

# Simpluris Class Action Spotlight

Timely Settlement Insights and Trends



Quarterly Spotlight

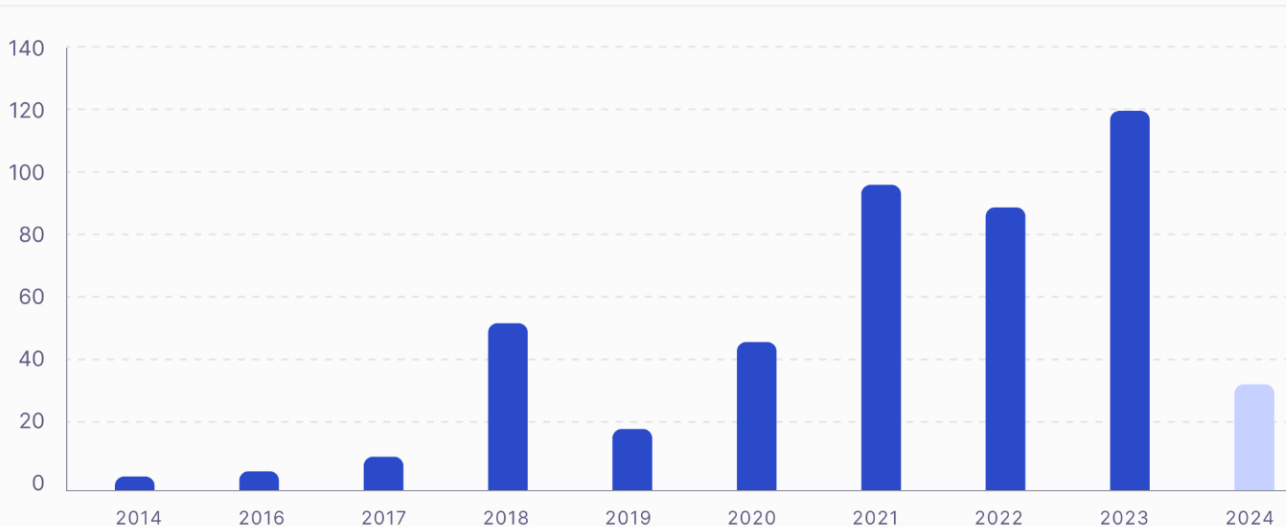
## Cryptocurrency Settlements

### Trend Tracker: Cryptocurrency-Related Class Action Filings by Year

As the popularity of cryptocurrencies and related assets has increased, so too have legal actions surrounding these new digital assets. This has led to new challenges in both creating effective notice plans and in efficiently processing disbursements to the semi-anonymous digital wallets that store blockchain-based holdings.

#### Cryptocurrency-Related Class Action Filings by Year

Source: Legal Analytics by Lex Machina



## Settlement Spotlight: A Novel Approach to Crypto Class Action Notification

In a recent California class action relating to the creation and initial issue of cryptocurrency tokens, Simpluris used an innovative approach to effectuate direct notice by minting non-fungible tokens (“NFTs”) that could be placed into digital wallets. Partnering with a platform that was designed to mass-distribute NFTs, Simpluris noticed thousands of digital cryptocurrency wallets whose unique identifiers had been provided by the defendant in the action.



This novel method allowed for the thousands of individuals and entities who owned those wallets to be notified of their rights related to the settlement despite the defendant not knowing the personal identities of those who had purchased the tokens at issue. These notice NFTs were publicly viewable, and they were embedded with gate-keeping claimant verification information to provide additional security and reduce fraud by only permitting wallets that had received the notice NFT to submit claims. Further, Simpluris included the ability to link more than one digital wallet to a claim and automatically import relevant transactional details with dates and amounts. This customized tool served to verify claimants’ ownership and control of eligible wallets without the need to evaluate transactions manually and incur additional administration costs.

Once all claims were submitted, Simpluris undertook a rigorous screening process to ensure that no government-sanctioned wallets or other bad actors would receive payment by comparing wallet addresses submitted through the claims process to the publicly available lists of sanctioned wallet addresses, and by carefully analyzing risk scores associated with each wallet. Upon receiving final approval from the court, Simpluris safely distributed the funds by check and digital payments.