined in the FCPA), or any political party or official thereof or candidate for political office (collectively, a "Proscribed Recipient") for the purpose of, (a) influencing any act or decision of such Proscribed Recipient, (b) inducing such Proscribed Recipient to do or omit to do any act in violation of the lawful duty of such Proscribed Recipient, or to use his, her, or its influence with a Government Authority to affect or influence any act or decision of such Government Authority, or (c) assisting in obtaining or retaining business for or with, or directing business to, any Person.

(b)In each case with respect to the Acquired Business, none of the Parent or its Subsidiaries or any of its respective directors, officers or employees, in such capacity, or, to the Knowledge of the Seller, consultants, agents or other Persons acting for or on behalf of any such Person, is, or is directly or indirectly owned 50% or more (individually or in the aggregate) or otherwise controlled by Persons identified on Specially Designated Nationals and Blocked Persons ("SDN") List administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"); (ii) is an individual or entity that has been designated on any similar list or order published by the United States government, including the Denied Persons List, Entity List, or Unverified List of the U.S. Department of Commerce, or the Debarred List or Nonproliferation Sanctions List of the U.S. Department of State; or (iii) has violated any applicable U.S. economic sanctions law in connection with the operation of the Acquired Business. Without limiting the generality of the foregoing, each of the Parent and each of its Subsidiaries is, and at all times has been, in compliance with and in possession of any and all material licenses or material permits that may be required for the lawful conduct of the Acquired Business under U.S. export control law, including the Export Administration Regulations and the International Traffic in Arms Regulations. In each case with respect to the Acquired Business, none of the Parent or any of its Subsidiaries has made any voluntary disclosures to U.S. government authorities under U.S. economic sanctions law or U.S. export control law and, to the Knowledge of the Seller, none of the Parent or any of its Subsidiaries has been the subject of any governmental investigation or inquiry regarding compliance with such law or been assessed any fine or penalty under such law.

(c) The Parent and its Subsidiaries in connection with the Acquired Business are, and for the five years prior to the date hereof have been, in material compliance with international trade regulations, including any applicable United States or other Government Authority rules and regulations related to export controls, trade, economic, and financial sanctions and embargoes, and customs matters (collectively "International Trade Laws") with respect to the Assets or their conduct within the Acquired Business. Neither the Parent nor any of its Subsidiaries has received any written notice (or, to the Knowledge of the Seller, oral notice) from any Government Authority alleging any material failure to comply with International Trade Laws with respect to the Acquired Business.

8.16 *Books and Records*. All books, records and accounts of the Parent and its Subsidiaries with respect to the Acquired Business are made and kept in reasonable detail and accurately and fairly reflect in all material respects the transactions and dispositions of its assets. The records, systems, controls, data and information of the Parent and its Subsidiaries with respect to the Acquired Business are recorded, stored, maintained and operated under the exclusive ownership and direct control of the Seller and its accountants. Each of the Seller and each of its Affiliates maintains a system of internal accounting controls sufficient to provide reasonable assurances that, with respect to the Acquired Business: transactions are executed in accordance with management's general or specific authorization; transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets; access to assets is permitted only in accordance with management's general or specific authorization and the recorded accounting for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

8.17 *Solvency*. After giving effect to the Acquisition and the other transactions contemplated by the Transaction Documents, the Seller will be solvent (in that both the fair value of its assets will not be less than the sum of its debts and that the present fair saleable value of its assets will not be less than the amount required to pay its probable liabilities on its debts as they become absolute and matured); will have adequate capital and liquidity with which to engage in its business; and will not have incurred and does not plan to incur debts beyond its ability to pay as they become absolute and matured (including a reasonable estimate of the amount of all contingent liabilities). No transfer of property is being made and no obligation is being incurred in connection with the Acquisition or the other transactions contemplated by the Transaction Documents with the actual intent to hinder, delay or defraud either present or future creditors of the Parent or any of its Subsidiaries.

8.18 General Warranty. None of the representations or warranties contained herein by Seller or the Shareholders, nor any exhibit, schedule, statement, or certificate furnished to or to be furnished by Seller or the Shareholders to Buyer pursuant to the terms hereof or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained or incorporated herein or therein not misleading.

9. REPRESENTATIONS AND WARRANTIES OF PURCHASER.

Purchaser represents and warrants to Seller as follows, as of the date hereof and as of the Closing Date:

a) Standing. GG is a Public Limited Company, duly incorporated, validly existing and in good standing under the laws of the Republic of Singapore.

9.1 Authority and Due Execution.

a) Authority. Purchaser has all requisite corporate power and authority to enter into this Agreement and each other Transaction Document to which it is a party and to consummate the Stock Purchase and the other Contemplated Transactions. The execution and delivery by Purchaser of this Agreement and the other Transaction Documents to which Purchaser is a party and the consummation by Purchaser of the Stock Purchase and the other Contemplated Transactions have been duly authorized by all necessary corporate action on the part of Purchaser and no other corporate proceedings on the part of Purchaser are necessary to authorize the execution, delivery and performance of this Agreement and such other Transaction Documents by Purchaser or to consummate the Stock Purchase and the other Contemplated Transactions.

b) Due Execution. This Agreement has been, and, upon execution and delivery, each other Transaction Document to which Purchaser is a party will be, duly executed and delivered by Purchaser and constitute, or upon execution and delivery will constitute, the legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, subject only to the Enforceability Exception.

c) Non-Contravention and Consents. The execution and delivery by Purchaser of this Agreement and each other Transaction Document to which Purchaser is a party do not, and the consummation of the Stock Purchase and the other Contemplated Transactions by Purchaser and the performance of this Agreement and the other Transactions Documents to which Purchaser is or will be a party by Purchaser will not: (i) conflict with or violate any of its Organizational Documents or similar organizational or governing documents then in effect; (ii) conflict with or violate any Legal Requirement applicable to Purchaser; or (iii) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) by Purchaser under, or impair the rights of Purchaser or alter the rights or obligations of Purchaser under, or give to any Person any rights of termination, amendment or cancellation of, or result in the creation of a Lien on any of the assets of Purchaser pursuant to, any material Contract to which Purchaser is separately or collectively then a party or by which it is then bound.

d) Funding. At Closing, the Purchaser will possess funding, or is the recipient of, binding, irrevocable and unconditional funding commitments, which will allow it to meet its obligations to make the payments due under this Agreement.

9.2 GG Share Ownership Etc.

a) All of the Consideration Shares upon issuance shall be fully paid and nonassessable and free and clear from all Encumbrances, and Purchaser has full right, power and authority to sell, transfer, convey and deliver to the Seller good, valid and marketable title to the Consideration Shares GU and GG held by any of the Purchaser in accordance with the terms of this Agreement.

b) Upon issuance, there are no outstanding or authorized obligations, rights including allotment, pre-emptive rights, rights of first refusal pursuant to any existing agreement warrants, options, or other agreements including voting agreements, contracts, arrangements entered into by, or binding on, the Purchaser, of any kind that gives any Person the right to purchase or otherwise receive the Consideration Shares of GG (or any interest therein).

c) GG has made, or will make, all necessary disclosures to regulatory bodies governing the transfer of the Consideration Shares of GG to the Seller including but not limited to the SEC.

9.3 Knowledge. There are no matters within the actual knowledge of the Purchase, its Affiliate or any of their officers or employees at the Closing Date which will or may entitle any of them to make a claim under this Agreement against the Seller or the Company.

10. REPRESENTATIONS AND WARRANTIES OF SELLER

10.1 Warranties of the Seller. The Seller warrants to the Purchaser that each of the statements set out in Sections 10.2 to 10.7 (Warranties of the Seller) is true and accurate as of the Execution Date.

10.2 Authorization by Seller. This Agreement has been duly authorized, executed and delivered by the Seller and creates legal, valid and binding obligations of the Seller, enforceable in accordance with its terms. No consent, approval or authorization of any Person or entity is required in connection with the Seller execution or delivery of this Agreement or the consummation by the Seller of the transactions contemplated by this Agreement, except for the approval of the Board to the transfer of the Assets from the Seller to the Purchaser.

10.3 Organization. LZG is a Corporation duly organized and validly existing under the laws of the state of Florida, United States, has full corporate power and authority to carry on its business as it is currently being conducted and to own, operates and holds its assets as, and in the places where, such Assets are currently owned, operated and held.

10.4 No Conflicts. The execution, delivery and performance of and compliance with this Agreement and the consummation of the transactions contemplated by this Agreement do not and will not:

a) violate, conflict with, result in or constitute a default under, result in the termination, cancellation or modification of, accelerate the performance required by, resulting in a right of termination under, or result in any loss of benefit under: (i) any material contract to which the Seller is a party; (ii) a material permit/license; (iii) any agreements relating to the indebtedness of the Seller (v) any agreements entered into between any or the Seller or the Company or any of its respective Affiliates; or

b) violate or conflict with any applicable Law to which the Seller or any of their respective property is subject.

10.5 No Proceedings. There are no legal or governmental proceedings pending to which the Seller is a party or to which any of the property of the Seller is subject, and which in either case could reasonably be expected to have an adverse effect on the power or ability of either of the Seller to perform theirs obligations under this Agreement.

10.6 Knowledge. There are no matters within the actual knowledge of the Seller, its Affiliate or any of their officers or employees at the Closing Date which will or may entitle any of them to make a claim under this Agreement against the Purchaser.

11. WARRANTIES GENERALLY

11.1 Each of the Parties shall give the other Parties prompt notice in writing of any event, condition or circumstance (whether existing on or before the Execution Date or arising

thereafter) that would cause any of their respective warranties to become untrue or incorrect or incomplete or inaccurate or misleading in any respect, that would constitute a violation or breach of any of the warranties as of any date from the Execution Date or that would constitute a violation or breach of any terms and conditions contained in this Agreement. This requirement shall not prejudice the right of the Parties to bring a Claim for any breach of the warranties. Each Party undertakes to notify the other Parties promptly after becoming aware of such event, in any event no later than 10 (ten) days after becoming aware of such event.

11.2 Each of the warranties shall be construed as a separate warranty, covenant or undertaking, as the case may be, and shall not be limited by inference from the terms of any other warranty or by any other term of this Agreement.

12. INDEMNIFICATION AND DAMAGES

12.1 In consideration of the purchase of the Assets by the Purchaser from the Seller hereunder, each Party ("Indemnifying Party") agrees to indemnify, defend and hold harmless, the other Party, its Affiliates and each of their respective partners, officers, employees, shareholders, partners, agents, as the case may be from and against, any and all, damages, Losses, Liabilities, obligations, fines, penalties, levies, action, investigations, inquisitions, notices, suits, judgments, claims of any kind including third party claims, interest, governmental and statutory action, costs, litigation and arbitral costs, taxes or expenses (including without limitation, reasonable attorney's fees and expenses) (collectively referred to as "Loss") suffered or incurred, directly or indirectly by any Indemnified Party as a result of:

a) any misrepresentation or inaccuracy in any Warranty made by such Indemnifying Party, or any failure by such Indemnifying Party to perform or comply with any agreement, obligation, liability, warranty, term, covenant or undertaking contained in this Agreement.

b) any fraud committed by the Indemnifying Party, at any time.

12.2 In the event either Party makes any payment pursuant to this Section 12 (Indemnification), the same shall be grossed up to take into account any Taxes, payable by the Indemnified Parties on such payment.

12.3 The indemnification rights of the Indemnified Parties under this Agreement are independent of, and in addition to, such other rights and remedies as Indemnified Parties may have at Law or in equity or otherwise, including the right to seek specific performance or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.

12.4 The above indemnity shall take effect upon Closing and shall lapse on the first anniversary of the Closing Date.

13. LIMITATION OF LIABILITY

13.1 Except as provided in Section 13.9, the provisions of this Section 13 shall operate to limit the liability of each party in relation to any Claim under this Agreement.

13.2 The aggregate liability of each party for all Substantiated Claims shall not exceed the amount of the Purchase Price actually received by the Seller under this Agreement. For the purposes of assessing whether the limit has been reached, the liability of the Seller shall be deemed to include the amount of all costs, expenses and other liabilities (together with any VAT thereon) payable by it in connection with the settlement or determination of any Claim.

13.3 Notwithstanding anything else in this Agreement, the Seller shall have no liability for any liabilities until the entire US$15,000,000 of funding has been made available to Seller for the purpose of satisfying liabilities.

13.4 Neither party shall be liable for a Claim unless:

13.4.1 its liability in respect of such Claim exceeds $50,000 ("De Minimis Threshold"); and

13.4.2 the aggregate amount of all Claims for which it would, in the absence of this Section 13.4, be liable shall exceed $250,000 and in such event the party shall be liable for the whole of such amount and not merely the excess.

13.4.3 All amounts in par 13.3 will be calculated after insurance reimbursement if applicable.

For the purposes of calculating Claims counting towards the De Minimis Threshold, such calculation shall exclude all costs, expenses and other liabilities (together with any irrecoverable VAT thereon) incurred or to be incurred by the Purchaser in connection with the formalization of any such Claim.

13.5 The written notice of a Claim shall give full details (so far as such details are known to the claiming party) of the nature of the Claim, the circumstances giving rise to it and the claiming party's bona fide estimate of any alleged loss.

13.6 Any Claim notified under Section 13.4 shall be deemed to be irrevocably withdrawn (if it has not been previously satisfied, settled or withdrawn) unless legal proceedings in respect thereof have been commenced in respect of a Claim within six (6) months of the giving of written notice of the Claim; and for this purpose legal proceedings shall not be deemed to have commenced unless both issued and served, provided that in the event of a Contingent Claim, legal proceedings must have been so commenced with six (6) months of the Contingent Claim becoming an actual liability.

13.7 Neither Party shall be liable for a Claim:

a) where the matter giving rise to the Claim is within the actual knowledge of the other Party, its officers or employees or its advisers before the Closing Date.

b) unless and until such Claim becomes a Substantiated Claim; or

c) where the Claim arises from an act (including an intentional failure to act) or transaction, whether before, at or after Closing, either undertaken (i) in accordance with this Agreement; or (ii) at the written request or direction of, or with the written consent of, the other Party or any member of the other Party's group.

13.8 If the same fact, matter, event or circumstance gives rise to more than one Claim, neither party shall be entitled to recover more than once in respect of such fact, matter, event or circumstance.

13.9 Where a party is entitled (whether by reason of insurance or otherwise) to recover from a third party (not being a party to this Agreement) any sum in respect of any liability, loss or damage which is the subject of a Claim or for which such a Claim could be made, such party shall use reasonable endeavors to recover from that third party before making any such Claim.

13.10 Nothing in this Section 13 applies to exclude or limit the liability of either party to the extent that a Claim arises or is delayed as a result of dishonesty, fraud, willful misconduct or willful concealment by such party, its agents or advisers.

14. TERMINATION

14.1 Each of the Parties shall take all steps necessary to fulfill the Conditions Precedent promptly. Subject to Section 14.2, if the Conditions Precedent are not satisfied, or waived on or before the Closing, the non-defaulting Party may (without limiting their right to claim damages or exercise any other rights and remedies they may have under this Agreement):

a) terminate this Agreement with immediate effect.

b) proceed to Closing as far as practicable.

14.2 Any termination of this Agreement shall be without prejudice to any rights and obligations of the Parties accrued or incurred prior to the date of such termination, which shall survive the termination of this Agreement.

15. CONFIDENTIALITY

15.1 Each Party shall keep all information relating to each other Party, information relating to the transactions herein and this Agreement (collectively referred to as the "Information") confidential. None of the Parties shall issue any public release or public announcement or otherwise make any disclosure concerning the Information without the prior approval of the other Party; provided however, that nothing in this Agreement shall restrict any of the Parties from disclosing any information as may be required pursuant to a court or regulatory order

subject to providing a prior written notice of 10 (Ten) Business Days to the other Parties (except in case of regulatory inquiry or examination, and otherwise to the extent practical and permitted by Law). Subject to applicable Law, such prior notice shall also include (a) details of the Information intended to be disclosed along with the text of the disclosure language, if applicable; and (b) the disclosing Party shall also cooperate with the other Parties to the extent that such other Party may seek to limit such disclosure including taking all reasonable steps to resist or avoid the applicable requirement, at the request of the other Parties.

15.2 Nothing in this Section 16.1 shall restrict any Party from disclosing Information for the following purposes:

a) To the extent that such Information is in the public domain other than by breach of this Agreement.

b) To the extent that such Information is required to be disclosed by any applicable Law or stated policies or standard practice of the Parties or required to be disclosed to any Governmental Authority to whose jurisdiction such Party is subject or with whose instructions it is customary to comply.

c) To the extent that any such Information is later acquired by such Party from a source not obligated to any other Party hereto, or its Affiliates, to keep such Information confidential.

16.3 Insofar as such disclosure is reasonably necessary to such Party's employees, directors or professional advisers, provided that such Party shall procure that such employees, directors or professional advisors a written agreement to treat such Information as confidential. For the avoidance of doubt, it is clarified that disclosure of information to such employees, directors or professional advisors shall be permitted on a strictly "need-to-know basis".

a) To the extent that any of such Information was previously known or already in the lawful possession of such Party, prior to disclosure by any other Party hereto; and

b) To the extent that any information, materially similar to the Information, shall have been independently developed by such Party without reference to any Information furnished by any other Party hereto.

c) Where other Parties have given their prior approval to the disclosure.

15.4 Any public release or public announcement (including any press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public) containing references the investment made by the Purchaser in the Company, shall require the prior written consent of the Purchaser.

16. FEES, TAXES AND DUTIES.

The Purchaser shall bear the cost of all fees in all jurisdictions where such fees, taxes and duties are payable as a result of the cost of the transactions contemplated by this Agreement. The Purchaser shall be responsible for arranging the payment of such fees, taxes and duties, including fulfilling any administrative or reporting obligation imposed by the jurisdiction in question in connection with such payment. Both Parties will be responsible for their own corporate or personal taxes and legal fees incurred from this Agreement.

17. DATA PROTECTION

Each party acknowledges and agrees, and hereby expressly consents, as follows: (i) in the performance of this Agreement, and the delivery of any documentation hereunder, Customer Data, may be generated, disclosed to a party to this Agreement, and may be incorporated into files processed by either party or by the Affiliates of either party; (ii) Customer Data will be stored as long as such data is necessary for the performance of this Agreement (iii) it warrants that it has all legal right and authority to disclose any Customer Data of any third party it discloses to the other party to this Agreement, and that it has obtained the necessary consents from the relevant third party data subjects to so disclose such Customer Data; (iv) it has been informed of the existence of its right to request access to, removal of or restriction on the processing of its Customer Data, as well as to withdraw consent at any time; and (v) it acknowledges its right to file a complaint with the Customer Data supervisory authority in the relevant jurisdiction.

18. ARBITRATION

18.1 Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in New York City, New York, USA in accordance with the International Chamber of Commerce Arbitration Rules ("ICC Rules") for the time being in force, which rules are deemed to be incorporated by reference in this Section.

18.2 The Parties agreed that any arbitration commenced pursuant to this Section shall be conducted in accordance with the Expedited Procedure set out in Article 30 of the ICC Rules.

18.3 The Tribunal shall consist of one arbitrator.

18.4 The language of the arbitration shall be English.

18.5 This Section shall survive the termination of this Agreement.

19. GENERAL PROVISIONS

19.1 Survival. The warranties and the Indemnity provisions shall survive the Closing. Any other provision which by virtue of its nature is intended to survive shall survive the termination of this Agreement.

19.2 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties. Nothing expressed or referred to herein will be construed to give any person other than the Parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

19.3 Assignment. The Parties hereby agree that no assignment of this Agreement will be permitted without the prior written consent of other Parties.

19.4 Counterparts. This Agreement may be executed in any number of originals or counterparts, each in the like form and all of which when taken together shall constitute one and the same document, and any Party may execute this Agreement by signing any one or more of such originals or counterparts.

19.5 Notices and deliverables. Notices, demands or other communication required or permitted to be given or made under this Agreement shall be in writing and delivered personally or sent by prepaid post with recorded delivery, or email addressed to the intended recipient, or to such other address or email number as a Party may from time to time duly notify to the others:

IF TO GG

Name:	Genius Group Limited
Address:	8 Amoy Street, #01-01 Singapore 049950
Attention:	Roger James Hamilton
Email:	roger@geniusgroup.net

IF TO THE SELLER

Name:	LZG International, Inc.
Address:	1230 Wrack Road Rydal, PA 19046
Attention:	Peter B. Ritz
Email:	peter.ritz@fatbrain.ai

19.6 Amendments. No amendment or variation of this Agreement shall be binding on any Party unless such variation is in writing and duly signed by all the Parties.

19.7 Waiver. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving Party.

19.8 Severability. Each and every obligation under this Agreement shall be treated as a separate obligation and shall be severally enforceable as such in the event of any obligation or obligations being or becoming unenforceable in whole or in part. To the extent that any provision or provisions of this Agreement are unenforceable they shall be deemed to be deleted from this Agreement and any such deletion shall not affect the enforceability of the remainder of this Agreement not so deleted provided the fundamental terms of this Agreement are not altered.

19.9 Entire Agreement. This Agreement, together with the [support agreement], constitutes the whole agreement between the Parties relating to the subject matter hereof and supersedes any prior arrangements whether oral or written, relating to such subject matter. No Party has relied upon any warranty in entering this Agreement other than those expressly contained herein.

19.10 Independent Rights. Each of the rights of the Parties under this Agreement is independent, cumulative and without prejudice to all other rights available to them, and the exercise or non-exercise of any such rights shall not prejudice or constitute a waiver of any other right of a Party, whether under this Agreement or otherwise.

19.11 Any date or period as set out in any Section of this Agreement may be extended with the written consent of the Parties failing which time shall be of the essence.

19.12 Costs. Each party shall bear its own expenses incurred in preparing this Agreement. The stamp duty and other costs payable on this Agreement, and the Asset transfer shall be borne by the Seller.

19.13 The provisions of this Agreement and the Appendixes attached hereto shall (as far as possible) be interpreted in such a manner as to give effect to all such documents; provided however, that in the event of an inconsistency between this Agreement and the Appendixes, to the extent permitted by applicable Law, provisions of this Agreement shall prevail as between the Parties and shall govern their contractual relationship and the Parties shall cause the necessary amendments to the Appendixes attached hereto.

19.14 Governing Law: This Agreement and the relationship between the Parties shall be governed by, and interpreted in accordance with, the Laws of the State of New York and and jurisdiction for any dispute shall be the federal courts located in the Southern District of New York.

In witness hereof, the Parties' authorized representatives have executed this Agreement as of the date and year first herein above written.

PURCHASER

Genius Group Limited
a Public Singapore Company

By: _____
Roger Hamilton, CEO

Date: 24 January, 2024

SELLER

LZG International, Inc
a Florida Corporation

By: _____
Peter Ritz, CEO

Date: 24 January, 2024

Exhibit 1

List of the Assets

100% of the membership interests of FB Primesource Acquisition, LLC

Assets of FB Primesource Acquisition, LLC:

100% stock ownership of five companies organized under Kazakhstan law and operating in Kazakhstan:

1) Prime Source LLP, founded 11/26/2007;

2) Digitalism LLP, founded 03/14/2008;

3) InFin-IT-Solution LLP, founded 11/06/2008;

4) Prime Source Innovation LLP, founded 06/18/2020;

5) Prime Source-Analytical Systems LLP, founded 02/17/2006

IP property and certain related business assets of LZG, which shall have been contributed before closing to FB Primesource Acquisition, LLC, consisting of:

1) Software and IP related to Outcomes Engine Risk Frameworks, including the Agatha and Ness AML tools, plus US Patent Application No. 63/466,232, entitled "Method and System for Gradient Intelligent Machine Learning";

2) Software and IP related to Angelina Foreign Exchange & Trade IQ Peer Intelligence;

3) Software and IP related to RansomProof SaaS;

4) Software and IP related to Ginger F2F Yield Optimization framework and

5) Software and IP related to CovidRisk.Live for Digital Health SaaS.

Liabilities of FB Primesource Acquisition, LLC, not to exceed fifteen million dollars ($15,000,000):

Ordinary trade obligations incurred in the ordinary course of business

obligations incurred by LZG in connection various business acquisitions and assumed prior to closing by Primesource,

commitment to fund LZG's expenses and costs in winding and liquidating LZG after closing.

SCHEDULE 8.3
Non-Contravention and Consent

None.

#707255 v1

SCHEDULE 8.8
LITIGATION

None.

#707255 v1

EXHIBIT 4

STANDSTILL AGREEMENT

This Standstill Agreement, entered into this 10th day of January, between Yevgeniy Mikhailovich Chsherbinin (the "Payee") and FB PrimeSource Acquisition, LLC, a Delaware corporation (the "Obligor") with respect to that certain Master Stock Purchase Agreement (the "Purchase Agreement") dated May 17, 2022 between Obligor, as purchaser, and Payee and Viktor Vladimirovich Nazarov, as sellers, with respect to the purchase and sale of the capital stock of InFin-IT Solution, Prime Source - Analytical Systems, Prime Source Innovation, Prime Source and Digitalism Limited Liability Partnerships, all companies organized under the law of Kazakhstan (the "Companies") and with respect to the Promissory Note issued to the sellers under the Purchase Agreement (the "Note").

The Payee and the Obligor have agreed to revise the payment terms under the Note, and to set forth their understanding in this Standstill Agreement.

NOW, THEREFORE, intending to be legally bound, the parties hereby agree as follows:

The Payee and the Obligor agree as of the date of this Standstill Agreement that the parties are in compliance with their obligations under the Purchase Agreement and the Note.

In lieu of the payment obligations under the Purchase Agreement and the Note, the parties agree as follows:

a. The Obligor will pay to the Payee (the amount of the principal debt) in the amount of **1,750,000 (one million seven hundred and fifty thousand)** US dollars by wire transfer as instructed by the Payee on or before January 31, 2024.

b. The Obligor will pay to the Payee (the amount of the principal and interest) in the amount of **3,981,777.78 (three million nine hundred eighty one thousand seven hundred seventy seven)** US dollars by wire transfer as instructed by the Payee on or before March 31, 2024. *This payment amount consists of the amount of the principal debt equal to 3,250,000 (three million two hundred and fifty thousand) US dollars and the amount of interest equal to **731 777.78 (seven hundred thirty-one thousand seven hundred seventy-seven)** US dollars, calculated for the date 03/31/2024.*

If the Obligor shall meet its obligations under **Section (a) and (b)**, then the Obligor shall have fully satisfied its obligations under the Purchase Agreement and the Note, and each party absolutely and unconditionally releases the other from its obligations under the Purchase Agreement and the Note **and waives any and all claims with regards to the Purchase Agreement and the Note.**

If the Obligor shall fail to satisfy timely the payment obligations under either (a) or (b), the Obligor shall be deemed to be in breach of its obligations under the Purchase Agreement and the Note, and the Payee shall be entitled to seek its legal remedies for such breach, including the remedies specified in that certain Debt Settlement Agreement dated as of January 10, 2024 between the Obligor and the Payee. At the same time, any claims of the Payee based on and arising from obligations under the Purchase Agreement and the Note are recognized by the Obligor as indisputable and subject to immediate execution by the Obligor in favor of the Payee both out of court and in court.

OBLIGOR:
FB PRIMESOURCE ACQUISITION, LLC

By: _____
Peter B. Ritz, President

PAYEE:

_____
Mr. Yevgeniy Mikhailovich Chsherbinin

STANDSTILL AGREEMENT

This Standstill Agreement, entered into this 10th day of January, 2024, between Viktor Vladimirovich Nazarov (the "Payee") and FB PrimeSource Acquisition, LLC, a Delaware corporation (the "Obligor") with respect to that certain Master Stock Purchase Agreement (the "Purchase Agreement") dated May 17, 2022 between Obligor, as purchaser, and Payee and Yevgeniy Mikhailovich Chsherbinin, as sellers, with respect to the purchase and sale of the capital stock of InFin-IT Solution, Prime Source - Analytical Systems, Prime Source Innovation, Prime Source and Digitalism Limited Liability Partnerships, all companies organized under the law of Kazakhstan (the "Companies") and with respect to the Promissory Note issued to the sellers under the Purchase Agreement (the "Note").

The Payee and the Obligor have agreed to revise the payment terms under the Note, and to set forth their understanding in this Standstill Agreement.

NOW, THEREFORE, intending to be legally bound, the parties hereby agree as follows:

The Payee and the Obligor agree as of the date of this Standstill Agreement that the parties are in compliance with their obligations under the Purchase Agreement and the Note.

In lieu of the payment obligations under the Purchase Agreement and the Note, the parties agree as follows:

a. The Obligor will pay to the Payee (the amount of the principal debt) in the amount of **750,000 (seven hundred and fifty thousand)** US dollars by wire transfer as instructed by the Payee on or before January 31, 2024.

b. The Obligor will pay to the Payee (the amount of the principal and interest) in the amount of **3,890,311. 11 (three million eight hundred ninety thousand three hundred eleven)** US dollars by wire transfer as instructed by the Payee on or before March 31, 2024. *This payment amount consists of the amount of the principal debt equal to **3,240,000 (three million two hundred and forty thousand)** US dollars and the amount of interest equal to **650,311.11 (six hundred and fifty thousand three hundred and eleven)** US dollars, calculated for the date 03/31/2024.*

If the Obligor shall meet its obligations under **Section (a) and (b)**, then the Obligor shall have fully satisfied its obligations under the Purchase Agreement and the Note, and each party absolutely and unconditionally releases the other from its obligations under the Purchase Agreement and the Note **and waives any and all claims with regards to the Purchase Agreement and the Note.**

If the Obligor shall fail to satisfy timely the payment obligations under either (a) or (b), the Obligor shall be deemed to be in breach of its obligations under the Purchase Agreement and the Note, and the Payee shall be entitled to seek its legal remedies for such breach, including the remedies specified in that certain Debt Settlement Agreement dated as of January 10, 2024 between the Obligor and the Payee. At the same time, any claims of the Payee based on and arising from obligations under the Purchase Agreement and the Note are recognized by the Obligor as indisputable and subject to immediate execution by the Obligor in favor of the Payee both out of court and in court.

OBLIGOR:
FB PRIMESOURCE ACQUISITION, LLC

By: _____
Peter B. Ritz, President

PAYEE:

_____
Mr. Viktor Vladimirovich Nazarov

Debt Settlement
AGREEMENT

The Republic of Kazakhstan, city of Almaty and New York City, USA **Jan 10, 2024**

1) Citizen of the Republic of Kazakhstan, **Yevgeniy Mikhailovich Chsherbinin**, born on December 22, 1982, place of birth city of Almaty, IIN 821222300269, Identity Card No. 053802025, issued by the Ministry of Internal Affairs of the Republic of Kazakhstan dated 04.07.2023, residing at: Republic of Kazakhstan, city of Almaty city, Bostandyksky district, Koktem-3 micro-district, building 12, apartment 66, hereinafter referred to as "Lender", on one hand, and

2) **FB PrimeSource Acquisition, LLC**, at 651 N. Broad Street, Suite 308 Middletown, DE 19709, BIN 220650006842, represented by Ritz Peter B, a citizen of the United States of America, passport number 548722174, issued by the State Department of the United States of America dated June 28, 2016, hereinafter referred to as the "Company", on the other hand,

Collectively hereinafter referred to as the Parties,

Whereas:

*- the executed agreements - Master Stock Purchase Agreement dated May 17, 2022 /**hereinafter referred to as the MSPA**/, and Agreements for the purchase and sale of shares in the authorized capital and property dated June 06, 2022 /**hereinafter referred to as Kazakhstan Sales Transactions**/, under which the Company acquired a 100% participation interest in Kazakhstani companies –InFin-IT Solution, Prime Source - Analytical Systems, Prime Source Innovation, Prime Source and Digitalism Limited Liability Partnerships (**hereinafter referred to as the Prime Source Group companies**);*
*- PROMISSORY NOTE dated May 31, 2022, issued by the Company in favor of Lender for USD 6,000,000 (with a set payment schedule) /hereinafter referred to as the **Promissory Note**);*
- security agreements:
a) Pledge agreements dated 09.06.2022, 13.06.2022 and 14.06.2022 entered into between the Company and the Lender, under which the Company pledged to the Lender a participation interest of 50% in each of the Prime Source Group companies;
b) Collateral Assignment of Stock Agreement dated June 10, 2022, provided by the Company to the Lender;
c) SECURITY AGREEMENT dated 17 June 2022, provided by the Prime Source Group companies in favor of the Lender;
- complete fulfillment of obligations by the Lender, which involves the transfer of the Company's participation interests in the Prime Source Group companies and registration of all rights to the participation interests to the Company as their sole participant;
- the Company's debt to the Lender under the repayment schedule of the purchase price for participation interests provided for by the MSPA and the terms of the Promissory Note, which, as of the date of this Agreement, is as follows:
- for payment of the principal debt - 5,000,000 (five million) US dollars, where 3,500,000 US dollars is the overdue principal debt, and 1,500,000 US dollars is the balance of the principal debt due for payment on December 31, 2023);
- for interest payments – according to the interest amounts specified in Appendix A to this Agreement;
*(hereinafter referred to as the **Debt Amount**).*

The Parties have drawn up and signed this Debt Settlement Agreement (hereinafter referred to as the Agreement) on the following:

1. The Parties have come to an Agreement on deferring the payment of the Debt Amount by the Company to the Lenders **for a period as Scheduled in a Standstill Agreement, Appendix A hereto. Upon performance in full of the Company's obligations under the Standstill Agreement, the Parties**

release and forever discharge each other and their respective affiliates from any and all obligations or liabilities under this Agreement, the Promissory Note, and for the Debt Amount.

2. In case of non-fulfillment (improper fulfillment) by the Company of payment obligations provided for in the Standstill Agreement, the Parties agree that:

- MSPA is subject to termination by the Parties signing a separate agreement on termination of MSPA;
- Kazakhstan purchase and sale transactions are subject to termination in full, and the Company returns 100% of the participation shares in each of the companies of the Prime Source Group to the previous owners of the shares with the signing of relevant agreements for each of the group of companies of the Prime Source Group;
- amounts previously paid by the Company (or other persons for the Company) to the Lenders under the MSPA and the Promissory Note as the purchase price of participation interests **are not reimbursed by the Lenders to the Company**;
- the Company's obligations under the PROMISSORY NOTE (Promissory Note) dated May 31, 2022 are terminated;
- Pledge agreements dated 06/09/2022, 06/13/2022 and 06/14/2022 are subject to termination by signing agreements on their termination with subsequent registration of termination of the pledge with the authorized state bodies of the Republic of Kazakhstan;
- Agreements on the transfer of participation interests (shares) as collateral (COLLATERAL ASSIGNMENT OF STOCK) dated June 10, 2022 and SECURITY AGREEMENT dated June 17, 2022 are terminated.

3. The Parties agree that for the purposes of signing and concluding contracts and transactions specified in paragraph 2 of this Agreement, the Company appoints authorized persons;
- citizen of the Republic of Kazakhstan Alexander Alexandrovich Zherdev, IIN 900103300068;
- citizen of the Republic of Kazakhstan Ilyas Isataevich Birmanov, IIN 760807300371 (both hereinafter referred to as the Attorney), each of whom has the right to perform the following actions on behalf of the Company and on the basis of powers of attorney issued by the Company to the Attorney in accordance with Appendix C, D to this Agreement:
- signing and conclusion of all contracts and transactions in the territory of the Republic of Kazakhstan on the basis of powers of attorney issued by the Company to the Attorney in accordance with Appendix C and D to this Agreement;
- signing of all decisions (resolutions) on behalf of the Company (delegation of authority of Peter Ritz), specified in Annexes E – G to this Agreement and necessary for the termination and conclusion of contracts and agreements specified in paragraph 2 of this Agreement.

4. The Parties agree that:
- The Company undertakes to provide the Attorney with duly notarized and apostilled powers of attorney specified in paragraph 3 of this Agreement on the date of signing this Agreement (simultaneously with signing the Contract). The execution of powers of attorney should allow their use both on the territory of the United States of America and on the territory of the Republic of Kazakhstan. The power of attorney is subject to cancellation immediately after the Company fulfills the obligations provided for in paragraph 1 of this Agreement and the Standstill Agreement (Appendix A);
- The Attorney signs the Decisions specified in paragraph 3 of this Agreement only after the occurrence of an event of non-fulfillment by the Company of the obligations provided for in paragraph 1 of this Agreement and the Standstill Agreement (Appendix A). If it is necessary to certify and issue (apostille) these decisions, the Company undertakes to provide the necessary assistance to the Attorney in such registration or to issue Decisions signed by the General Director of the Company Peter B. Ritz.

5. Powers of attorney issued by the Company to the Attorney and/or decisions taken on behalf of the Company may not be revoked by the Company or any persons affiliated with it until the Company properly and fully fulfills all obligations to the Creditor provided for in paragraph 1 of the Agreement, or the Attorney completes the actions specified in paragraph 3 of this Agreement.

6. The Parties represent and warrant that:
- that they are persons able to sign this Agreement;
- there are no obstacles or restrictions (including possible covenants in civil law contracts or other documents/obligations of the parties) to fulfilling the terms of this Agreement.

7. All amendments and supplements hereto shall only be valid if made in writing and signed by all persons specified in the preamble of the Agreement.

8. In other cases not provided for by this Agreement, the Parties shall be guided by the current legislation of the Republic of Kazakhstan, New York Law, the terms of the MSPA, the Promissory Note, and other documents issued under the MSPA. The Parties undertake to settle any disputes arising directly or indirectly from this Agreement, amicably, and where it is impossible to resolve them in such a manner, disputes shall be considered in the courts of the Republic of Kazakhstan following the procedure prescribed by the current legislation of the Republic of Kazakhstan at the location of any of the Lenders.

9. This Agreement was made in 2 (two) copies, one for each of the Parties/participants of the Parties, in Russian and English, having equal legal force.

SIGNATURES OF THE PARTIES

Witness

Michael T. Moe

For the Company
FB PRIMESOURCE ACQUISITION LLC

By: **Peter B. Ritz**

For Lender

Yevgeniy Mikhailovich Chsherbinin

Appendix B

AGREEMENT
on termination of the Master Stock Purchase Agreement dated May 17, 2022 (Master Agreement for the purchase of participation interests) and termination of other obligations

Republic of Kazakhstan, city of Almaty _____, 2024

1) Citizen of the Republic of Kazakhstan, **Chsherbinin Yevgeniy Mikhailovich**, born on December 22, 1982, place of birth Almaty city, IIN 821222300269, identity card No. 053802025, issued by the Ministry of Internal Affairs of the Republic of Kazakhstan dated 04.07.2023, residing at: Republic of Kazakhstan, city of Almaty, Bostandyksky district, Koktem-3 microdistrict, building 12, apartment 66, hereinafter referred to as **"Seller-1"**, and

Citizen of the Republic of Kazakhstan, **Nazarov Viktor Vladimirovich**, born November 4, 1980, place of birth – city of Almaty, IIN 801104300818, identity card No. 043587309, issued by the Ministry of Internal Affairs of the Republic of Kazakhstan dated October 15, 2018, residing at: Republic of Kazakhstan, city of Almaty, Auezovsky district, Tastak-1 microdistrict, building 3 , apartment 9, hereinafter referred to as **"Seller-2"**, (also collectively hereinafter referred to as Sellers), on the one hand,

2) **FB PrimeSource Acquisition, LLC,** located at 651 N. Broad Street, Suite 308 Middletown, DE 19709, BIN 220650006842, represented by _____, effective on the basis of _____, hereinafter referred to as the **"Buyer",** on the other hand,

all of the collectively hereinafter referred to as the Parties,

have drawn up and signed this Agreement on the termination of the Master Stock Purchase Agreement dated May 17, 2022 (and the termination of other obligations (hereinafter referred to as the Agreement) as follows:

Section 1. Terms and Definitions

Kazakhstan companies of the Prime Source Group - Limited Liability Partnerships - InFin-IT Solution (BIN 081140003103), Prime Source - Analytical Systems (BIN 060240014176),Prime Source Innovation (BIN 200640021471), Prime Source (BIN 071140019950) and Digitalism (BIN 080340009850).

MSPA- Master Stock Purchase Agreement dated May 17, 2022 and Appendixes A – F thereto, in accordance with which the Sellers assumed the obligation to sell, and the Buyer to buy, 100% of the participation interest in five Kazakhstani companies of the group Prime Source for 18,000,000 (eighteen million) US dollars, of which 9,000,000 US dollars were payable to each of the Buyers.

PROMISSORY NOTE –Two (2) Notes, dated May 31, 2022, issued by the Buyer as security for payment obligations in favor of each of the Sellers, each Note in the amount of $6,000,000 (with an established payment schedule).

COLLATERAL ASSIGNMENT OF STOCK - Agreements on the transfer of participation interests (shares) as collateral dated June 10, 2022, drawn up and signed by the Buyer with each of the Sellers, according to which each of the Sellers was transferred participation shares of the Kazakhstan companies of the Prime Source group to ensure the execution of payment Buyer's obligations under the MSPA and PROMISSORY NOTE;

SECURITY AGREEMENT - Security agreements dated June 17, 2022, drawn up and signed by each of the Kazakhstan companies of the Prime Source group, providing for the transfer of other assets in favor of each of the Sellers to ensure the fulfillment of the Buyer's payment obligations under the MSPA and PROMISSORY NOTE;

Kazakhstan sales transactions - Agreements for the sale and purchase of shares in the authorized capital and property dated 06.06.2022, under which the Buyer acquired 100% of the participation shares in the Kazakhstani companies of the Prime Source group and on the basis of which registered the right to 100% of the participation shares in these companies (sole participant) in the manner prescribed by the

current legislation of the Republic of Kazakhstan.

Pledge agreements - Pledge agreements dated 09.06.2022, 13.06.2022 and 14.06.2022, drawn up under the law of the Republic of Kazakhstan and entered into between the Sellers and the Buyer, according to which the Buyer pledged to each of the Sellers a 50% participation interest in each of the Kazakhstan companies of the Prime Source Group with registration of pledge rights in the authorized state bodies of the Republic of Kazakhstan.

Actual payment [1]- the part of the purchase price actually paid by the Buyer under the MSPA to the Sellers on the date of signing by the Parties of this Agreement, in the following amounts:

- Seller-1: 4,000,000 (four million) US dollars.

- Seller-2: 5,010,000 (five million ten thousand) US dollars;

Amount of debt - the Buyer's debt to the Sellers for the payment of principal and interest (8% per annum) within the framework of MSPA and PROMISSORY NOTE.

a) The Buyer's debt to Seller-1 as of the date of signing this Agreement is:

- for payment of the principal debt - 5,000,000 (five million) US dollars, where 3,500,000 US dollars is the overdue principal debt, and 1,500,000 US dollars is the balance of the principal debt due for payment on December 31, 2023);

- for payment of interest (calculation until December 31, 2023) – 655,111 (six hundred fifty-five thousand one hundred eleven) US dollars.

b) The Buyer's debt to Seller-2 as of the date of signing this Agreement is:

- for payment of the principal debt - 3,990,000 (three million nine hundred ninety thousand) US dollars, where 2,490,000 US dollars is the overdue principal debt, and 1,500,000 US dollars is the balance of the principal debt due for payment on December 31, 2023) .

- for payment of interests (calculation until December 31, 2023) – 580,246 (five hundred eighty thousand two hundred forty-six) US dollars.

Compensation for losses to Sellers - payment of penalties by the Buyer provided for by PROMISSORY NOTE in favor of Sellers for violation of payment obligations (fee for late fulfillment of obligations /5%/ and an additional fine /5%/, as well as compensation for other losses arising as a result of decisions and activities Buyer as the sole participant of the Kazakhstan companies of the Prime Source Group.

Section 2. Terms of Agreement

1. The parties have mutually agreed to **terminate the MSPA starting on «__» _____ 2024** under the terms of this Agreement.

2. From the date of signing by the Parties of this Agreement, the Buyer shall be exempt from paying the Amount of Debt and Compensation for Losses to the Sellers, as well as from any other payments provided for by MSPA, PROMISSORY NOTE, COLLATERAL ASSIGNMENT OF STOCK, SECURITY AGREEMENT, Kazakhstan sales transactions and Pledge Agreements.

3. The Buyer undertakes to immediately return 100% of the participation interests in the Kazakhstan companies of the Prime Source Group to the Sellers (previous owners of the companies), and the Parties for these purposes enter into the following contractual documents:

3.1. Agreements on the termination of Pledge Agreements with subsequent registration of termination of the pledge with the authorized state bodies of the Republic of Kazakhstan;

3.2. Agreements on the termination of Kazakhstani purchase and sale transactions with the return of shares to the Sellers (previous owners of the companies).

4. The Buyer undertakes to assist the Sellers (previous owners of the companies) in re-registering their rights to participation shares in the companies and re-registration of Kazakhstan companies of the Prime Source Group with the authorized state bodies of the Republic of Kazakhstan.

5. Sellers are fully exempt from returning the actual payment amounts to the Buyer; these payment receipts remain with the Sellers.

6. Sellers, by signing this Agreement, waive all/any claims for payment of the Amount of Debt and

[1] The amounts specified in the terms "Actual payment" and "Amount owed" may be changed if the Buyer repays the debt by the date of signing this Agreement

Compensation for Losses to Sellers, as well as any other payments provided for by MSPA, PROMISSORY NOTE, COLLATERAL ASSIGNMENT OF STOCK, SECURITY AGREEMENT, Kazakhstan sales transactions and Pledge Agreements.

7. After the return and re-registration of the rights to 100% of the participation share in the Kazakhstani companies of the Prime Source Group to the Sellers (previous owners of the companies), the Parties agree that the following documents shall lose their legal force and the Buyer shall cease to fulfill obligations thereunder from the date of re-registration of the rights to 100% share in companies for the Sellers:

- *PROMISSORY NOTE;*
- *COLLATERAL ASSIGNMENT OF STOCK.*

8. From the date specified in paragraph 7 of this Agreement, the SECURITY AGREEMENT is terminated, of which the Parties undertake to immediately notify the Kazakhstan companies of the Prime Source Group.

9.The parties hereby represent and warrant:

- that they are authorized to sign this Agreement;
- there are no obstacles or restrictions (including possible covenants in civil contracts or other documents/obligations of the parties) to fulfill the terms of this Agreement.

10. After the Parties have fulfilled the terms of this Agreement, the Parties acknowledge and agree that they do not have any claims regarding the Parties' fulfillment of obligations under the documents referred to in this Agreement, and equally undertake in the future not to make any claims or demands related to with the fulfillment of mutual obligations, any losses and any other actions carried out during the period of fulfillment of obligations by the Parties, and specifically waive any such claims and hereby release the other Party with respect to such claims.

11. All amendments and alterations to this Agreement shall only be valid if they are in writing and signed by all persons named in the preamble Agreements.

12. In other cases not provided for herein, the Parties shall be guided by the applicable law to the MSPA and/or other documents drawn up under the MSPA.

13. The parties undertake to resolve all disputes arising directly or indirectly from the terms of this Agreements through negotiations, if it is impossible to resolve them, disputes shall be considered in the courts of the Republic of Kazakhstan in the manner prescribed by the current legislation of the Republic of Kazakhstan at the location of any of the Sellers.

14. This Agreement was drawn up in 3 (three) copies, one for each of the Parties/participants of the Parties, in Russian and English, having equal legal force.

SIGNATURES OF THE PARTIES

Seller - 1
Chsherbinin Yevgeniy Mikhailovich _____

Seller - 2
Nazarov Viktor Vladimirovich _____

Buyer
FB PrimeSource Acquisition, LLC,
Represented by Ritz Peter B _____

Appendix C

POWERS OF ATTORNEY
FB PRIMESOURCE ACQUISITION, LLC

USA, Delaware _____, 202__

FB PrimeSource Acquisition, LLC (hereinafter referred to as the Company), located at 651 N. Broad Street, Suite 308 Middletown, DE 19709, represented by its CEO, Peter Ritz Peter B, a citizen of the United States of America, passport no. 548722174, issued by the United States Department of State on June 28, 2016, in the event of non-fulfillment by the Company of payment obligations provided for in the Standstill Agreement of January 10, 2024, authorizes a citizen of the Republic of Kazakhstan _____, IIN _____ (hereinafter referred to as the Attorney) to represent the Company with third parties, with the authority to execute, and sign the following documents on behalf of the Company:

I. Agreement on termination of the Master Stock Purchase Agreement dated May 17, 2022 and termination of other obligations in the form that is Appendix B to the Agreement on the Settlement of Debt Issues from "___" _____ 2023.

II. Agreements on termination of pledge agreements, namely:

- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Prime Source Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 887;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Prime Source Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 886;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Digitalism Limited Liability Partnership dated 09.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 848;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Digitalism Limited Liability Partnership dated 09.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 849;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of InFin-IT Solution Limited Liability Partnership dated 13.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 879;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of InFin-IT Solution Limited Liability Partnership dated June 13, 2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 880;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Prime Source Innovation Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 898;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Prime Source Innovation Limited Liability Partnership dated June 14, 2022, registered by the notary of the Republic of Kazakhstan. Dosmukhanbetova Raushan, in the register No. 897;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Prime Source-Analytical Systems Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 889;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Prime Source-Analytical Systems Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 888.

III. Agreements on the termination of Purchase and Sale Agreements for participation in the authorized capital and property of legal entities, namely:

- ✓ Agreement on termination of the Agreement for the purchase and sale of a share in the authorized capital and property of Digitalism Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 809;
- ✓ Agreement on termination of the Agreement for the purchase and sale of a share in the authorized capital and property of InFin-IT Solution Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 810;
- ✓ Agreement on termination of the Agreement for the purchase and sale of a share in the authorized capital and property of Prime Source Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 816;
- ✓ Agreement on termination of the Agreement for the purchase and sale of a share in the authorized capital and property of Prime Source Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan in the register No. 811;
- ✓ Agreement on termination of the Agreement for the purchase and sale of a share in the authorized capital and property of Prime Source Innovation Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 815;
- ✓ Agreement on termination of the Agreement for the purchase and sale of a share in the authorized capital and property of Prime Source Innovation Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 814;
- ✓ Agreement on termination of the Agreement for the sale and purchase of a share in the authorized capital and property of Prime Source-Analytical Systems Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 812;
- ✓ Agreement on termination of the Agreement for the sale and purchase of a share in the authorized capital and property of Prime Source-Analytical Systems Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 813.

The termination of all the above agreements for the sale and purchase of shares in the authorized capital and property of legal entities must be carried out on the following basic conditions:

- o The Buyer (Company) shall return to the Sellers (previous owners of participation shares) the participation shares acquired from them in the authorized capital and property of legal entities, in full;
- o All payments received by the Sellers from the Buyer (Company) for the acquired participation shares in the authorized capital and property of legal entities shall remain the property of the Sellers and shall not be returned to the Buyer (Company).

To fulfill these powers, the Attorney shall be authorized to enter into and sign agreements on the termination of pledge agreements, agreements on the termination of purchase and sale agreements for a participation share in the authorized capital and property of legal entities, and to perform any other legal steps necessary to fulfill the assignment.

The power of attorney was issued for a period of 1 (one) year.

FB PrimeSource Acquisition, LLC
represented by Ritz Peter B

_____
(no seal applies)

#700482 v1

Appendix D

POWER OF ATTORNEY
FB PRIMESOURCE ACQUISITION, LLC

USA, Delaware **_____, 202_**

FB PrimeSource Acquisition, LLC (hereinafter referred to as the Company), located at 651 N. Broad Street, Suite 308 Middletown, DE 19709, represented by its CEO, Peter Ritz B, a citizen of the United States of America, Passport No. 548722174, issued by the United States Department of State on June 28, 2016, in the event of non-fulfillment by the Company of payment obligations provided for in the Standstill Agreement of January 10, 2024, authorizes the citizen of the Republic of Kazakhstan _____, IIN _____ (hereinafter referred to as the Attorney):

1. To sign, including with the right to notarize/apostille on behalf of the Company the decisions (resolutions) specified in Annexes E – G to the Agreement on Settlement of Debt Issues from "___" _____ 2023.

2. To perform all management functions and exercise all the rights and powers vested in the Company as the sole participant (as a 100% holder of participation shares) in the following legal entities, registered and operating on the territory of the Republic of Kazakhstan:

Prime Source-Analytical Systems Limited Liability Partnership, BIN 060240014176;
Prime Source Innovation Limited Liability Partnership, BIN 200640021471;
InFin-IT Solution Limited Liability Partnership, BIN 081140003103;
Digitalism Limited Liability Partnership, BIN 080340009850;
Prime Source Limited Liability Partnership, BIN 071140019950 (hereinafter collectively referred to as the Partnership).

To fulfill these powers, the Attorney shall be vested, including, but not limited to, with the following powers:

represent the Company in all enterprises, institutions and organizations of any form of ownership;

solely make and sign resolutions on any issues falling within the exclusive competence of the sole participant of the Partnerships in accordance with the legislation of the Republic of Kazakhstan and/or the Articles of Association of the Partnership;

make amendments and supplements to the constituent documents of the Partnership, with the authority to sign and approve them (including the new version);

submit requests, appeals, applications to government and non-government bodies and organizations, and receive responses to them;

carry out state re-registration of Partnerships in the manner established by the legislation of the Republic of Kazakhstan;

carry out any other actions and powers that may be required to manage the Partnerships and exercise the rights of the sole participant of the Partnerships, with a view to the rights and restrictions provided for by the current legislation of the Republic of Kazakhstan, corporate and constituent documents of the Partnerships, and obligations of the Company and Partnerships to third parties and the state.

The power of attorney is issued for 1 (one) year.

FB PrimeSource Acquisition, LLC
represented by Ritz Peter B

_____
(no seal applied)

Appendix E

RESOLUTION
FB PRIMESOURCE ACQUISITION, LLC

USA, Delaware **_____, 202__**

FB PrimeSource Acquisition, LLC (hereinafter also referred to as the Company), located at 651 N. Broad Street, Suite 308 Middletown, DE 19709, represented by CEO Peter Ritz Peter B, a citizen of the United States of America, passport No. 548722174, issued by the United States Department of State on June 28, 2016, in the event of non-fulfillment by the Company of payment obligations provided for in the Standstill Agreement of January 10, 2024,
represented by _____, acting on the basis of a power of attorney from "___"_____ 202__ ,

Has RESOLVED:

I. Due to the incapability of the Company to continue to fulfill its payment obligations to Yevgeniy Chsherbinin and Viktor Nazarov under the Master Stock Purchase Agreement entered into with them on May 17, 2022 (hereinafter referred to as the Master Stock Purchase Agreement), take the following measures to terminate contractual obligations:

A) The company shall enter into an agreement with Yevgeniy Chsherbinin and Viktor Nazarov to terminate the Master Stock Purchase Agreement, in the form that is Appendix B to the Agreement on Settlement of Debt Issues from "___" _____ 2023 of the year.

B) The Company shall enter into agreements with Yevgeniy Chsherbinin, Viktor Nazarov, Konstantin Zlobin, and Kanat Ibraimov (depending on the party to each individual agreement) on the termination of the Purchase and Sale Agreements for participation in the authorized capital and property of legal entities entered into within the framework of the Master Stock Purchase Agreement, namely, to terminate :

- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Digitalism Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 809.
- ✓ Agreement for the sale and purchase of a participation interest in the authorized capital and property of InFin-IT Solution Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 810.
- ✓ Agreement for the sale and purchase of a participation interest in the authorized capital and property of Prime Source Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 816.
- ✓ Agreement for the sale and purchase of a participation interest in the authorized capital and property of Prime Source Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 811.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source Innovation Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 815.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source Innovation Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 814.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source-Analytical Systems Limited Liability Partnership dated

06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 812.

- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source-Analytical Systems Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 813.

The termination of all the above agreements for the purchase and sale of a participation interest in the authorized capital and property of legal entities must be carried out on the following basic conditions:

- o The Buyer (Company) shall return to the Sellers (previous owners of participation interests) the participation interests acquired from them in the authorized capital and property of legal entities, in full;
- o All payments received by the Sellers from the Buyer (Company) for acquired participation interests in the authorized capital and property of legal entities shall remain the property of the Sellers and shall not be returned to the Buyer (Company).

C) The company enter into agreements to terminate the pledge agreements entered into within the framework of the Master Stock Purchase Agreement, namely:

- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Prime Source Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 887;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Prime Source Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 886;
- ✓ Pledge agreement for a 50% participation intrerest in the authorized capital of Digitalism Limited Liability Partnership dated 09.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 848;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Digitalism Limited Liability Partnership dated 09.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 849;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of InFin-IT Solution Limited Liability Partnership dated June 13, 2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 879;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of InFin-IT Solution Limited Liability Partnership dated 13.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 880;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Prime Source Innovation Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 898;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Prime Source Innovation Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 897;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Prime Source-Analytical Systems Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 889;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Prime Source-Analytical Systems Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 888.

In pursuance of the executed agreements on termination of the above pledge agreements, ensure the provision and signing on behalf of the Company of all documents necessary for the release of encumbrances (collateral) of the Company in accordance with the requirements of the legislation of the Republic of Kazakhstan.

II. From the date of completion of the last of the actions provided for in paragraphs A, B, C of Article I of this Resolution, in connection with the termination of the main obligation, the following accessory (additional) agreements and obligations are considered automatically terminated:

- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Yevgeniy Chsherbinin and Digitalism Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Viktor Nazarov and Digitalism Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Yevgeniy Chsherbinin and InFin-IT Solution Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Viktor Nazarov and the InFin-IT Solution Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Yevgeniy Chsherbinin and Prime Source Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Viktor Nazarov and Prime Source Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Yevgeniy Chsherbinin and Prime Source Innovation Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Viktor Nazarov and Prime Source Innovation Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Yevgeniy Chsherbinin and Prime Source-Analytical Systems Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Viktor Nazarov and Prime Source-Analytical Systems Limited Liability Partnership;
- ✓ COLLATERAL ASSIGNMENT OF STOCK dated 10.06.2022, entered into by and between the Company and Victor Nazarov;
- ✓ COLLATERAL ASSIGNMENT OF STOCK dated 10.06.2022, entered into by and between the Company and Yevgeniy Chsherbinin;
- ✓ PROMISSORY NOTE dated 31.05.2022, issued by the Company in favor of Victor Nazarov.
- ✓ PROMISSORY NOTE dated 31.05.2022, issued by the Company in favor of Yevgeniy Chsherbinin.

From the date of termination of these agreements/obligations, all mutual rights, claims and obligations of the parties arising from these documents shall be deemed terminated.

FB PrimeSource Acquisition, LLC
represented by Ritz Peter B

_____
(no seal applies)

or

represented by _____,
acting on the basis of a Power of Attorney from "___" _____ 202__

_____
(no seal applies)

Appendix F

RESOLUTION
FB PRIMESOURCE ACQUISITION, LLC

USA, Delaware **_____, 202__**

FB PrimeSource Acquisition, LLC (hereinafter also referred to as the Company), located at 651 N. Broad Street, Suite 308 Middletown, DE 19709, represented by CEO Peter Ritz B, a citizen of the United States of America, passport No. 548722174, issued by the United States Department of State on June 28, 2016, in the event of non-fulfillment by the Company of payment obligations provided for in the Standstill Agreement of January 10, 2024,
represented by _____, acting on the basis of a power of attorney from "___"_____ 202__,

has RESOLVED:

1. Due to the incapability of the Company to continue to fulfill its payment obligations to Yevgeniy Chsherbinin and Viktor Nazarov under the Master Stock Purchase Agreement for the purchase of shares (participation interests) entered into with them on May 17, 2022 (hereinafter referred to as the Master Stock Purchase Agreement), and the termination of the main obligation secured by the pledge, the Company must sign, with Yevgeniy Chsherbinin, Viktor Nazarov (depending on the party to each individual agreement), the agreements on the termination of pledge agreements entered into within the framework of the Master Stock Purchase Agreement, namely, the Company must sign:

- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Prime Source Limited Liability Partnership dated June 14, 2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 887;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Prime Source Limited Liability Partnership dated 14.07.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 886;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Digitalism Limited Liability Partnership dated 09.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 848;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Digitalism Limited Liability Partnership dated 09.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 849;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of InFin-IT Solution Limited Liability Partnership dated 13.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 879;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of InFin-IT Solution Limited Liability Partnership dated 13.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 880;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Prime Source Innovation Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 898;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Prime Source Innovation Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 897;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Prime Source-Analytical Systems Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 889;

- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Prime Source-Analytical Systems Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 888.

In pursuance of the signed agreements on termination of the above pledge agreements, to ensure the provision and signing on behalf of the Company of all documents necessary for the release of encumbrances (collateral) of the Company in accordance with the requirements of the legislation of the Republic of Kazakhstan.

FB PrimeSource Acquisition, LLC
represented by Peter Ritz B

_____
(no seal applies)

or

represented by _____,
acting on the basis of a Power of Attorney from "___" _____ 202__

_____
(no seal applies)

#700482 v1

Appendix G

RESOLUTION
FB PRIMESOURCE ACQUISITION, LLC

USA, Delaware _____, 202___

FB PrimeSource Acquisition, LLC (hereinafter also referred to as the Company), located at 651 N. Broad Street, Suite 308 Middletown, DE 19709, represented by CEO, Ritz Peter B, a citizen of the United States of America, passport No. 548722174. issued by the United States Department of State on June 28, 2016, in the event of non-fulfillment by the Company of payment obligations provided for in the Standstill Agreement of January 10, 2024,
represented by _____, acting on the basis of a power of attorney from "___" _____ 202__ .

HAS RESOLVED:

Due to the incapability of the Company to continue to fulfill its payment obligations to Yevgeniy Chsherbinin and Viktor Nazarov under the Master Stock Purchase Agreement for the purchase of shares (participation interests) signed with them on May 17, 2022 (hereinafter referred to as the Master Stock Purchase Agreement), the Company must sign the agreement to terminate the Purchase and Sale Agreements for a participation interests in the authorized capital and property of legal entities entered into within the framework of the Master Stock Purchase Agreement with Yevgeniy Chsherbinin, Viktor Nazarov, Zlobin Konstantin, Ibraimov Kanat (depending on the party to each individual agreement), namely, to terminate:

- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Digitalism Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 809.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of InFin-IT Solution Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 810.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 816.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register under No. 811.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source Innovation Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 815.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source Innovation Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 814.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source-Analytical Systems Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 812.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source-Analytical Systems Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 813.

The termination of all the above agreements for the sale and purchase of a share in the authorized capital and property of legal entities must be carried out on the following basic conditions:

- The Buyer (Company) shall return to the Sellers (previous owners of participation shares) the shares acquired from them in the authorized capital and property of legal entities, in full;
- All payments received by the Sellers from the Buyer (Company) for acquired shares in the authorized capital and property of legal entities shall remain the property of the Sellers and shall not be returned to the Buyer (Company).

FB PrimeSource Acquisition, LLC
represented by Ritz Peter B

_____
(no seal applies)

or

represented by _____,
acting on the basis of a Power of Attorney from "___" _____ 202__

_____
(no seal applies)

Debt Settlement
AGREEMENT

The Republic of Kazakhstan, city of Almaty and New York City, USA **Jan 10, 2024**

1) Citizen of the Republic of Kazakhstan, **Viktor Vladimirovich Nazarov**, born on November 04, 1980, place of birth - city of Almaty, IIN 801104300818, Identity Card No. 043587309, issued by the Ministry of Internal Affairs of the Republic of Kazakhstan dated 15.10.2018, residing at: Republic of Kazakhstan, city of Almaty, Auezovsky district, Tastak-1 micro-district, building 3, apartment 9, hereinafter referred to as "Lender", on one hand, and

2) **FB PrimeSource Acquisition, LLC**, at 651 N. Broad Street, Suite 308 Middletown, DE 19709, BIN 220650006842, represented by Ritz Peter B, a citizen of the United States of America, passport number 548722174, issued by the State Department of the United States of America dated June 28, 2016, hereinafter referred to as the "Company", on the other hand,

Collectively hereinafter referred to as the Parties,

Whereas:

*- the executed agreements - Master Stock Purchase Agreement dated May 17, 2022 /**hereinafter referred to as the MSPA**/, and Agreements for the purchase and sale of shares in the authorized capital and property dated June 06, 2022 /**hereinafter referred to as Kazakhstan Sales Transactions**/, under which the Company acquired a 100% participation interest in Kazakhstani companies –InFin-IT Solution, Prime Source - Analytical Systems, Prime Source Innovation, Prime Source and Digitalism Limited Liability Partnerships **(hereinafter referred to as the Prime Source Group companies)**;*
*- PROMISSORY NOTE dated May 31, 2022, issued by the Company in favor of each of the Lender for USD 6,000,000 (with a set payment schedule) /hereinafter referred to as the **Promissory Note**);*
- security agreements:
a) Pledge agreements dated 09.06.2022, 13.06.2022 and 14.06.2022 entered into between the Company and the Lender, under which the Company pledged to the Lender a participation interest of 50% in each of the Prime Source Group companies;
b) Collateral Assignment of Stock Agreement dated June 10, 2022, provided by the Company to the Lender;
c) SECURITY AGREEMENT dated 17 June 2022, provided by the Prime Source Group companies in favor of the Lender;
- complete fulfillment of obligations by the Lender, which involves the transfer of the Company's participation interests in the Prime Source Group companies and registration of all rights to the participation interests to the Company as their sole participant;
- the Company's debt to the Lender under the repayment schedule of the purchase price for participation interests provided for by the MSPA and the terms of the Promissory Note, which, as of the date of this Agreement, is as follows:
- for payment of the principal debt - 3,990,000 (three million nine hundred ninety thousand) US dollars, where 2,490,000 US dollars is the overdue principal debt, and 1,500,000 US dollars is the balance of the principal debt due for payment on December 31, 2023);
- for interest payments – according to the interest amounts specified in Appendix A to this Agreement,
*(hereinafter referred to as the **Debt Amount**).*

The Parties have drawn up and signed this Debt Settlement Agreement (hereinafter referred to as the Agreement) on the following:

1. The Parties have come to an Agreement on deferring the payment of the Debt Amount by the Company to the Lenders **for a period as Scheduled in a Standstill Agreement, Appendix A hereto. Upon performance in full of the Company's obligations under the Standstill Agreement, the Parties**

release and forever discharge each other and their respective affiliates from any and all obligations or liabilities under this Agreement, the Promissory Note, and for the Debt Amount.

2. In case of non-fulfillment (improper fulfillment) by the Company of payment obligations provided for in the Standstill Agreement, the Parties agree that:

- MSPA is subject to termination by the Parties signing a separate agreement on termination of MSPA;
- Kazakhstan purchase and sale transactions are subject to termination in full, and the Company returns 100% of the participation shares in each of the companies of the Prime Source Group to the previous owners of the shares with the signing of relevant agreements for each of the group of companies of the Prime Source Group;
- amounts previously paid by the Company (or other persons for the Company) to the Lenders under the MSPA and the Promissory Note as the purchase price of participation interests **are not reimbursed by the Lenders to the Company**;
- the Company's obligations under the PROMISSORY NOTE (Promissory Note) dated May 31, 2022 are terminated;
- Pledge agreements dated 06/09/2022, 06/13/2022 and 06/14/2022 are subject to termination by signing agreements on their termination with subsequent registration of termination of the pledge with the authorized state bodies of the Republic of Kazakhstan;
- Agreements on the transfer of participation interests (shares) as collateral (COLLATERAL ASSIGNMENT OF STOCK) dated June 10, 2022 and SECURITY AGREEMENT dated June 17, 2022 are terminated.

3. The Parties agree that for the purposes of signing and concluding contracts and transactions specified in paragraph 2 of this Agreement, the Company appoints authorized persons;
- citizen of the Republic of Kazakhstan Alexander Alexandrovich Zherdev, IIN 900103300068;
- citizen of the Republic of Kazakhstan Ilyas Isataevich Birmanov, IIN 760807300371 (both hereinafter referred to as the Attorney), each of whom has the right to perform the following actions on behalf of the Company and on the basis of powers of attorney issued by the Company to the Attorney in accordance with Appendix C, D to this Agreement:
- signing and conclusion of all contracts and transactions in the territory of the Republic of Kazakhstan on the basis of powers of attorney issued by the Company to the Attorney in accordance with Appendix C and D to this Agreement;
- signing of all decisions (resolutions) on behalf of the Company (delegation of authority of Peter Ritz), specified in Annexes E – G to this Agreement and necessary for the termination and conclusion of contracts and agreements specified in paragraph 2 of this Agreement.

4. The Parties agree that:
- The Company undertakes to provide the Attorney with duly notarized and apostilled powers of attorney specified in paragraph 3 of this Agreement on the date of signing this Agreement (simultaneously with signing the Contract). The execution of powers of attorney should allow their use both on the territory of the United States of America and on the territory of the Republic of Kazakhstan. The power of attorney is subject to cancellation immediately after the Company fulfills the obligations provided for in paragraph 1 of this Agreement and the Standstill Agreement (Appendix A);
- The Attorney signs the Decisions specified in paragraph 3 of this Agreement only after the occurrence of an event of non-fulfillment by the Company of the obligations provided for in paragraph 1 of this Agreement and the Standstill Agreement (Appendix A). If it is necessary to certify and issue (apostille) these decisions, the Company undertakes to provide the necessary assistance to the Attorney in such registration or to issue Decisions signed by the General Director of the Company Peter B. Ritz.

5. Powers of attorney issued by the Company to the Attorney and/or decisions taken on behalf of the Company may not be revoked by the Company or any persons affiliated with it until the Company properly and fully fulfills all obligations to the Creditor provided for in paragraph 1 of the Agreement, or the Attorney completes the actions specified in paragraph 3 of this Agreement.

6. The Parties represent and warrant that:
- that they are persons able to sign this Agreement;
- there are no obstacles or restrictions (including possible covenants in civil law contracts or other documents/obligations of the parties) to fulfilling the terms of this Agreement.

7. All amendments and supplements hereto shall only be valid if made in writing and signed by all persons specified in the preamble of the Agreement.

8. In other cases not provided for by this Agreement, the Parties shall be guided by the current legislation of the Republic of Kazakhstan, New York Law, the terms of the MSPA, the Promissory Note, and other documents issued under the MSPA. The Parties undertake to settle any disputes arising directly or indirectly from this Agreement, amicably, and where it is impossible to resolve them in such a manner, disputes shall be considered in the courts of the Republic of Kazakhstan following the procedure prescribed by the current legislation of the Republic of Kazakhstan at the location of any of the Lenders.

9. This Agreement was made in 2 (two) copies, one for each of the Parties/participants of the Parties, in Russian and English, having equal legal force.

SIGNATURES OF THE PARTIES

Witness

Michae T. Moe

For the Company
FB PRIMESOURCE ACQUISITION LLC

By: **Peter B. Ritz**

For the Lender:

Viktor Vladimirovich Nazarov

Appendix B

AGREEMENT
on termination of the Master Stock Purchase Agreement dated May 17, 2022 (Master Agreement for the purchase of participation interests) and termination of other obligations

Republic of Kazakhstan, city of Almaty _____, 2024

1) Citizen of the Republic of Kazakhstan, **Chsherbinin Yevgeniy Mikhailovich**, born on December 22, 1982, place of birth Almaty city, IIN 821222300269, identity card No. 053802025, issued by the Ministry of Internal Affairs of the Republic of Kazakhstan dated 04.07.2023, residing at: Republic of Kazakhstan, city of Almaty, Bostandyksky district, Koktem-3 microdistrict, building 12, apartment 66, hereinafter referred to as **"Seller-1"**, and

Citizen of the Republic of Kazakhstan, **Nazarov Viktor Vladimirovich**, born November 4, 1980, place of birth – city of Almaty, IIN 801104300818, identity card No. 043587309, issued by the Ministry of Internal Affairs of the Republic of Kazakhstan dated October 15, 2018, residing at: Republic of Kazakhstan, city of Almaty, Auezovsky district, Tastak-1 microdistrict, building 3 , apartment 9, hereinafter referred to as **"Seller-2"**, (also collectively hereinafter referred to as Sellers), on the one hand,

2) **FB PrimeSource Acquisition, LLC,** located at 651 N. Broad Street, Suite 308 Middletown, DE 19709, BIN 220650006842, represented by _____, effective on the basis of _____, hereinafter referred to as the **"Buyer",** on the other hand,

all of the collectively hereinafter referred to as the Parties,

have drawn up and signed this Agreement on the termination of the Master Stock Purchase Agreement dated May 17, 2022 (and the termination of other obligations (hereinafter referred to as the Agreement) as follows:

Section 1. Terms and Definitions

Kazakhstan companies of the Prime Source Group - Limited Liability Partnerships - InFin-IT Solution (BIN 081140003103), Prime Source - Analytical Systems (BIN 060240014176),Prime Source Innovation (BIN 200640021471), Prime Source (BIN 071140019950) and Digitalism (BIN 080340009850).

MSPA- Master Stock Purchase Agreement dated May 17, 2022 and Appendixes A – F thereto, in accordance with which the Sellers assumed the obligation to sell, and the Buyer to buy, 100% of the participation interest in five Kazakhstani companies of the group Prime Source for 18,000,000 (eighteen million) US dollars, of which 9,000,000 US dollars were payable to each of the Buyers.

PROMISSORY NOTE –Two (2) Notes, dated May 31, 2022, issued by the Buyer as security for payment obligations in favor of each of the Sellers, each Note in the amount of $6,000,000 (with an established payment schedule).

COLLATERAL ASSIGNMENT OF STOCK - Agreements on the transfer of participation interests (shares) as collateral dated June 10, 2022, drawn up and signed by the Buyer with each of the Sellers, according to which each of the Sellers was transferred participation shares of the Kazakhstan companies of the Prime Source group to ensure the execution of payment Buyer's obligations under the MSPA and PROMISSORY NOTE;

SECURITY AGREEMENT - Security agreements dated June 17, 2022, drawn up and signed by each of the Kazakhstan companies of the Prime Source group, providing for the transfer of other assets in favor of each of the Sellers to ensure the fulfillment of the Buyer's payment obligations under the MSPA and PROMISSORY NOTE;

Kazakhstan sales transactions - Agreements for the sale and purchase of shares in the authorized capital and property dated 06.06.2022, under which the Buyer acquired 100% of the participation shares in the Kazakhstani companies of the Prime Source group and on the basis of which registered the right to 100% of the participation shares in these companies (sole participant) in the manner prescribed by the

current legislation of the Republic of Kazakhstan.

Pledge agreements - Pledge agreements dated 09.06.2022, 13.06.2022 and 14.06.2022, drawn up under the law of the Republic of Kazakhstan and entered into between the Sellers and the Buyer, according to which the Buyer pledged to each of the Sellers a 50% participation interest in each of the Kazakhstan companies of the Prime Source Group with registration of pledge rights in the authorized state bodies of the Republic of Kazakhstan.

Actual payment [1]- the part of the purchase price actually paid by the Buyer under the MSPA to the Sellers on the date of signing by the Parties of this Agreement, in the following amounts:

- Seller-1: 4,000,000 (four million) US dollars.

- Seller-2: 5,010,000 (five million ten thousand) US dollars;

Amount of debt - the Buyer's debt to the Sellers for the payment of principal and interest (8% per annum) within the framework of MSPA and PROMISSORY NOTE.

a) The Buyer's debt to Seller-1 as of the date of signing this Agreement is:

- for payment of the principal debt - 5,000,000 (five million) US dollars, where 3,500,000 US dollars is the overdue principal debt, and 1,500,000 US dollars is the balance of the principal debt due for payment on December 31, 2023);

- for payment of interest (calculation until December 31, 2023) – 655,111 (six hundred fifty-five thousand one hundred eleven) US dollars.

b) The Buyer's debt to Seller-2 as of the date of signing this Agreement is:

- for payment of the principal debt - 3,990,000 (three million nine hundred ninety thousand) US dollars, where 2,490,000 US dollars is the overdue principal debt, and 1,500,000 US dollars is the balance of the principal debt due for payment on December 31, 2023) .

- for payment of interests (calculation until December 31, 2023) – 580,246 (five hundred eighty thousand two hundred forty-six) US dollars.

Compensation for losses to Sellers - payment of penalties by the Buyer provided for by PROMISSORY NOTE in favor of Sellers for violation of payment obligations (fee for late fulfillment of obligations /5%/ and an additional fine /5%/, as well as compensation for other losses arising as a result of decisions and activities Buyer as the sole participant of the Kazakhstan companies of the Prime Source Group.

Section 2. Terms of Agreement

1. The parties have mutually agreed to **terminate the MSPA starting on «__» _____ 2024** under the terms of this Agreement.

2. From the date of signing by the Parties of this Agreement, the Buyer shall be exempt from paying the Amount of Debt and Compensation for Losses to the Sellers, as well as from any other payments provided for by MSPA, PROMISSORY NOTE, COLLATERAL ASSIGNMENT OF STOCK, SECURITY AGREEMENT, Kazakhstan sales transactions and Pledge Agreements.

3. The Buyer undertakes to immediately return 100% of the participation interests in the Kazakhstan companies of the Prime Source Group to the Sellers (previous owners of the companies), and the Parties for these purposes enter into the following contractual documents:

3.1. Agreements on the termination of Pledge Agreements with subsequent registration of termination of the pledge with the authorized state bodies of the Republic of Kazakhstan;

3.2. Agreements on the termination of Kazakhstani purchase and sale transactions with the return of shares to the Sellers (previous owners of the companies).

4. The Buyer undertakes to assist the Sellers (previous owners of the companies) in re-registering their rights to participation shares in the companies and re-registration of Kazakhstan companies of the Prime Source Group with the authorized state bodies of the Republic of Kazakhstan.

5. Sellers are fully exempt from returning the actual payment amounts to the Buyer; these payment receipts remain with the Sellers.

6. Sellers, by signing this Agreement, waive all/any claims for payment of the Amount of Debt and

---

[1] The amounts specified in the terms "Actual payment" and "Amount owed" may be changed if the Buyer repays the debt by the date of signing this Agreement

Compensation for Losses to Sellers, as well as any other payments provided for by MSPA, PROMISSORY NOTE, COLLATERAL ASSIGNMENT OF STOCK, SECURITY AGREEMENT, Kazakhstan sales transactions and Pledge Agreements.

7. After the return and re-registration of the rights to 100% of the participation share in the Kazakhstani companies of the Prime Source Group to the Sellers (previous owners of the companies), the Parties agree that the following documents shall lose their legal force and the Buyer shall cease to fulfill obligations thereunder from the date of re-registration of the rights to 100% share in companies for the Sellers:

- PROMISSORY NOTE;

- COLLATERAL ASSIGNMENT OF STOCK.

8. From the date specified in paragraph 7 of this Agreement, the SECURITY AGREEMENT is terminated, of which the Parties undertake to immediately notify the Kazakhstan companies of the Prime Source Group.

9.The parties hereby represent and warrant:

- that they are authorized to sign this Agreement;
- there are no obstacles or restrictions (including possible covenants in civil contracts or other documents/obligations of the parties) to fulfill the terms of this Agreement.

10. After the Parties have fulfilled the terms of this Agreement, the Parties acknowledge and agree that they do not have any claims regarding the Parties' fulfillment of obligations under the documents referred to in this Agreement, and equally undertake in the future not to make any claims or demands related to with the fulfillment of mutual obligations, any losses and any other actions carried out during the period of fulfillment of obligations by the Parties, and specifically waive any such claims and hereby release the other Party with respect to such claims.

11. All amendments and alterations to this Agreement shall only be valid if they are in writing and signed by all persons named in the preamble Agreements.

12. In other cases not provided for herein, the Parties shall be guided by the applicable law to the MSPA and/or other documents drawn up under the MSPA.

13. The parties undertake to resolve all disputes arising directly or indirectly from the terms of this Agreements through negotiations, if it is impossible to resolve them, disputes shall be considered in the courts of the Republic of Kazakhstan in the manner prescribed by the current legislation of the Republic of Kazakhstan at the location of any of the Sellers.

14. This Agreement was drawn up in 3 (three) copies, one for each of the Parties/participants of the Parties, in Russian and English, having equal legal force.

SIGNATURES OF THE PARTIES

Seller - 1
Chsherbinin Yevgeniy Mikhailovich _____

Seller - 2
Nazarov Viktor Vladimirovich _____

Buyer
FB PrimeSource Acquisition, LLC,
Represented by Ritz Peter B _____

Appendix C

POWERS OF ATTORNEY
FB PRIMESOURCE ACQUISITION, LLC

USA, Delaware _____, 202__

FB PrimeSource Acquisition, LLC (hereinafter referred to as the Company), located at 651 N. Broad Street, Suite 308 Middletown, DE 19709, represented by its CEO, Peter Ritz Peter B, a citizen of the United States of America, passport no. 548722174, issued by the United States Department of State on June 28, 2016, in the event of non-fulfillment by the Company of payment obligations provided for in the Standstill Agreement of January 10, 2024, authorizes a citizen of the Republic of Kazakhstan _____, IIN _____ (hereinafter referred to as the Attorney) to represent the Company with third parties, with the authority to execute, and sign the following documents on behalf of the Company:

I. Agreement on termination of the Master Stock Purchase Agreement dated May 17, 2022 and termination of other obligations in the form that is Appendix B to the Agreement on the Settlement of Debt Issues from "___" _____ 2023.

II. Agreements on termination of pledge agreements, namely:

- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Prime Source Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 887;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Prime Source Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 886;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Digitalism Limited Liability Partnership dated 09.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 848;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Digitalism Limited Liability Partnership dated 09.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 849;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of InFin-IT Solution Limited Liability Partnership dated 13.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 879;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of InFin-IT Solution Limited Liability Partnership dated June 13, 2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 880;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Prime Source Innovation Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 898;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Prime Source Innovation Limited Liability Partnership dated June 14, 2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 897;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Prime Source-Analytical Systems Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 889;
- ✓ Agreement on termination of the Pledge Agreement for a 50% share in the authorized capital of Prime Source-Analytical Systems Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 888.

III. Agreements on the termination of Purchase and Sale Agreements for participation in the authorized capital and property of legal entities, namely:

- ✓ Agreement on termination of the Agreement for the purchase and sale of a share in the authorized capital and property of Digitalism Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 809;
- ✓ Agreement on termination of the Agreement for the purchase and sale of a share in the authorized capital and property of InFin-IT Solution Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 810;
- ✓ Agreement on termination of the Agreement for the purchase and sale of a share in the authorized capital and property of Prime Source Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 816;
- ✓ Agreement on termination of the Agreement for the purchase and sale of a share in the authorized capital and property of Prime Source Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan in the register No. 811;
- ✓ Agreement on termination of the Agreement for the purchase and sale of a share in the authorized capital and property of Prime Source Innovation Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 815;
- ✓ Agreement on termination of the Agreement for the purchase and sale of a share in the authorized capital and property of Prime Source Innovation Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 814;
- ✓ Agreement on termination of the Agreement for the sale and purchase of a share in the authorized capital and property of Prime Source-Analytical Systems Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 812;
- ✓ Agreement on termination of the Agreement for the sale and purchase of a share in the authorized capital and property of Prime Source-Analytical Systems Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 813.

The termination of all the above agreements for the sale and purchase of shares in the authorized capital and property of legal entities must be carried out on the following basic conditions:

- o The Buyer (Company) shall return to the Sellers (previous owners of participation shares) the participation shares acquired from them in the authorized capital and property of legal entities, in full;
- o All payments received by the Sellers from the Buyer (Company) for the acquired participation shares in the authorized capital and property of legal entities shall remain the property of the Sellers and shall not be returned to the Buyer (Company).

To fulfill these powers, the Attorney shall be authorized to enter into and sign agreements on the termination of pledge agreements, agreements on the termination of purchase and sale agreements for a participation share in the authorized capital and property of legal entities, and to perform any other legal steps necessary to fulfill the assignment.

The power of attorney was issued for a period of 1 (one) year.

FB PrimeSource Acquisition, LLC
represented by Ritz Peter B

_____
(no seal applies)

#700480 v1

Appendix D

POWER OF ATTORNEY
FB PRIMESOURCE ACQUISITION, LLC

USA, Delaware **_____, 202_**

FB PrimeSource Acquisition, LLC (hereinafter referred to as the Company), located at 651 N. Broad Street, Suite 308 Middletown, DE 19709, represented by its CEO, Peter Ritz B, a citizen of the United States of America, Passport No. 548722174, issued by the United States Department of State on June 28, 2016, in the event of non-fulfillment by the Company of payment obligations provided for in the Standstill Agreement of January 10, 2024, authorizes the citizen of the Republic of Kazakhstan _____, IIN _____ (hereinafter referred to as the Attorney):

1. To sign, including with the right to notarize/apostille on behalf of the Company the decisions (resolutions) specified in Annexes E – G to the Agreement on Settlement of Debt Issues from "___" _____ 2023.

2. To perform all management functions and exercise all the rights and powers vested in the Company as the sole participant (as a 100% holder of participation shares) in the following legal entities, registered and operating on the territory of the Republic of Kazakhstan:

Prime Source-Analytical Systems Limited Liability Partnership, BIN 060240014176;
Prime Source Innovation Limited Liability Partnership, BIN 200640021471;
InFin-IT Solution Limited Liability Partnership, BIN 081140003103;
Digitalism Limited Liability Partnership, BIN 080340009850;
Prime Source Limited Liability Partnership, BIN 071140019950 (hereinafter collectively referred to as the Partnership).

To fulfill these powers, the Attorney shall be vested, including, but not limited to, with the following powers:

represent the Company in all enterprises, institutions and organizations of any form of ownership;

solely make and sign resolutions on any issues falling within the exclusive competence of the sole participant of the Partnerships in accordance with the legislation of the Republic of Kazakhstan and/or the Articles of Association of the Partnership;

make amendments and supplements to the constituent documents of the Partnership, with the authority to sign and approve them (including the new version);

submit requests, appeals, applications to government and non-government bodies and organizations, and receive responses to them;

carry out state re-registration of Partnerships in the manner established by the legislation of the Republic of Kazakhstan;

carry out any other actions and powers that may be required to manage the Partnerships and exercise the rights of the sole participant of the Partnerships, with a view to the rights and restrictions provided for by the current legislation of the Republic of Kazakhstan, corporate and constituent documents of the Partnerships, and obligations of the Company and Partnerships to third parties and the state.

The power of attorney is issued for 1 (one) year.

FB PrimeSource Acquisition, LLC
represented by Ritz Peter B

_____
(no seal applied)

Appendix E

RESOLUTION
FB PRIMESOURCE ACQUISITION, LLC

USA, Delaware **_____, 202__**

FB PrimeSource Acquisition, LLC (hereinafter also referred to as the Company), located at 651 N. Broad Street, Suite 308 Middletown, DE 19709, represented by CEO Peter Ritz Peter B, a citizen of the United States of America, passport No. 548722174, issued by the United States Department of State on June 28, 2016, in the event of non-fulfillment by the Company of payment obligations provided for in the Standstill Agreement of January 10, 2024,
represented by _____, acting on the basis of a power of attorney from "___"_____ 202__ ,

Has RESOLVED:

I. Due to the incapability of the Company to continue to fulfill its payment obligations to Yevgeniy Chsherbinin and Viktor Nazarov under the Master Stock Purchase Agreement entered into with them on May 17, 2022 (hereinafter referred to as the Master Stock Purchase Agreement), take the following measures to terminate contractual obligations:

A) The company shall enter into an agreement with Yevgeniy Chsherbinin and Viktor Nazarov to terminate the Master Stock Purchase Agreement, in the form that is Appendix B to the Agreement on Settlement of Debt Issues from "___" _____ 2023 of the year.

B) The Company shall enter into agreements with Yevgeniy Chsherbinin, Viktor Nazarov, Konstantin Zlobin, and Kanat Ibraimov (depending on the party to each individual agreement) on the termination of the Purchase and Sale Agreements for participation in the authorized capital and property of legal entities entered into within the framework of the Master Stock Purchase Agreement, namely, to terminate :

- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Digitalism Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 809.
- ✓ Agreement for the sale and purchase of a participation interest in the authorized capital and property of InFin-IT Solution Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 810.
- ✓ Agreement for the sale and purchase of a participation interest in the authorized capital and property of Prime Source Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 816.
- ✓ Agreement for the sale and purchase of a participation interest in the authorized capital and property of Prime Source Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 811.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source Innovation Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 815.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source Innovation Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 814.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source-Analytical Systems Limited Liability Partnership dated

06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 812.

- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source-Analytical Systems Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 813.

The termination of all the above agreements for the purchase and sale of a participation interest in the authorized capital and property of legal entities must be carried out on the following basic conditions:

- o The Buyer (Company) shall return to the Sellers (previous owners of participation interests) the participation interests acquired from them in the authorized capital and property of legal entities, in full;
- o All payments received by the Sellers from the Buyer (Company) for acquired participation interests in the authorized capital and property of legal entities shall remain the property of the Sellers and shall not be returned to the Buyer (Company).

C) The company enter into agreements to terminate the pledge agreements entered into within the framework of the Master Stock Purchase Agreement, namely:

- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Prime Source Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 887;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Prime Source Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 886;
- ✓ Pledge agreement for a 50% participation intrerest in the authorized capital of Digitalism Limited Liability Partnership dated 09.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 848;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Digitalism Limited Liability Partnership dated 09.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 849;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of InFin-IT Solution Limited Liability Partnership dated June 13, 2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 879;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of InFin-IT Solution Limited Liability Partnership dated 13.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 880;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Prime Source Innovation Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 898;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Prime Source Innovation Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 897;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Prime Source-Analytical Systems Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 889;
- ✓ Pledge agreement for a 50% participation interest in the authorized capital of Prime Source-Analytical Systems Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 888.

In pursuance of the executed agreements on termination of the above pledge agreements, ensure the provision and signing on behalf of the Company of all documents necessary for the release of encumbrances (collateral) of the Company in accordance with the requirements of the legislation of the Republic of Kazakhstan.

II. From the date of completion of the last of the actions provided for in paragraphs A, B, C of Article I of this Resolution, in connection with the termination of the main obligation, the following accessory (additional) agreements and obligations are considered automatically terminated:

- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Yevgeniy Chsherbinin and Digitalism Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Viktor Nazarov and Digitalism Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Yevgeniy Chsherbinin and InFin-IT Solution Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Viktor Nazarov and the InFin-IT Solution Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Yevgeniy Chsherbinin and Prime Source Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Viktor Nazarov and Prime Source Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Yevgeniy Chsherbinin and Prime Source Innovation Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Viktor Nazarov and Prime Source Innovation Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Yevgeniy Chsherbinin and Prime Source-Analytical Systems Limited Liability Partnership;
- ✓ SECURITY AGREEMENT dated 17.06.2022, entered into by and between Viktor Nazarov and Prime Source-Analytical Systems Limited Liability Partnership;
- ✓ COLLATERAL ASSIGNMENT OF STOCK dated 10.06.2022, entered into by and between the Company and Victor Nazarov;
- ✓ COLLATERAL ASSIGNMENT OF STOCK dated 10.06.2022, entered into by and between the Company and Yevgeniy Chsherbinin;
- ✓ PROMISSORY NOTE dated 31.05.2022, issued by the Company in favor of Victor Nazarov.
- ✓ PROMISSORY NOTE dated 31.05.2022, issued by the Company in favor of Yevgeniy Chsherbinin.

From the date of termination of these agreements/obligations, all mutual rights, claims and obligations of the parties arising from these documents shall be deemed terminated.

FB PrimeSource Acquisition, LLC
represented by Ritz Peter B

_____
(no seal applies)

or

represented by _____,
acting on the basis of a Power of Attorney from "___" _____ 202__

_____
(no seal applies)

Appendix F

RESOLUTION
FB PRIMESOURCE ACQUISITION, LLC

USA, Delaware _____, 202__

FB PrimeSource Acquisition, LLC (hereinafter also referred to as the Company), located at 651 N. Broad Street, Suite 308 Middletown, DE 19709, represented by CEO Peter Ritz B, a citizen of the United States of America, passport No. 548722174, issued by the United States Department of State on June 28, 2016, in the event of non-fulfillment by the Company of payment obligations provided for in the Standstill Agreement of January 10, 2024,
represented by _____, *acting on the basis of a power of attorney from "___"_____ 202__,*

has RESOLVED:

1. Due to the incapability of the Company to continue to fulfill its payment obligations to Yevgeniy Chsherbinin and Viktor Nazarov under the Master Stock Purchase Agreement for the purchase of shares (participation interests) entered into with them on May 17, 2022 (hereinafter referred to as the Master Stock Purchase Agreement), and the termination of the main obligation secured by the pledge, the Company must sign, with Yevgeniy Chsherbinin, Viktor Nazarov (depending on the party to each individual agreement), the agreements on the termination of pledge agreements entered into within the framework of the Master Stock Purchase Agreement, namely, the Company must sign:

- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Prime Source Limited Liability Partnership dated June 14, 2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 887;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Prime Source Limited Liability Partnership dated 14.07.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 886;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Digitalism Limited Liability Partnership dated 09.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 848;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Digitalism Limited Liability Partnership dated 09.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 849;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of InFin-IT Solution Limited Liability Partnership dated 13.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 879;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of InFin-IT Solution Limited Liability Partnership dated 13.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 880;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Prime Source Innovation Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register No. 898;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Prime Source Innovation Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 897;
- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Prime Source-Analytical Systems Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 889;

- ✓ Agreement on termination of the Pledge Agreement for a 50% participation interest in the authorized capital of Prime Source-Analytical Systems Limited Liability Partnership dated 14.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register No. 888.

In pursuance of the signed agreements on termination of the above pledge agreements, to ensure the provision and signing on behalf of the Company of all documents necessary for the release of encumbrances (collateral) of the Company in accordance with the requirements of the legislation of the Republic of Kazakhstan.

FB PrimeSource Acquisition, LLC
represented by Peter Ritz B

_____
(no seal applies)

or

represented by _____,
acting on the basis of a Power of Attorney from "___" _____ 202__

_____
(no seal applies)

Appendix G

RESOLUTION
FB PRIMESOURCE ACQUISITION, LLC

USA, Delaware _____, 202___

FB PrimeSource Acquisition, LLC (hereinafter also referred to as the Company), located at 651 N. Broad Street, Suite 308 Middletown, DE 19709, represented by CEO, Ritz Peter B, a citizen of the United States of America, passport No. 548722174, issued by the United States Department of State on June 28, 2016, in the event of non-fulfillment by the Company of payment obligations provided for in the Standstill Agreement of January 10, 2024,
represented by _____, *acting on the basis of a power of attorney from "___"_____ 202__ ,*

HAS RESOLVED:

Due to the incapability of the Company to continue to fulfill its payment obligations to Yevgeniy Chsherbinin and Viktor Nazarov under the Master Stock Purchase Agreement for the purchase of shares (participation interests) signed with them on May 17, 2022 (hereinafter referred to as the Master Stock Purchase Agreement), the Company must sign the agreement to terminate the Purchase and Sale Agreements for a participation interests in the authorized capital and property of legal entities entered into within the framework of the Master Stock Purchase Agreement with Yevgeniy Chsherbinin, Viktor Nazarov, Zlobin Konstantin, Ibraimov Kanat (depending on the party to each individual agreement), namely, to terminate:

- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Digitalism Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 809.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of InFin-IT Solution Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 810.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 816.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan Dosmukhanbetova Raushan in the register under No. 811.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source Innovation Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 815.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source Innovation Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 814.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source-Analytical Systems Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 812.
- ✓ Agreement for the purchase and sale of a participation interest in the authorized capital and property of Prime Source-Analytical Systems Limited Liability Partnership dated 06.06.2022, registered by the notary of the Republic of Kazakhstan, Dosmukhanbetova Raushan, in the register under No. 813.

The termination of all the above agreements for the sale and purchase of a share in the authorized capital and property of legal entities must be carried out on the following basic conditions:

- The Buyer (Company) shall return to the Sellers (previous owners of participation shares) the shares acquired from them in the authorized capital and property of legal entities, in full;
- All payments received by the Sellers from the Buyer (Company) for acquired shares in the authorized capital and property of legal entities shall remain the property of the Sellers and shall not be returned to the Buyer (Company).

FB PrimeSource Acquisition, LLC
represented by Ritz Peter B

_____
(no seal applies)

or

represented by _____,
acting on the basis of a Power of Attorney from "___" _____ 202__

_____
(no seal applies)

EXHIBIT 5

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

This BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Agreement**"), dated as of March 13, 2024, 2024, is entered into by and between Genius Group Ltd and its subsidiaries, a public limited company duly organized and operating under the Laws of Singapore (the "**Purchaser**"), and LZG International, Inc., a Florida corporation (the "**Seller**"). The Seller and the Purchaser are sometimes referred to individually in this Agreement as a "**Party**" and collectively as the "**Parties**".

RECITALS

A. Pursuant to that certain Purchase Agreement (the "**Purchase Agreement**"), dated January 24, 2024, by and between the Purchaser and the Seller, the Seller agreed to sell, convey, transfer, assign and deliver to the Purchaser the Assets.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Capitalized Terms. Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Purchase Agreement.

2. Bill of Sale, Assignment and Assumption. Effective as of the Closing, and subject to the terms and conditions set forth in the Purchase Agreement and this Agreement: (a) the Seller hereby sells, conveys, transfers, assigns and delivers (collectively, the "**Assignment**") to the Purchaser or its designee, free and clear of all Encumbrances, all of the Seller's right, title and interest in, to and under the Assets (as set forth on Exhibit A hereto), and the Purchaser accepts the Assignment; and (b) the Purchaser hereby assumes and agrees to assume and discharge the Liabilities as set forth on Exhibit A hereto.

3. Excluded Liabilities. It is not the intention of either the Seller or the Purchaser that the assumption by the Purchaser of any Liabilities shall in any way enlarge the rights of any third parties relating thereto. The Purchaser does not, and will not by assumption of any Liabilities or the acceptance of this Agreement, or otherwise, assume or be deemed to have guaranteed, and will not be liable or otherwise have any responsibility for any assets other than the Assets or any liabilities other than the Liabilities outlined in Exhibit A.

4. Terms of the Purchase Agreement. The Seller acknowledges and agrees that the representations, warranties, covenants and agreements contained in the Purchase Agreement shall neither be superseded or expanded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

5. Further Assurances. Each Party covenants and agrees, at its own expense, to execute, acknowledge and deliver such further documents, instruments or conveyances of transfer and assignment and to take such other actions as such other Party may reasonably request to carry out the provisions hereof and give effect to the assignments and assumptions contemplated by this Agreement.

6. Binding Effect. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and assigns; *provided, however*, that no assignment of any Party's rights or obligations may be made without the written consent of the other Party and any such assignment

DS RH DS PR

will provide that the assigning Party will continue to be bound by all obligations hereunder as if such assignment had not occurred and perform such obligations to the extent that its assignee fails to do so; *provided, further, however*, that the Purchaser may assign its rights and delegate its duties hereunder to any Affiliate of the Purchaser without first obtaining such consent.

7. No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties, their successors and permitted assigns, and, except as aforesaid, no provision of this Agreement will be deemed to confer any remedy, claim or right upon any third party.

8. Governing Law; Jurisdiction. This Agreement shall be interpreted and construed in accordance with the laws of the State of New York. Any and all claims, controversies and causes of action arising out of or relating to this Agreement, whether sounding in contract, tort, statute, or otherwise, shall be governed by the laws of the State of New York, without giving effect to any conflict-of-laws rule that would result in the application of the laws of a different jurisdiction. EACH PARTY HEREBY CONSENTS AND AGREES THAT THE FEDERAL AND STATE COURTS OF THE STATE OF NEW YORK WILL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE PARTIES PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT, EACH PARTY EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH PARTY HEREBY WAIVES ANY OBJECTION THAT SUCH PARTY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH PARTY HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT THE ADDRESS SET FORTH IN SECTION 10.4 OF THE PURCHASE AGREEMENT AND THAT SERVICE SO MADE WILL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH PARTY'S ACTUAL RECEIPT THEREOF OR FIVE BUSINESS DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID.

9. Waiver of Jury Trial. NO PARTY TO THIS AGREEMENT OR ANY ASSIGNEE, SUCCESSOR, HEIR OR PERSONAL REPRESENTATIVE OF A PARTY WILL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE OTHER AGREEMENTS OR THE DEALINGS OR THE RELATIONSHIP BETWEEN THE PARTIES. NO PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS SECTION 9 HAVE BEEN FULLY DISCUSSED BY THE PARTIES, AND THESE PROVISIONS WILL BE SUBJECT TO NO EXCEPTIONS. NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION 9 WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

10. Specific Performance. The Parties acknowledge and agree that the other Party would be irreparably harmed if any of the provisions of this Agreement (including failing to take such actions as are required of it hereunder) are not performed in accordance with their specific terms and that any breach of this Agreement could not be adequately compensated in all cases by monetary damages alone. Accordingly, the Parties will be entitled to seek enforcement of any provision of this Agreement by a decree of specific performance or to other equitable relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking. Each of the

DS RH DS PR

Parties agrees that it will not oppose the granting of specific performance or other equitable relief permitted by this Agreement on the basis that: (a) the other Party has an adequate remedy at Law; or (b) an award of specific performance is not an appropriate remedy for any reason at Law or equity.

11. Counterparts. This Agreement may be executed, including by way of electronic signature (pdf and facsimile formats included) in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[SIGNATURE PAGES FOLLOW]

DS RH

DS PR

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first set forth above by their respective officers thereunto duly authorized.

PURCHASER:

GENIUS GROUP LIMITED,
a public Singapore company

By: DocuSigned by: Roger Hamilton 25E8FE9140A14F8...
Name: Roger Hamilton
Title:

SELLER:

LZG INTERNATIONAL, INC.
a Florida corporation

By: DocuSigned by: Peter Ritz 0699C612BD33446...
Name: Peter Ritz
Title:

Exhibit A

List of the Assets

100% of the membership interests of FB Primesource Acquisition, LLC

Assets of FB Primesource Acquisition, LLC:

100% stock ownership of five companies organized under Kazakhstan law and operating in Kazakhstan:

1) Prime Source LLP, founded 11/26/2007;

2) Digitalism LLP, founded 03/14/2008;

3) InFin-IT-Solution LLP, founded 11/06/2008;

4) Prime Source Innovation LLP, founded 06/18/2020;

5) Prime Source-Analytical Systems LLP, founded 02/17/2006

IP property and certain related business assets of LZG, which shall have been contributed before closing to FB Primesource Acquisition, LLC, consisting of:

1) Software and IP related to Outcomes Engine Risk Frameworks, including the Agatha and Ness AML tools, plus US Patent Application No. 63/466,232, entitled "Method and System for Gradient Intelligent Machine Learning";

2) Software and IP related to Angelina Foreign Exchange & Trade IQ Peer Intelligence;

3) Software and IP related to RansomProof SaaS;

4) Software and IP related to Ginger F2F Yield Optimization framework and

5) Software and IP related to CovidRisk.Live for Digital Health SaaS.

Liabilities of FB Primesource Acquisition, LLC, not to exceed fifteen million dollars ($15,000,000):

Ordinary trade obligations incurred in the ordinary course of business

obligations incurred by LZG in connection various business acquisitions and assumed prior to closing by Primesource,

commitment to fund LZG's expenses and costs in winding and liquidating LZG after closing.

DS RH DS PR

EXHIBIT 7

Transcript: Meeting between Peter Ritz, Roger Hamilton and Eva Mantziou
At Irving Farm Café, 71 Irving, NYC at 8.00am on Thu, February 27, 2025

Ritz (00:00:02)
Thank you very much for coming. First and foremost, it's good to see you both. Good to see you well.

Hamilton (00:00:07)
Yeah, yeah

Mantziou (00:00:09)
Good to see you too. We haven't seen each other for a while…

Ritz (00:00:10)
For a long time, right?

Mantziou (00:00:12)
Yeah, but just to make sure, this is not like a settlement discussions. Yes? This is like a friends meeting. Yeah, just make it…

Ritz (00:00:22)
Yeah. I mean look, listen, yes.

Mantziou (00:00:24)
Let's make it clear. Yeah…

Hamilton (00:00:26)
Yeah. We asked our lawyers and said, look, Peter wants to reach out, should be meet or not. And they're like, as long as you're not in this situation where actions get delayed, we've got our legal stuff we need to do. I'm like, okay, so that way there's no confusion and stuff like this. Coz I wanted to meet and just say how do we end this craziness anyway, but at the same time, obviously tomorrow's the day and that all that stuff, so, umm…

Mantziou (00:00:52)
It's just to make sure that we are on the same page.

Ritz (00:00:59)
I think it's, listen, I don't know how your metre is. I have a metre. You have a metre. We all have a metre that's going to go on. If we want to end the craziness, I'm happy to do it.

Hamilton (00:01:09)
I'm interested from your side, the perspective is why we even belong there. I was like, okay, even with the whole case you had against the LZGI guys, I'm like it actually, I would've thought it helps you and Michael to just not even have the whole deal happening. Because then what are they going to fight on. Sabby, right, We have the same situation with Sabby where they're like, oh…

Ritz (00:01:33)
They reached out…

Hamilton (00:01:35)
…It's the same thing and it's like, well look, if there's no, if we had just gone ahead with the rescission the way we said it, we wouldn't be having all these issues right now. But obviously you have your reasons or your lawyers have your reasons, but yeah, we'd love to hear your metre and your…

Mantziou (00:01:44)
Or Moe has your reasons.

Hamilton (00:01:47)
Yeah, that's true as well...

Mantziou (00:01:44)
I think that we shouldn't be conflicting the two of them because I think that Moe has his own agenda…

Ritz (00:01:55)
I'm the one that got fired…

Mantziou (00:02:00)
…and he was the one that resigned. But anyway, Peter, I think that Michael has agenda which doesn't include your best interest in it.

Hamilton (00:02:11)
We don't know about Michael, right?

Mantziou (00:02:00)
Like this what I suppose.

Ritz (00:02:13)
I think one of the things that's very clear to me is everybody is moving on. I would definitely like to move on. I'm still young, I still have other fun stuff to do.

Hamilton (00:02:25)
You're young, Peter?

Mantziou (00:02:30)
He's in his 20s!

Ritz (00:02:31)
Sixty is the new twenties. No, no, I would like to, you know, move on. Not kind of live in the past. Right? So it's been longer difficult, this or that. That's what I think.

Hamilton (00:02:53)

Why did you even… in November, when the only issue with this 3 million that you wanted for this case with the LZGI shareholders, but even that, we could have gone to arbitration. We could have moved the whole thing forward. We could have solved it one way or the other, say well okay, what does the judge thing and we go with that and so on. I don't understand why. This is just my personal view. Why prolong the whole thing when it's going to have to come to an end anyway? And you get these new lawyers…

Mantziou (00:03:26)

And the legal fees are going to go up like crazy because the longer the fight continues, the more they're going to bill and that's black and white.

Hamilton (00:03:33)

On both sides, how much longer before we end up spending 3 million on legals anyway, the whole thing matters. Right? But anyway, there must have been a reason on your side and unless that reason has changed, then, you know, every time we speak, because I thought when we were speaking and were there and then the whole thing just went cold and then when I said look, let's try and sort this out, you said no, go speak to the lawyers, so clearly something happened on your side different. What was it and why would things have changed now?

Ritz (00:04:01)

Well, it's cost us a lot of money. I think it's cost you guys a lot of money. I mean if I just look at it, I think you were able to pull out at least 2 million bucks of cash out of the market every week. That's what I'm saying. So all of a sudden it's like put at least 4 million bucks. I definitely think there's a way forward. Is I look at it, look, litigation is like war, you know? Bismarck used to say it's rolling the iron dice. It can come up your way or it can come up not for your way and unintended consequences and all of a sudden.. so I think there's opportunity to do something so that we're all kind moving on, or just keep rolling the dice. Rolling the dice is expensive.

It's costing you 2 million bucks a week. It's lot of money.

Hamilton (00:05:05)

Well I mean we've got the hearing tomorrow, right? So at the moment, right?

Ritz (00:05:08)

No, no, I'm just saying that it is just risk. That's all. It's just straight risk, right? So the biggest issue that I have to deal with is we have a really smart law firm that knows how to handle what I call the riffraff of the world. They're invested, they're really capable. This won't mean anything to you, but the guy that I stepped in the coffee shop here with him, he used to be a US attorney for New Jersey. He was the personal lawyer for Chris Christie who was the governor of New Jersey, very well connected in Florida, very well connected and he knows what those people are like. They're the fleas, you know what I mean? So we can deal with them. That's okay. The biggest issue I have is where we sit now, Prime Source will cost me $11 million more than it would've cost. It's a lot of money. It's a lot of money. So I love that asset… understanding, I know you think it's not there, there, you know... I love that asset. I think it is a lot of things going forward. It's part of the future that I see and I need help with that. I mean 11 million bucks more is a lot of money.

Don't worry about the shareholders and all those other things. I think that's all manageable. We've got real people that know how to do stuff or invest in the case, invest in what we're doing. That's where we are.

Hamilton (00:07:06)

What you are saying is, Hey guys, pay the rest of the money for nothing so I can have everything for nothing is pretty much what you are actually saying, right?

Ritz (00:07:16)

No, I haven't said that…

Hamilton (00:07:19)

I'm just saying that the fact that… here's the thing, if you… with the rescission, you get Prime Source with basically the ability to go and raise the additional money anyway, right?

Ritz (00:07:32)

It, it cost me, it cost me more now…

Hamilton (00:07:35)

Yeah, that's because you signed those documents that you never should have signed, right? You know that. Right? And so because of that, that's why it's costing you more because Eugene's like Hey, what have we got to lose? We're just going to keep on upping the price and when the prices what we even agreed to, then of course the whole thing… any sane judge is going to look at that and say, oh the 15 million if you just paid that, it wouldn't be done because we still wouldn't have the asset.

Ritz (00:07:58)

Let me ask, let me ask you a different question… What would you like?

Hamilton (00:08:08)

It was exactly what we already put out in the rescission. It was exactly like, look, we put money out, we've put shares out, we are getting nothing. Let's rewind it so you can just take the asset and go do elsewhere and we'll wait for the money to come back, which Prime Source will be able to pay, If it is what you think it is right, then that's fine, but clearly we've been burned too much from the whole thing for that and the only thing that actually was stopping that was you are like, hey I need 3 million to pay off these LZGI guys. Well if what has just happened is correct, which is that they've dropped it right, then that means you don't actually need to pay them back that money right now.

Ritz (00:08:41)

No, no. You still have a lawsuit in Florida…

Hamilton (00:08:50)

At the end, because it's like the whole thing is people just trying to get money.

You yourself said it right? It's like they just want money for nothing and we're not going to have people coming in trying to extort money for nothing. And I thought you were a good enough guy that you'd also be like, I don't want to just extort money for nothing to say, oh

you've got this, you've got this cost of 2 million a week so therefore give us money so that it won't cost you that much money. It's like any judge eventually is going to look at that, but it just gets you deep in my view. It gets you deeper in shit, right? Because if the whole point here is this is not just some misunderstanding, this is about bad intent. When you've got criminal actions happening on the bad intent, the more there's bad intent, the more it's obvious this is what's happening and maybe you'll take lawyers just pulling out more and more and more of the evidence showing all of the bad intent and showing that your lawyers saying all this stuff which they know is not true, and that you know is not true, and there's never been any of this correspondence showing that you were trying to find stuff out. There's none of that. But we have all the correspondence on our side, so it's like if we have to drag it all out because they're playing these games, then we have to drag it out and do we want, but do we want to spend every day thinking about it?

Mantziou (00:10:08)

Exactly. We just want rescission, get our money back. We are okay with getting it over time, which I think is already a nice thing to do anyway from our side. So we really want to…

Hamilton (00:10:22)

We really want a chance to make it work… but if everything on your side is like let's play more games to try and squeeze more money out, that's the whole argument we're making to the court in the first place. It's like hey, there was never anything there and we just keep on getting squeezed, because we have something that basically they believe we have to lose and the last thing possible that can happen now because of all of the fraud things and everything is that we basically from our shareholders' point of view, open ourselves to a shareholders' lawsuit because they say, oh you guys are now in with the enemy where you're paying them off and all the rest of it. We can't…

Mantziou (00:10:53)

Paying them off for nothing basically because we are not getting anything in return. And if you believe in the asset, yeah, if you're still saying, oh Prime Source is there, it's a great company, Victor is an existing person and that kind of stuff, you can just go take this asset and sell it elsewhere. We've got nothing against that, yeah? And in New York there's a lot of money, you know?

Ritz (00:11:21)

It cost me a lot more now…

Hamilton (00:11:21)

It doesn't cost you a lot more. Peter, when you met us at that point there was already penalties on it.

Ritz (00:11:28)

Ten million bucks, you paid six…

Hamilton (00:11:31)

You had no way to make the final payments and that you and Moe said… it was this time last year, it was in January last year when I said to you, we don't have enough money for the funding with this timing because that when you said to me that the whole thing had to be paid by March. I'm like there's no way we can do that. And you and Moe both said close to

here… when we had the meeting and you said don't worry, we'll sort it out. They did the whole Airco thing, saying we're going to put in three million... That never happened. They're like, okay, we will go to Saudi, Abu Dhabi, we'll raise the money. That never happened.

You know this. So you know at that point, I'm like I don't even know we can do this right now if you're going to make these commitments and that's before we even knew that you basically signed off the POA. Right? So just the fact…

Ritz (00:12:12)

I'm only not responding because I don't want to rehash this.

Hamilton (00:12:14)

I know but that's what I'm saying, right? This is not as simple … but the fact that you're saying it's considerably more money, the reality is you paid 9 million, it was 18 million, it was already another 9 million to pay and then it went up and up and up, right?

Ritz (00:12:31)

As the asset grew... But anyway, I'm just telling you again, simple perspective, no commentary of what happened or didn't happen. It's irrelevant, it's not going to get hashed out.

Hamilton (00:12:46)

But either way, the amount you need to pay to Prime Source is actually no different from what it was a year ago, right? Because…

Ritz (00:12:50)

That's not true. I'm just telling you like the reality of my world…

Mantziou (00:12:55)

Maybe Peter has some other settlement when Eugene…

Ritz (00:12:57)

No, there was no other settlement. It was… You paid money and that's what they wanted and you didn't want to do that deal which is I completely understand, but that's where they are. What I'm looking for is this, right, you have told me what you are looking for. You're telling me, hey, it's the same deal we had before but…

Hamilton (00:13:13)

That's what we're looking for. What we're looking for is just a simple rescission where we just can move on, you can move on and we wait over time for the money to come back and if we can't get the money back, we know you can even close the company down. That's…

Ritz (00:13:28)

One more time?

Hamilton (00:13:28)

You've got LZGI right now, right? LZGI already is like $0 shares at the moment. So if you are signing an agreement with us as LZGI, we are taking the risk that LZGI is going to continue and have money to pay us back in the future and if you for some reason decided to close down LZGI, then what do we do right? Then we have no money from LZGI…

Mantziou (00:13:50)

Yeah, the risk is 100% on our side in that situation. This is what Roger is trying to say.

Hamilton (00:13:57)

So we've really paid the money is its just the shares and so…

Mantziou (00:14:00)

And we are still willing to take that risk to get the money over time just hoping that you can turn things around and actually pay us back over time. So…

Ritz (00:14:08)

It's an honourable thing. You're saying that if I'm a jerk, what a jerk would do is say hey, just bankrupt LZGI and then move Prime Source. That's exactly what a jerk, would do right? But I'm a business person…

Mantziou (00:14:27)

That's why we're talking, yeah, because if we would say, if we would just consider you being a jerk and so on, we wouldn't meet with you. Yeah…

Ritz (00:14:39)

I was hoping because I have, not related to paying shareholders, I actually have real business that I want to do, a real growth business and the fact that it costs me more money is difficult. It makes it difficult for me. So here's a thought. Instead of you taking debt, why don't you take equity - actually a real thing in the future of something. If we had a balance sheet together, I could do so many things today and it's killing me that I don't have a balance sheet. Whether you like it or not, in my mind, and this is not for you to say yes or no or argue with it. We kind of built the balance sheet. It was definitely your idea to turn the Bitcoin way, right? Bitcoin still requires a business.

Maybe there's a way where we can give you an asset and you're not going to own all of it, but we give you an asset for part ownership of an asset that's going to drive revenue. Be an interesting thing for you rather than just having a loan you're not going to get exercise on. Especially if the fear is you going to write it off anyway. Yeah. LZGI has no operations now and if LZGI has no operations, you have a high risk, why don't we turn that into much more interesting?

Mantziou (00:16:02)

Which asset you talking about?

Ritz (00:16:05)

I'm building a new company and that company is probably going to do a hundred million of revenue this year.

I have a clear path to it and you can own a piece of that. I need a little bit of cash. You have a balance sheet, you have all the stuff that when we, again, I'm going to say we because that was mine, our idea last year, but you can have a piece of it and this way it's not just, oh Peter's going to go away and walk away and I'm going to have nothing. It's just like I'm going to write off six and a half million bucks. You can have a real promise but I need some more money. I don't need $15 million to close on. I'll take care of that myself. But I do need more money to actuate that.

Hamilton (00:17:05)

So you're still looking for the same 3 million you're looking for…

Ritz (00:17:11)

Maybe a little bit more but it's underwriting. Maybe it's underwriting a plan…

Hamilton (00:17:13)

What about the LZGI shareholders that already think that they've been destroyed, right? What about them if they know that you're not going to start a whole new company that…

Ritz (00:17:21)

Roger, just so that we're clear on all the LZGI shareholders, this is the one time that I'm going to… so less than 5% of people, less than 5% who owns … Now imagine I'm up your nostrils and torturing you all the time about all the wrong things that you're doing and all these people, the majority of the shareholders and it's still… let's be very clear, the majority of the shareholders are very excited about what we can do together and the majority of the shareholders are with me, have been with me as I told you before. That's both easy and a matter of fact.

Hamilton (00:18:20)

What's the reason you're starting this separate company then? Why would you not use LZGI then?

Ritz (00:18:27)

We may start it through LZGI. We may… you know how I feel I'm being as direct and I said everybody's moved on. You mentioned Michael, Michael Moe has moved on, he's doing whatever he's going to do. You guys have moved on. I mean I'm sorry I got your attention with stopping all this stuff. I feel like okay, you moved on, you gave me something I felt like it was not quite where we needed to be. Then you moved on. Congratulations. I'm very happy for you both. It's a great thing and I'm very happy that you're able to execute on a plan that you set out to execute which is, hey, I got Bitcoin guys who are hungry for currency, I'm going to sell to that. And I know you're going to execute on that. I have all the confidence in the world. I also want to work and I think I have a path to do that. I would like your help in doing that and I think you can help me and I think I can help you because rather than having this asset that idiots can just put in to bankruptcy as you said… Okay, how does that help anybody? It's stupid. Yes, wash off everything…

Mantziou (00:19:34)

And who is the majority shareholder now in LZGI?

Ritz (00:19:36)

Me, me. There is like, I don't know, probably less than 10 people. Seriously, like…

Hamilton (00:19:49)

And Michael, he obviously had shares.

Ritz (00:19:51)

He has shares, he has a small.. he has a small number of shares. Carter has shares. All these people have shares, but all the allegations that these less than 5% made, they should have known better. That's why it's good to have good law firm. They're going to be up with sanctions, they're going to have their own problems. Again, they're fleas. I'm not worried about the fleas, I'm worried about, like, we're business people. We can have a normal business deal without all the, you know, the fighting is so… instead of being here we could be doing smart things, right?

Mantziou (00:20:28)

We agree with you Peter. That's why we want to rescind the way that we agreed we rescind and then you suddenly came with, you know, more of a fight. We been ready to rescind, done, no legal fees, no, just a clear deal. Yeah?

Ritz (00:19:51)

I think if you can help me reset, that would be huge and I will make you money.

Mantziou (00:20:53)

Peter, you understand that the Board is never going to agree to give any money to you and Moe. They don't trust you. They are never going to agree

Hamilton (00:21:06)

It's the same story I was sharing with you back last November, right, there's only so times you can ask for money for nothing before the other side says no, we can't keep giving you money for nothing. So again that again, I know we're saying but it's the same thing. I have a question which is if this was your idea before which was like hey, I want to just move forward with Eugene, great, let's give you a chance you can do that. But then you weren't asking for money to finish with Eugene because you and Eugene you know each other, he collected huge amounts of capital … So he should be amenable to some kind of deal to work with you…

Mantziou (00:21:56)

Or even investing in the entity that you're talking about you want to open on his side and then that would allow you to be partners with Eugene in this new entity and pay us back over time. Because if you're saying it's… exactly and if you're saying it's going to be 100 million this year and we are only in Feb, so that's like in eight months if you have $100 million in revenue, I think that would be absolutely no problem for you to basically pay us back.., it doesn't need to be us to be your partners, you can do that with Eugene and Eugene has free cash because he got all of this cash and gave nothing in return. So I think that that would be a good avenue.

Ritz (00:22:44)

OK. So the answer is a no and your proposal is what you had proposed before. No releases. We move on separate ways and all the other things as you mentioned. It's a hard no is what I just heard.

Hamilton (00:23:02)

Obviously at the moment legal fees and everything else starts coming into it, it adds up. So the compound effect of that then, paying back legal fees and so on the basis of what the LZHI shareholders, Sean Carey and so on did by basically taking at least the New York case and cancelling that, we all have a case to go after them. So at the end of the day the cost keeps increasing the more... So all of this is and when eventually a judge decides on it, one of us is going to pick up the legal fees on the other. So it's more than just basically no money. It's like look, stop adding up. But they are continuing and of course when you have the kind of lawyers you have, the lawyers we have, they like to fight and they know every fight's expensive and every time they can put out a new lawsuit it's expensive.

Ritz (00:24:08)

Our guys are invested so we're good.

Mantziou (00:24:17)

What did you say?

Mantziou (00:24:20)

Our guys are invested in the deal. We're good.

Hamilton (00:24:22)

But again, from the point of view, basically…

Ritz (00:24:50)

That's what happened last time. That's why I'm saying. Everything I've heard so far, it's good that we're meeting, it's very positive because I genuinely care about… but if it's kind of a hard no, it's okay. It's a hard no to me that's kind of. That's okay. So to you, It's better for you to write off the six and a half billion bucks, which is what basically what you think you will have to do…

Hamilton (00:25:14)

No, no, no…

Mantziou (00:25:15)

No, no, no…

Hamilton (00:25:19)

We don't want to write it off..

Mantziou (00:25:20)

Yeah, exactly. We want get the money back and we have the obligation to get the money back. Because this is the money due to the company.

Ritz (00:25:33)

Just think on it. However you want to do it. Look to me, I'm telling you, I think that I can give you an amazing asset return where you'll be able to show something meaningful in your balance sheet. Right now you're going to show a loan that if we tip it into bankruptcy as you suggest and it's relatively easy to do it… even if I wanted to get it trading...

Mantziou (00:25:58)

We are not suggesting this!

Hamilton (00:25:59)

We are not suggesting this!

Ritz (00:26:01)

I know, I know…

Hamilton (00:26:05)

So If you do that…

Ritz (00:26:06)

If I'm out, just so you know how this is going to work. I've been doing this for no money. I didn't open up a labour case. You got a lot of other issues just with me personally. You know this, right, I'm owed.. money because there was an investment plan that you know I said, hey, half of my money will be going into this investment its going to come back to me in November. I get fired, I got nothing. I got no notice. I got no W2, I got all sorts of problems.

Set all that aside, if I leave this thing, if I personally leave and I have no liabilities here, if I leave this thing, you will never see your money because what are they going to do? Put the company in bankruptcy and Moe is going to run the thing? Who's going to run it? You see what I'm saying? So I'm telling you in a very genuine way, hey I can see you making your money. I believe in this, I'm going to take your money, I'm going to return it.

It's just like, sorry, that's how I'm made, you know?

Hamilton (00:27:00)

Going down that pathway. What is it you're actually suggesting?

Ritz (00:27:05)

Convert your money - but I need a little bit more money to get these things started to move me in the right direction. I'm just telling you, I'm being genuine. You have a balance sheet. You know me a little bit at least for a year, right? I don't think you think I'm - maybe you do you think - I'm a liar then you shouldn't do the deal, right? But I see a path to give you a real return, a real equity return, a real VC like equity return to real money.

So let's say you give me… well you already invested six and a half million dollars. Give me another, I dunno, five million bucks. I'm just picking a number, okay? You have balance sheet, I'm going to return to you 50 million bucks of value and really quick, right? I can do this through LZGI... I mean I have some shareholders that are really good, some that are really stupid but that's what it is. There's a way to clean it out, right?

The good thing about LZGI, I control it. The bad thing about LZGI right now it has this six and a half million liability that you point out and it has liabilities every which way, but it could be trading again.

Hamilton (00:28:28)

I know you were saying that Sean Carey, and Sean is like 5% right? The fact that they dropped the New York case but are keeping the Florida case going against us but against you as well. What's your take on why that's happened?

Ritz (00:28:44)

Why they dropped it? Why they dropped New York and why they left Florida because we have very serious lawyers. I'm going to make it really simple and with very serious lawyers got involved. They're like wait a second, we can't do the two cases. We have to do one and I'm highly confident the second case is going to have an issue too.

Hamilton (00:29:04)

So these lawyers you have are doing all that right now…

Ritz (00:29:08)

They're doing all that. It's a 1400 law firm there. Really it's a machine but it's not a machine that deals in the flea business. It's a machine that represents real companies. That is a really good, I'll give you, that's a funny story. The guy who is the lead council, you'll meet him if you're there tomorrow you'll see him. Barry grew up in Abu Dhabi, speaks fluent Arabic, married a Cuban girl so he lives in Miami but he was assistant US district attorney and worked with the SEC for six years.

He is a superstar and so are all the others, it's a real thing. It's not like a couple of guys who do this for a hobby. I mean this is a very serious thing and do you remember when Eric did this thing last year? He did it again this year with Piff in Miami. I went and visited with them. This was a global impact institute, the future – FII - they are the sponsors, they're the biggest sponsor in them. So it's very serious people, really smart, good people, Barry's best friend, when he was in high school - The guy who is the chairman of AWA… just like it's a good thing

Hamilton (00:30:42)

I get they're a good company. If they pushed Carey out of the New York thing, I mean and they're representing you in Florida, why didn't they just push him out the Florida thing as well?

Ritz (00:30:51)

I didn't say they weren't, okay? All I'm saying… I think what I told you the very first time I've just emphasised it is I am not worried about that. We've got serious people who are involved who are going to drive this to conclusion and I am not worried about that at all. How's that?

Hamilton (00:31:14)

You were back in November, because that was an issue. You were like look I need three millions to pay them off. That obviously changed.

Ritz (00:31:25)

Just to be clear, I'm just this, I said that they were looking for some money and never said it was $3 million. We needed money to… we still do… do you remember when we did the deal, it was a $15 million deal, 10 million was supposed to go to Eugene and Victor and 5 million was supposed to cover LZGI liabilities. Really simple. So LZGI liabilities is what the money was for. This is not to pay off the lawyers.. LZGI liabilities. That's what I said. That's what I said to you before and that's just to wind down the company and to do… we have a different path now. It's a very different path actually. It's not to wind down the company.

Because the company that's going to be wound down and become Genius. So now it's not happening. Now I want to energise a different thing. I mean can't, I'm too young to retire and two bored to only chase my children and all their bullshit.

Hamilton (00:32:21)

I'm listening, right? I want to understand… we've known enough of each other through these challenges, right, but we also know that basically when we started anyway, it was about how do we build something about it. So I'm hearing you trying to find a constructive solution…

Ritz (00:32:50)

That doesn't involve lawyers and we don't make any money with the lawyers make money. I hate 'em. They take our shit!

Hamilton (00:33:03)

And again says we don't want to get caught in a settlement. It's not like we don't want to settle, we want to settle. We know anything that we do to settle has to go through the lawyers on both sides because there fighting each other as a moment. But if we talk through what you are thinking to the point where we go, okay, is there something there which is worth talking about, right? That we go, okay, is this something that can be put forward as a settlement proposal or something so at least they can start talking, doing more than just fighting each other. That would be an outcome.

That would definitely be an outcome I think. Right. So just talking about this idea of a separate company you run through, you've obviously with Eugene, you've obviously spoke with your supportive investors a post of what this thing could look like. If you were talking with us, not as a disputed party and legal stuff, but just as hey Genius could be a potential investor in this new thing and what…

Ritz (00:34:01)

I like that - exactly. So I see an opportunity to, and I don't know if it's going to stay private or public, I prefer it to be public so you can actually liquid thing, it's not a thing and it's a crazy opportunity but it's a real opportunity to drive, take kind of Prime Source in what it does as a

development studio and expand it. And I have a pipeline of revenue to go hot in three different geographies and that's going to get us to about a hundred million bucks this year.

Hamilton (00:34:45)

Basically you drive the international expansion…

Ritz (00:34:46)

It's a little bit more than that. We have my old guys at Fatbrain developed a, we can call it a widget, but you saw all the Deepseek stuff that happened? What was most special about Deepseek was not all the geopolitical bullshit but that you basically, you can run these massively valuable things on your laptop. It's just not everything else. Everything else is unimportant.

So if you think about a pyramid of value in AI, you have the low level from the first layer, which is the physical layer of very capital expensive chips and data centres with the up that it's too expensive. That's from Microsoft and all those other people, Google, NVIDIA. The second layer, what's very important is what I would call frontier models. This is what hundreds of millions of dollars are going to be spent on phenomenon forever. But what Deepseek showed and what we did five years ago for Samsung and other companies is you can take a really big sophisticated model and you can fine tune it for a business and keep it running on a laptop for them in their premise, which is what they want anyway.

They don't want their data going into, we said this before, so we have this gizmo, we already kind of socialise this with Salim's network and Salim is kind of an amazing go to market guy. So we have really good stuff kind coming down the pipe for that thing. The best thing.. you might not like this, but I'll give you credit for it and I joke about it, the best thing you did for me is you introduced me to Salim. I'm just telling, I'm pulling it real. So I see the real pipeline, Hey we put this in a company, we sell it the same way Red Hat is sold so you don't have to do anything weird stuff. It's open source support. It's open source code, but we orchestrate it, we package it and we charge money for this and it's real. So that's the play. It's as simple as that. I have already kind of in the pipeline at least 20 million bucks or so of revenue that's going to come in Q1. I have a trip scheduled that we're going to swizzle with. I have probably my first half of the year it's going to be probably like - I'll send you a one pager! You can say, oh my god, I want to be a part of this!

Hamilton (00:37:43)

Umm. How are you going to structure thing?

Ritz (00:37:44)

There's going to be a, oh, I'll give you another one! So we have an audit done by probably middle of March. It's a key item for me because otherwise it's very hard to do anything. So we'll have done one deal pushed into this year. It's like a $15 million deal, but they did like 40 million, maybe 42, somewhere like that. If the auditors allow us to do it, I'll take some part of the $15 million deal the other year. I don't really want to do it, I don't mind because it was a noisy year last year. But no, so they didn't do all of 50 but they did fine and most importantly, remember we had to make up that 23 million dollar crazy deal. So there was no 23 million crazy deal to make up again. That was kind of a one time chunk and the business is doing all the right kind of stuff.

Hamilton (00:38:55)

What is your thinking from the point of view of structure. Would this be a separate company and so on? What does that mean in terms of LZGI, a separate company and when you're saying, oh Genius needs to be a shareholder, what are you think? Stuff like that.

Ritz (00:39:11)

I have a round that will get priced. I have a round that will get priced and Roger, when I see you roll, when you see something interesting, you go. We did a deal, we had coffee, had a snack, shook hands and we had a deal. Everything didn't work out perfectly but OK and in five days after you were attacked from 15 different ways after your honeymoon.

So you would think the man is refreshed or tired. I don't know which one. You came back, right? So I have a lot of respect for you, right? But the important part here…

Hamilton (00:39:54)

We can fight and we can create. I'd much rather create than fight.

Ritz (00:39:54)

I think makes me happier. I don't know how you are. I hate fighting because it's rolling the dice because sometimes fucking sometimes somebody who says, oh yeah, you can't do this or what do you know about business? Somebody tells you not to do something, it sucks. And they can because they have power, right? Like, it would suck

Hamilton (00:40:20)

So on the basis that obviously even though the New York case has stopped and the other one is still going, I would've told you're not in a position to start a new company, especially using Prime Source as that is one of the things they're arguing about with LZGI, right? I mean it's no different…

Ritz (00:40:33)

I have no worries about that. I don't know how else to tell you. I have no worries about that. That thing is on a train.

Mantziou (00:40:45)

Are you negotiating with them or what's the deal? Because you are saying…

Ritz (00:40:46)

We have had no negotiations with them. But the reason I say that is because I'm very confident in our team, very confident in the legal team.

Hamilton (00:41:00)

So you think they're going to get tired and drop the case…

Ritz (00:41:46)

I don't know what they're going to do, but I know we have them by the proverbial… OK?

Hamilton (00:41:11)

Okay, so you're thinking, okay, if that's not an issue. Can you walk through the thinking of are you thinking of a new company, have you decided…

Ritz (00:41:20)

I have not decided. I'll tell you the pluses and minuses, the plus on LZGI is that it can be trading again, there is a process. There is a process for it to get trading again. I think in this market it would be nice to have a trading company with a hundred million of revenue because if we have…

Hamilton (00:41:43)

If you have issues with the share price – you've seen us having the same - that's the challenge of public versus private

Mantziou (00:41:53)

Just one question, what is the total liabilities in LZGI right now? It's six and a half million on our side, but you have the liabilities, legal fees… So what's the total liability that you have in LZGI right now?

Ritz (00:42:10)

It's probably 5 million bucks, roughly. Plus the six and a half.

Mantziou (00:42:15)

So it's eleven and a half.

Hamilton (00:42:18)

So is the reason you're thinking maybe start something new just because you want to get a clean cap table? Is that the idea?

Ritz (00:42:23)

No, I would take in, I have no qualm with Sheik Surrour. I have no qualm with Brent Richardson. You remember Brent? Why would I want to screw Brent? He as a good guy, he gave me money and I want to make good money or Sheik Nyland, I'm like none of these guys, I don't want to screw them, I don't want to screw your shareholders. Why do I want to screw your shareholders? Because you get the money. It's the right thing to do.

What I'm very good at is creating real value and doing it in a compressed time cycle. They see an opportunity now the market is ready. Like dude, I was doing this six years ago. It was so hard to explain to people to explain to any enterprise what AI was. Forget anything else. I'm like what? You know? And so Tufnoon has, there's a Wall Street Journal article Tufnoon last year we had a very interesting meeting last time I was in the Middle East. He has now inherited control. He's not the named successor. Right - MBZ named his son to be named successor. Instead he gave Tufnoon all of the sovereign wealth fund.

So I think we have an amazing path there to raise a lot of money and do a lot of great things. Why do we want to piss them off? I don't want to do that. That's what I mean. They have

good lawyers, they have money. Tufnoon is vengeful. I don't want to piss him off! Why? You know. But I see a path.

Hamilton (00:44:02)

Can you talk about the parts in terms of obviously, obviously where our board got totally done was the fact that Eugene and Victor kept on adding more, more, more, more, right?

And now you've had Eugene four months later since November now where he's not saying, I'm just going to keep on adding more and more. So you've got a different relationship, what it looks like and what you can and can't negotiate with him. So given that they were demanding all this extra money and now you're saying well maybe what's your thinking there? Because obviously still money to cover what he's demanding. Have you negotiated that he gets equity to bring the price down…

Ritz (00:44:49)

I did negotiate and he did add more money. So the negotiation that you did to prolong kind of the run way they didn't yield enough, it's going to cost more but the business is actually grown. The reason I justify Roger and say, I can say again, the jerk in me would say, Hey, we paid you 15 and a half million dollars or whatever, almost $16 million and we promised you $18 million. But the business, I bought a business from Daniel, right from Priestley and it was shit. I'm just telling you, okay, this one is not shit. This one is actually has got legs. Eugene. Eugene has it on a path to be a hundred million business just by himself. But I think I can accelerate. That's kind of the idea.

We owe 15... I'm just telling you the facts, we owe 15 million bucks. I will never know if Victor is real or not. I know who I met in person. So it's like I'm just telling you, I know human beings that I saw and did all this stuff with and broke bread with. If he's fictitious, he's fictitious. So I'm not describing anything to anybody. But Victor is still involved because we haven't paid them all the money. So that 15 million liability that we have to pay them is part of the cap table to pay them. That is the liability that would pay out. But I have money for that. That's going to come from my investors because I have investors that are coming.

Mantziou (00:46:37)

So you have someone else coming to pay off the rest of the Prime Source. Yes?

Ritz (00:46:41)

And also to capitalise the company - three, four million bucks is not going to be enough to capitalise the company. Three, four million bucks is not going to be enough to kind of restructure the things that we would need to do. That's kind how I think about it. You can say to me and say, Hey, why don't you go get all the money from the other guys? We can do that too. It's just that all you're doing is you're pushing me in a box to say, Hey, tenth is one thing. I think there's an asset. All I'm telling you is I'm telling you there's an asset. I think you can use it in a really smart way for how you position your company. And I think that's a good thing for you.

Hamilton (00:47:37)

We have this whole new board now I'm always looking saying what's practical to move things forward to create the business and the board is a board as well. And of course if you were putting a proposal to say, Hey, here's a possibility talking about this as a possibility, the

first thing they would say is that there's no guarantee if there's 15 million needed and if Genius puts in 5 million, let's say if the other 10 doesn't come in we just threw another 5 million down line and then we have to answer to shareholders. So what's the, what's the…

Ritz (00:48:04)

So what's the collateral?

Hamilton (00:48:14)

Well I guess what's the certainty in terms of something where not the whole – the whole biggest concern is good money after bad.

Ritz (00:48:17)

That's fair enough.

Hamilton (00:48:17)

You know what I'm saying? So how real is the other 10 million do you think? And when can it be absolutely real? Could you sit down with the potential investor together and say, right, actually I'm talking now about an actual equity deal into an actual where stuff rather than where there's just, oh, maybe it might happen, maybe it might not. And then suddenly there's five million and suddenly there's nothing. So where are you at with those negotiations with them and how real are they would be the question. And frankly on that same conversation, given all the… if I was in your shoes, I'd be happy to get 15 million from clean money and clean people that want to work didn't have all this background than take money from Genius and then back in…

Ritz (00:49:12)

Maybe that's what we'll do. All I was trying to do, maybe that's what we'll do, right? Like one path is to… listen, this is just too much brain damage and everything else. I was looking at this in a really simple way. Like you're business people, I come to you and say, listen, you have a balance sheet, but you have a small business, just facts, right? I'm going to have a big business and I have no balance sheet. Let me borrow your balance sheet and I'm going to make it up for you. That is not what I would call a, I can do that with a bank of course, but banks are stupid and they don't understand the business. God bless them. But to me that's kind of because that's how maybe we could have been here earlier last year. Market maybe wasn't ready for it, but the market is ready now. That's the crazy part about all this. The market is much more ready now, OK?

Hamilton (00:50:11)

In your mind with these other investors and so on. Do you see if there was any possibility of a deal happening to you? It would, again, investors come and see all the mess, which any investor would see between us…

Mantziou (00:50:26)

And all the and legal risks, that's another thing.

Hamilton (00:50:28)

And the fact that that Prime Source itself is obviously a critical part of our arbitration and all the rest of it. So from my point of view, there's no investor that's going to come on at the moment and go, Hey, let's do a new deal on Prime Source when they can see that it's right in the centre of our whole legal case. And they don't know who actually owns it. And especially with the Miami case where they're saying it should never have been sold in the first place, this kind stuff. It's got so many fleas, right?

Ritz (00:50:59)

Yeah, there's a lot of noise.

Hamilton (00:51:28)

A lot of are you looking at this from the point of view that a deal would need to be done with Genius before you can move other things?

Ritz (00:51:08)

No, the other way around, I'm going to do the deal. The way I look at it is like this right now there is uncertainty, but uncertainty is priced. That's just how I see it. It's priced because what's the worst? Let's just play out all the scenarios. Worst case for you, this is just, I'm just factual. If the judge simply says, you know I have to wait to make a decision, right, it's very rare the judges will rule on briefings from the bench. So she may delay something and make a decide, give you another week or another week or another week. And maybe she issues a preliminary injunction or maybe she says, you know what? Yeah, I was wrong. Sorry Roger, I was an idiot. I screwed up. Right? That's a possibility. In either case, I think all that is priced because what's going to happen is let's just, maybe it'll cost you a little bit more time because you can't sell shares. So that's a cost. It's a hard cost because you already have a machine, right?

But fundamentally what it does not do for me is it does not stop me from anything because the money hasn't been paid to Eugene and to Victor. That hasn't been paid. So they can do their thing, they can go into any company anywhere. They don't owe anything to LZGI, they don't anything to anybody. They can go do whatever they want. These are facts, right? It's very simple. So all we want to do is just price… That path is priced. I want to find a way to say, Hey, here's an opportunity. Rather than saying good money after bad or anything that I have a thing where I see it's going to be a real business, it's going to return you 10 times your money, five times your money, maybe 10 times your money. But because the market is hungry, I don't know how to gauge it, but I know at least five times, maybe 10 times your money and I think it'll be good for you to have something on your balance sheet other than a highly volatile thing. Right? Listen, after the next…

Hamilton (00:53:23)

What's your confidence level you can raise over 10 million. What was…

Ritz (00:53:29)

I have one party that's in for 25 for sure. Right?

Hamilton (00:53:37)

Equity?

Ritz (00:53:38)
Equity, 25 million.

Mantziou (00:53:42)
But then you wouldn't have any problem to pay us back six and a half. So maybe that's the simplest solution.

Ritz (00:53:45)
But what you just told me, hold on a second. So what you just told me is the smarter thing for me to do is not to do anything with LZGI and go do something new, right? Why should I give you 20?

Mantziou (00:53:57)
From our point of view, we just want the money back.

Ritz (00:53:58)
I know, but okay, it's with LZGI, I'm going to do something different, right?

Mantziou (00:54:05)
No, no, this is not what I'm saying because you said you can bring it to LZGI and if you bring a person that has 25 million that they want to invest, it's more than enough to cover the liabilities of LZGI.

Hamilton (00:54:15)
That's great.

Mantziou (00:54:16)
Including us.

Hamilton (00:54:17)
Because that's exactly including was saying back in December. We're like, look, we can free up, if we could just get back the money and the shares and the money over time and you have a chance to really do what you want to do with Prime Source - raise funds elsewhere, build it, then everything's clean. And we both win, right, if you have someone who put in 25 million, we can actually achieve the part which is to actually make sure you do have a new pathway and so on, which means why would we not just be settling that? That's what I'm asking

Mantziou (00:54:51)
And you have more than enough money to cover all of the liabilities of LZGI including our six and a half.

Hamilton (00:54:58)
Because as long as there's this whole arbitration going on and so on and in the arbitration there is the whole question mark on what assets even were being put up and being sold, and

you're going to take those same assets and sell them to someone else. That other shareholder is going to be like, wait, hang on. There's another encumbered, unencumbered case where basically you're selling something you shouldn't be selling yet or selling up equity on something that's still part of a legal case…

Mantziou (00:55:29)

And then it can be freed absolutely from any problems yeah, so easier to get investors.

Hamilton (00:55:40)

It makes sense for both of us to just clear out all this legal shit because there is just bullshit and if we have a path forward and you have path forward and you just clear all this stuff out

Mantziou (00:55:44)

And it's unblocking, it's unblocking both parties, both us and you from…

Ritz (00:53:58)

You don't have anything to block, right? You moved on, you guys are franking, you and doing a great job…

Mantziou (00:55:52)

But we want you to have this asset to move on with it as well. Yeah. So it's in our interest but you have it…

Ritz (00:56:01)

I think I have it is my point.

Hamilton (00:56:03)

If you do have it, so you are saying you think it's okay for you to go and sell or raise money and own and build Prime Source separately while at the same time still not settling the arbitration on Prime Source?

Ritz (00:56:18)

It'll be a different issue. Again, I don't want kind of give you how that will proceed, but there is a situation in which LZGI is fighting this arbitration because the party is LZGI, and Prime Source can move on itself. So that was the whole fear. If you said, wait a second…

Hamilton (00:56:03)

It's one thing for Prime Source, one thing for Eugene to say, okay, bye everyone and the deal goes off. It's another thing for you to be there with Eugene, you selling Prime Source to someone else when it's currently…

Ritz (00:56:50)

Eugene is going to hire me.

Hamilton (00:56:52)
No I understand but…

Ritz (00:56:55)
I got to move on. You guys fired me. I got to move on and look, right…

Mantziou (00:56:58)
But do you have any equity in Prime Source privately?

Ritz (00:57:02)
No, never have and never will. And I've never collected a single penny from them. Just so we're clear that.

Hamilton (00:57:11)
So if you have someone who's willing to put in 25 million, I guess that's the question. It would make a lot of sense for us to just make the recission so you can take the 25 million and build Prime Source versus us continuing to fight because you're asking us for more money than our board doesn't want to give. Right? So I guess that's the question is given that you have 25 million, what's the reason for wanting more money from Genius? I guess that's the biggest question I have.

Ritz (00:57:38)
Well I think it'll make the optionality for LZGI and that's kind of what we had done before. That was our deal before - we're going to make that kind of thing work. If it doesn't happen, it doesn't happen…

Hamilton (00:57:57)
Is that because you think you need more?

Ritz (00:58:00)
You didn't ask what the use of funds was for 25, but let's look at it.

Mantziou (00:58:03)
Okay, so what the use of funds is?

Hamilton (00:58:08)
We thought you needed 15 and 25 was enough for Prime Source and grow it, right?

Ritz (00:58:10)
No, we have a very aggressive growth plan, so no, we need more money. I think the plan calls for closer to 40 or 45 million bucks. There is more money, there's more money. But anyway, that's okay. It's good to kind of look around all the things that would be bothering you. So no, I think it's a real plan, it's a real kind of business, but what I would really like to do in terms of well why wouldn't I do it? Listen, it's been a year of my life I'll a different answer which may be not necessarily transactional, it's

been a year of my life and working together and I'd like it to be have something with it rather than a lawsuit. How's that for an answer as to why do I not just have a quick clean breakup and tell you I'll send you a Christmas card? I'm just telling you.

Hamilton (00:59:04)

I think the main thing at the moment is that what I've seen over time is when there's challenges or whatever, we try and find solutions. That's obviously what we've done in multiple cases and sometimes those solutions appear to be against each other or other people's interests. Sometimes they appear to be aligned, right?

And so any solution at the moment that makes a practical sense - and we've got multiple stakeholders, we've got at the end of the day lawyers, they're going to do whatever we tell them to do on both sides based on the business decisions that get made and the shareholders will make their decisions in terms of what people will actually think on both sides as will our board…

Ritz (00:59:47)

It's part of the public. Anybody can sue anybody. It is what it is…

Hamilton (00:59:49)

So you've got all these stakeholders that we're looking at and the key thing is to find a solution. To find a solution which actually works for you and Eugene et cetera, has got to make sense that everyone goes, okay, can we can get this solution there and given that the problem we have is our board doesn't want to give more money because...

Ritz (01:00:12)

You said.

Hamilton (01:00:12)

Yeah exactly right. Now let's talk about that for a moment. I would understand you've got shareholders or investors who are ready to put money in, you've got Eugene willing, you've got you willing, you want to make this thing happen and the idea of having, of giving back the shares of Genius, the idea of having the debt, now you're raising money to pay off the debt. I get that that could be a challenge, but the idea of turning the debt equity, I can understand that ask, right?

That makes the new way forward. So I get that piece and the other ask is to put in more money, right? You said 5 million, right? Is there a world in which you could take debt, turn it into equity and not have to ask for the extra 5 million, have a recission which means that on both sides we're saying, hey, it's actually okay for you investors to come in for Prime Source, et cetera. And to your point, yeah we are equity holders as well because we have equity, we're not the hundred percent owner anymore but something and so on. Is there a potential solution there really?

Ritz (01:01:22)

I have one other one for you consider. So you asked me about my funder, if you put money in whatever dollar you put in, I'll match money from my funder also money. Would that make

you more comfortable to say, hey listen, we put 5 million bucks in, that'll be another 5 million that will come in from…

Hamilton (01:01:41)

The biggest issue from the board's point of view would be the idea that we turn it into equity and put more money in and still nothing happens and still Prime Source isn't part of it and we're still back to square one, right? That's the issue.

Ritz (01:01:57)

So if Prime Source was secured and you would put more money in…

Hamilton (01:02:00)

I'm not saying we would, I'm not saying the board would either, I can't speak for them. I'm just trying to think through where there is at least potentially a meeting ground on the basis that they've already said they wouldn't…

Ritz (01:02:11)

So I gave you this other mechanism. So one of the mechanism is when you ask me, well how certain are you or every dollar you put in, I'll bring in an outside investor that puts an extra dollar for every dollar. Every dollar would be meant probably more than one-to-one, but let's just say one-to-one just to make it so that you feel like, okay, I'm not the only guy, I'm not throwing good money after bad money.

Hamilton (01:02:43)

I think the main thing, so I think here's the thing, I think the biggest challenge, the gap between promises and reality, that's like when we think something's going to happen, then it actually turns out it's not happening and then months go by, et cetera, et cetera. So obviously our entire case is based on that, right? And the last thing that the board is going to do is agree to another situation like that. So unless there's absolute clear evidence that it's real, that Prime Source, that you could secure Prime Source with the funders you have and the funders are real and they're actually saying they're real and that there is a path forward, they're not even going to consider the conversation, right? They're like, oh, it's just all promises being made.

But if there was like, oh there's actually potential evidence for something and it's predicated off, there's no way the, I'm not saying the board can put any more money in, but if there was ever a possibility anything might happen, it would need to be on the fact that there's an actual real asset that's an asset behind it. Otherwise you just bring…

Mantziou (01:03:50)

And then we can discuss about equity instead of a payback in cash. So people would have the equity share, the equivalent in shares of what the six and a half million would pay for. Then maybe this would be a case yeah?

Hamilton (01:03:50)

Or if Eugene or LZGI or so on would be, hey we've already got six million, alright and nine million before, we're already going to give 70% of Prime Source over but 30% percent we wait for the payment if a conversation like that was ever been done or the whole…

Mantziou (01:04:28)

That would be a very different story.

Hamilton (01:04:32)

…okay, there's a real asset that we're putting money in for that we can show shareholders, we can show auditors, we can show everyone but when there wasn't anything, and then it's like well…

Mantziou (01:04:42)

and it can be taken away in any moment because they have the power of attorney.

Hamilton (01:04:46)

If there's a real venture with a plan and more importantly the investors saying, hey we can finish this deal and here's what this would look like. At least there's a possibility of a conversation, right? So is it your view as to whether you think that is real enough at the moment that we are there yet or whether it's still too far out for there to be anything.

Ritz (01:05:03)

It's all real. I'm going to make it happen. I'm going to make it happen whether we have our deal or not. I'm just telling you facts. I think there is a way to put a bow on all this stuff that we went through. To me, this is the bow where you end up instead of when people look stuff up and they say, oh this guy called this guy, this guy, this is this and this. It's just a lot of noise. You say, oh no, we had a situation just like everybody fights, shit happens. We resolved it. Here is a solution. To me it's a commendable way to live and to be a business person rather than every time you do something there's a lawsuit. I mean every time you do something there's a lawsuit. That's not a good preference.

That's what I'm looking for because I believe in it. I believe in… you invest those six and a half million dollars. Well guess what? I want to make the money back again easy way is to bankrupt it or whatever. Nobody cares. It's not who I am. So I'm going to try to do everything I can to a bank, the money, but more importantly I'd like to put a bow on it so that we have something good to talk about to say, hey, yeah, did it work out the way we thought about it but rescission and this and that, but look, we've got an asset, you know?

We'll probably have to make a decision kind of quicker rather than later on all this, I don't know, I can tell you what we have, how we can do it and everything else, but I think we're going to have to make a decision. In the proverbial poker world, you won't have all the cards but you're going to have to do something.

You got to roll the dice tomorrow. Again, that's the problem. I don't know if it's good, bad, ugly, but that's where we are. I would like to find a situation where whether it's you or me, we point to this last year and say, hey, we tried to do it and we found a solution and this was a solution. Was it perfect? No, but did I get something for my shareholders? Yes and this is what I got. This is how it works and everything else.

Hamilton (01:07:25)

So just to talk through the practicalities, those were the practicalities of the last ask. The last ask was basically where we had what we thought was a rescission and then you came back and said, well speak to the lawyers and you have your other lawyer basically have this new agreement which was that going to take 3 million bucks. From a practicality point of view, And they came back, they came back a few times to our lawyers, and the black and white from our laywers is frankly, they asked the right question, what's this money used for? Is there going to be money here used to basically make the LZGI shareholder case against both you and us go away. And the answer was yes. So there was zero way we could do that deal. So that was the reason there was no settlement. Then we have to, so now we're in a position where we're meeting, look, maybe there's another way we can do this, which isn't the money going to the case…

Ritz (01:09:07)

As I mentioned to you, you don't have to worry about them at all. I have that under control.

Hamilton (01:09:17)

I understand. So it's more a matter of oh this could be a way that actually creates some value in some way, which can make it easier for us to be able to see that the six and a half million will come back in some way because we all can see that it's just going to LZGI and then it's going to be almost impossible to get that money back over time. You want to pay back money, but if there is an entity that you are going forward where there's more possibility even if there's equity instead of debt, It makes it more possible.

Mantziou (01:09:44)

But also if there is the entity that is a separated entity, not LZGI, the LZGI case doesn't go away because it's different entities. So I don't know how you picture that thing because the issue between LZGI still being pending…

Hamilton (01:10:09)

So there's one thing I'm talking about the Board talks that we're trying to work around because whatever happens off the back of this conversation, we obviously going to go to them as well. Here's what Peters thinking, here's where we're going, here's what might happen next, what might not happen. So anyway, that's why we we're where we at and we couldn't get to any settlement. So then the second thing is well then based on where we are right now, what's the current scenario? And the current scenario is that there we start to the point where we're exactly the same place we were at before. If there's a way to settle, of course it would make sense to settle. It has to be something that actually works for the shareholders of Genius and so on obviously, right? But with that from the being the main parameter, what are the different ways? The other thing which is the timeline obviously tomorrow is the PI hearing, we're not going to be there by the way.

And then the other one is that you've got a timeline to get back to the arbitration by the middle of March or something with whatever your position is and then the arbitration starts. The window you're talking about, is there a window where we can do things that just save some of the time hassle. It's really like a two week window before because instead of you going back to the arbitration guys saying right here's about documents and stuff and this is an our case and so on. At that point we're saying, hey arbitrator, we actually have a settlement and that would be the time to do it.

So I think we've got a period of time for settling however tomorrow where frankly your lawyers think they're going to win, our lawyers think they are going to win, right? We've stepped out it and said you guys do what you need to do at the moment and where the lawyers must also be really clear when they're positioning all of this regardless of the merits of either side, the key thing here is we don't want to do anything which looks like coercion. It's like oh, because they're pressuring us we're going to basically have to settle with you and so on. Much rather we are settling for the right reasons…

Ritz (01:12:27)

That's why I'm here.

Hamilton (01:12:29)

So from a legal point of view, given that we've had tomorrow happening, we either just let tomorrow happen and then you go through the process with the lawyers to say, hey, so you propose a settlement, we start talking, is there a settlement possible or not? Right?

That would be the way our lawyers already said just like you said go through on the legal side you said last time.. I'm more than happy that we can still have a conversation going on the outside as well and the only question is whether or not under goodwill that we for something you withdraw tomorrow, your whole application for PI you say to the lawyers let's not even do it. Let's saying withdraw, or whether you say no, I want to keep going with that because there's a chance I roll the dice and that we might win…

Ritz (01:13:36)

I'll give you a quick answer. I already did that the last time with the PI. We did not fight the PI for holding the stock hostage. I didn't do that and it was based on the fact that the seal guy said, no, no, no. Roger wants to settle. Roger, I'm just telling you this, I don't want to be action, but that's just what has happened. So it'd be really difficult to do that again tomorrow. Difficult as in explaining, we just went, it's a lot of that stuff.

So I actually, I'm thinking differently. We should have done it before. We didn't do it before because timing whatever didn't happen. So it's fine, it's in the past but we're basically the last PI was completely unopposed. We had a lot of different things we could didn't do any of that. That's fine. So didn't do it before. Roger, I think I want to say this again this, I would like to put this in a positive way where you can point to something new to your shareholders about, you could say it's a year wasted or year wasted to put something positive, but I feel like I have a cost for that and I say it's an unusual position because when you have, I don't know if somebody from University of Antelope Valley or any of the other people are coming to you and saying, Hey, I got a way to make this better.

You know what I mean? I'm coming to you and saying I have a way to make this better. I really believe it and I think we can not only just be friends, but I think make money for each other. That to me is a great thing and to me the perfect moment in time is you accumulated the balance sheet and you could also show an investment in a real business. It's a good thing. That's all, I think it'll help.

I don't know how the market reacts because the market is the market, but I think it's a good thing and I think market will also look at positively the fact that we actually don't have an

issue. **You can continue doing what you're very successful doing. So anyway, I would love to stand on the shoulders of that.**

Ritz (01:16:11)

Yeah, I didn't know if you want to be in the city. I figured because I remember when we were in London you said that you booked the something to come to New York. There was a show here or something like that. So I remember it was like, okay, well you just see it's like there's so much demand for, I call it the Saylor cocktail, by God. All these are such distractions. It's not a lot of a fun. I have a very special, I didn't tell you about this, I told you about the AI angle, but together with the swizzle stuff that we have in this institutional knowledge capture and stuff for businesses, there's a very interesting crypto angle, but let's do a deal after we do a deal, I'll tell you all about it. There is a super cool tech twist for that.

Mantziou (01:17:05)

Do you invest in Bitcoin yourself?

Ritz (01:17:05)

Yeah, actually made money on that.

Mantziou (01:17:07)

Okay.

Ritz (01:17:08)

But I'm very boring. I'm like…

Mantziou (01:17:14)

But have you invested years ago or pretty recently?

Ritz (01:17:17)

It was a very weird discontinuation. So gold and crypto - gold and Bitcoin were tracking together for a long time. This was like five, six years back to be and then they separated and I have a lot of people who now it's like you know fluctuates, but it was at that time that I put some money to it.

Mantziou (01:17:42)

Like five years ago.

Ritz (01:17:42)

Yeah, a while back.

Mantziou (01:17:49)

So that is around $20,000 per Bitcoin. Good investment you made.

Ritz (01:17:54)

Listen, Palantir, this year has been up five X maybe more. All I can tell you is that it's like, but **Bitcoin is very interesting because Bitcoin has what I call programmed events. And programmed events are good because people can plan around them, the market can plan around them. So I think what was brilliant about Saylor's kind of strategy is to say, Hey, I'm going to be a currency hedge because I've got to do international markets. That's a smart thing.**

Mantziou (01:18:36)

It's working, working well for all of the Bitcoin treasury companies. It's very good strategy

Ritz (01:18:44)

It was like I said, your timing was everything. Great job!

But I would greatly appreciate your help because I think you can help, you have a balance sheet. I need a balance sheet and you can help me. You can help me.

Hamilton (01:19:06)

I think the crux of is going to come down to how real the other investors are that you might..

Ritz (01:19:08)

We'll meet dollar for dollar, right? And that's serious. I meet dollar for dollar. You put up a dollar, they put up dollar. It's like it. It's not, it's not that.. we'll match you dollar for dollar.

Hamilton (01:19:22)

Obviously the boys are doing stuff right now, right? What's the timing just off the back of this, if you go put a settlement offer or something the next week or when will that happen so that at least there's a conversation going on while all the battles are going on about potentially…

Mantziou (01:19:47)

Yeah, if Peter is saying they're not withdrawing the PI, it goes the normal way. So the fight is continuing anyway. Yeah, exactly.

Ritz (01:19:56)

I think the smart thing to do is to form a structure of how we agree, if we agree, and then you can withdraw any time. You can withdraw anything anytime. If we agree today you can withdraw tomorrow. It's very simple.

Hamilton (01:20:17)

But here the thing, right? A structure, unless there's an actual real deal within 24 hours, which is not going to happen. The last thing the lawyers want is everything just being pushed, right? Like, oh there'…

Ritz (01:20:27)

I'm not talking to my lawyers about this just so you know how I work, right? Until we're good and ready and we have a handshake or we have an idea, business idea, they're going to do what they're going to do to focus. They're going to do their own. So that's easy.

Mantziou (01:20:42)

From our side to withdraw anything, we would need to have a settlement signed, agreed by both boards with a proper execution plan on it and then we can withdraw. Because then once we withdraw, you can say this is the settlement therefor we are withdrawing and so on.

Hamilton (01:21:03)

We have board meeting next week, right?

Mantziou (01:21:05)

Yeah. So if Peter has the things crystallised in his head how that could look like, then for sure sending that offer to us. So then the lawyers, they can talk to each other next week. That would be the right way to deal with that.

Hamilton (01:21:22)

When you are talking about things like, oh, dollar for dollar or there's money there to cover the deal and so on. The other investors you have, if it gets to the point where the board says, well can we speak with them and understand right then are those conversations available? So then they go, it's a real thing.

Ritz (01:21:36)

Of course, of course.

Mantziou (01:21:43)

Yeah, we don't want to be in the situation that there is another fictitious Victor. So we need to make sure.

Ritz (01:21:50)

Can you do me a huge favour? This is a favour between friends. Can you show me the evidence that Victor is fictitious? Because I know I wired money to some stuff.

Hamilton (01:22:00)

I think if we end up with the settlement… Happy to share.

Mantziou (01:22:03)

I think if we end up with the settlement then no problem. Before, I cannot release any…

Ritz (01:22:15)

No no problem. of course. I don't want to cause trouble with anybody. But it's always good to know what you have. You know what I mean?

Mantziou (01:22:17)

And you sent the money to Victor to Kazakhstan or to some other country?

Ritz (01:22:19)

Yeah, Kazakhstan. Of course. Of course.

Hamilton (01:22:38)

So just talking timing because for sure we.. so we

Mantziou (01:22:39)

So we would need that. I would.

Ritz (01:22:43)

I would love it. It's, it's bonus for…

Mantziou (01:22:44)

it's like we need to settle first because if not, then you're going to see it as a discovery in the case. So you're going to see it anyways.

Ritz (01:22:56)

I would love to because to me it's like, okay.. Let's make money and let's enjoy have so much.

Hamilton (01:23:04)

So, okay, so what we're really saying at the moment is we've talked, we both agree it's better to settle than to just fight for the next couple of years in court or however long it takes.

Tomorrow's tomorrow, the lawyers are going to do their thing. This is all going to happen. Nothing's going to change there anyway. Outcome will be the outcome, whatever. But then we then have next week where if we then have basically on your side right like, okay, here's how this thing could work. And what you are suggesting is rather than just go through the lawyers to say, here's a proposal, we have another conversation about what you are thinking, having some better idea in terms of numbers and what that it would look like and whatever information you can give about the other shareholders and so on. So that it feels back to the board basically is like we have to…

Mantziou (01:23:59)

Especially that now, the only thing we could share with the board is that we met Peter and Peter wants more money. And we don't know who… and yeah, we need to have some meat.

Ritz (01:24:14)

Yeah the best thing you can say is Peter wants more money just for Michael Moe! I just have to say that. Okay, you left or Victor! Victor and Michael Moe! How's that? That would be the difecta.

Hamilton (01:24:28)

That's the big part of this as well, right? Everyone's, everyone's aware of OzyMedia, right? They know that the CEO, took the fall right? He's in jail now and Moe's the one that keeps showing up in all these cases

Mantziou (01:24:34)

And Moe was the one that threw him under the bus

Hamilton (01:24:44)

And Moe threw you under the bus as well at our board meetings. He's like, Hey, Peter said he had it all done, I have no idea. I don't know if Victor is real and all this stuff. So they don't think you're clean, but they absolutely think Moe's the bad actor right and that's why there's no way there's be any deal done. Like Moe doesn't put anything down in writing or anything and he's like, oh, what's it's all meaning. Is he in this though? Is he?

Ritz (01:25:15)

He is part of it. He's still on the board of LZGI. Michael has moved on. I don't know how else to tell you this. He's always said, I think I'd shared this with you guys when we first met. He looks at everything as like a lottery ticket and he always has 10 lottery tickets at any given time, and it's okay that people like this and it's completely okay. I can't do that. It's just not how I'm built. If I'm doing something, I'm going to be with you. I can't have 15 mistresses on the side. I just can't do it. It's like too much brain damage for me. So I like to do one thing. I like to finish one thing. That's why I'd like to put a period on this, a positive period where we say, Hey, we created value here. And it wasn't exactly how we thought, but it's okay. And we moved on with real value for me. For you. You know. And we're off to the race.

Mantziou (01:26:17)

And what's the percentage of the shares that he still has in LZGI?

Ritz (01:26:20)

There's like 227 million I think outstanding right now. And out of 227 million I think he has like 9 million shares.

Hamilton (01:26:36)

But you're saying in this new idea, you have that…

Mantziou (01:26:38)

So if this new idea it is going to be happening via LZGI, are you planning to buy him over to clear the company out of him?

Ritz (01:26:50)

I think there'll probably be a recapitalization. So just like right, right now, if you look, when we first did a deal, we're going to have roughly equal number of shares with GNS. Now the amount of shares that LZGI has through GNS, like under 5%, it's very small. Maybe it's slightly over 5%. It's a very small percentage because new shares are issued. So there's a way to recapitalize the business and then you can do it through a capital call. There's lots of different ways to do it. Basically that buying means that he gets some sort of cash. There's

no cash. Just to be clear, I'm going to stand by what I told you before. No, no money is going to go this way. I have expenses coming out of my nostrils, but that's a different story. But Michael has always been very nimble. He's got a lot of different ways he can be in the world and we're friendly and I wish best for his children and his grandchild soon to be grandchildren. It's different. You've got to work together and do stuff together.

Hamilton (01:28:03)

Okay, so yeah, that sounds like probably the final.. that we reconnect after tomorrow is over whichever way it goes, whatever happens, we goes. Okay, so from an arbitration point of view, what is the settlement potentially and at least have in parallel with everything happening, sentiment, discussion. So it's not just lawyers.

Ritz (01:28:31)

I think so. I think they're going to be focused. If you have dogs, when the dog sees a deer or something, ears go pinned back and they just dong, their ears are pinned back. They have a goal, let them do it. But I think it's our job to kind of say, yo, these are not foes. We have a way out here, which is to everybody, everybody's reputation. I think.

Hamilton (01:29:04)

Okay, well thanks for reaching out.

Ritz (01:29:05)

It's my pleasure. I felt like it would be, it's silly. We have the court case, but we're not meeting, so I took a wild guess that you'd be here. Like I said, you were so like, hey, I would feel remiss if we didn't. That's how I feel.

Hamilton (01:29:25)

Yeah, good catch up.

Ritz (01:29:45)

Great to see you guys. Did you like the coffee?

Hamilton (01:29:47)

It was great. Actually.

Mantziou (01:29:49)

The coffee was good. And the cookies as well. We need to get the coats.

Ritz (01:29:59)

Wait…Don't leave without this. I'm be very careful with this. I know this is the crown jewel. He told me the story of how it came about. I like that.

Mantziou (01:30:16)

Alright, we'll see you.

EXHIBIT 8

Mr. Roger Hamilton
Genius Group Limited
8 Amoy Street, #01-01
Singapore 049950
VIA EMAIL

Subject to Rule 408
Rules of Evidence

November 11, 2024

RE: Notice of Rescission

Dear Mr. Hamilton:

This is a followup to the October 27, 2024 Breach/Rescission notice. This letter is to inform you of the GNS-LZGI rescission of the January 23, 2024 Asset Purchase Agreement and LZGI's willingness to deliver to GNS all "Purchase Price" shares (7,387,378) of GNS for the complete release of LZGI's assets. This would allow both companies to move in their respective directions.

Please confirm where we should send the documents memorializing the rescission.

Respectfully,

Peter B. Ritz
CEO, LZG International, Inc.

Michael Moe
Executive Chairman, LZG International, Inc.

EXHIBIT 9

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GENIUS GROUP LIMITED,

Petitioner,

v.

LZG INTERNATIONAL, INC., MICHAEL THOMAS MOE and PETER RITZ,

Respondents,

and

VSTOCK TRANSFER, LLC,

Nominal Respondent.

LZG INTERNATIONAL, INC.'s SHAREHOLDERS

Intervenor.

Case No. 1:24-cv-08464

STIPULATION AND ORDER FOR ENTRY OF PRELIMINARY INJUNCTION ON CONSENT

WHEREAS, Petitioner Genius Group Limited ("Petitioner") commenced this proceeding on November 7, 2024, against Respondents LZG International, Inc., Michael Thomas Moe and Peter Ritz (together, "Respondents") and Vstock Transfer, LLC ("Vstock") through the filing of a Petition to Compel Arbitration and for a Temporary Restraining Order & Preliminary Injunction [ECF 1];

WHEREAS, on the same date, Petitioner moved by Order to Show Cause to enjoin Respondents, their agents, employees, attorneys and affiliates, and/or Vstock from selling, transferring, assigning, encumbering or otherwise disposing shares of Petitioner's common stock and/or share certificates that were allocated to Respondents until a final decision was reached in

arbitration proceedings before the International Chamber of Commerce (ICC) between the Petitioner and Respondents;

WHEREAS, on November 12, 2024, the Court issued a temporary restraining order, enjoining, *inter alia*, Respondents from taking any steps or other process that result in any attempt to sell, transfer, assign, encumber or otherwise dispose of shares of Petitioner's common stock [ECF 14] (the "TRO");

WHEREAS, on November 25, 2024, the Court extended the TRO until December 3, 2024 [ECF 20];

WHEREAS, on December 3, 2024, the Court extended the TRO until December 10, 2024 [ECF 22];

WHEREAS, on December 10, 2024, the Court extended the TRO until December 18, 2024 [Minute Entry, dated Dec. 10, 2024]; and

WHEREAS, the Respondents have not opposed the requested Preliminary Injunction made by Petitioner; and

WHEREAS, Petitioner and Respondents have met and conferred on the TRO, are in agreement to entry of a preliminary injunction and, therefore, wish to have the Court So-Order the agreed to injunction.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, as follows:

1. Until final resolution of the arbitration proceedings before the ICC:

    a. Respondents and their respective representatives, parent or subsidiary companies, guarantors, owners, affiliates, directors, officers, employees, agents, insurers, administrators, spouses, heirs, estates and assigns (collectively, the "LZG Parties") and Vstock are enjoined from, directly or

indirectly, selling, transferring, assigning, encumbering or disposing of any shares of Petitioner's common stock the ("GNS Stock"), or attempting to effectuate any of the foregoing. For sake of clarity, the GNS Stock shall include any and all shares of Petitioner's common stock being held by Vstock under the ownership of the Respondents;

b. The LZG Parties are enjoined from, directly or indirectly, participating in any meetings of the stockholders of Petitioners;

c. The LZG Parties are enjoined from, directly or indirectly, voting any GNS Stock in any manner;

2. This stipulation may be executed in counterparts and when taken together shall constitute one original document, and any signatures transmitted via facsimile or other electronic means may be deemed an original.

Dated: December 16, 2024

Christopher M. Basile

Christopher Basile
Joseph Rose
THE BASILE LAW FIRM P.C.
390 N. Broadway, Suite 140
Jericho, NY 11753
Tel: (516) 455-1500
Email: chris@thebasilelawfirm.com
joe@thebasilelawfirm.com

Counsel for Petitioner
Genius Group Limited

Dated: December 16, 2024

John Parker

John E. Parker, Esq.
GENCOUNSEL, LLC
301 S. State Street, Suite S103
Newtown, Pennsylvania 18940
Tel: (215) 280-6614
Email: jp@gencounsel.com

Counsel for Respondents
LZG International, Inc.,
Michael Thomas Moe and Peter Ritz

The parties having consented to the foregoing preliminary injunction and no opposition having been filed by Intervenor, the consensual preliminary injunction is SO ORDERED.

SO ORDERED:

Date: 12/17/2024
New York, New York

Mary Kay Vyskocil
United States District Judge