IN THE SINGAPORE INTERNATIONAL COMMMERCIAL COURT
OF THE REPUBLIC OF SINGAPORE

[2026] SGHC(I) 9

Originating Application No 3 of 2024

Between

(1) Aaron Quigley-Clarke
(2) Adam Walshe
(3) Aidan Lindsay Fenner Rich
(4) Alberto Grimaudo
(5) Bernhard Alexander Friedrich Frey
(6) Bharat Nathubhai Patel
(7) Brian Patrick Cavers
(8) Cameron Thomas Windross
(9) Charles Lee Teague
(10) Chung Ee Yen Ian
(11) Clarence Khoo Boo Hock
(12) Cocosatu Mihai
(13) Dennis Thoft
(14) Ekow Eshun
(15) Foo Wei Qiang, Desmond
(16) Fredrick William Phillips
(17) Gary Koh Boon Thong
(18) Jeremy Chi-Mun Lau
(19) Karen Soo Kyung Moon
(20) Lam Chung Fan
(21) Liam Spagnol
(22) Lim Xianlong, Kevin
(23) Mark Eric Burrell
(24) Matthew James Mezger
(25) Michael Eli Leidner
(26) Neo Ming Feng
(27) Owen Vernon Henry
(28) Peter Mrekaj
(29) Piotr Augustynowicz
(30) Ren Qingwen
(31) Seat Chun Boon

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(32) Surachai Poopisit
(33) Tan E-Wen Timothy
(34) Thor Robert Kiessling
(35) Tiffany Laura Gourley
(36) Tobias Speerschneider
(37) Trent Cooper
(38) Ximena Andrea Besnier Galvez
(39) Yanni Lin
(40) Yuji Hoshi

… *Represented Claimants*

And

(1) Terraform Labs Pte Ltd
(2) Kwon Do Hyeong
(3) Luna Foundation Guard Ltd

… *Defendants*

JUDGMENT

[Tort — Misrepresentation — Fraud and deceit]
[Damages — Measure of damages — Tort — Reliance measure of damages for tort of deceit]

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Kupetz, Jonathan and others
v
Terraform Labs Pte Ltd and others

[2026] SGHC(I) 9

Singapore International Commercial Court — Originating Application No 3 of 2024
Anselmo Reyes IJ
9–11 March, 20–29 April and 18–21 May 2026

29 June 2026 Judgment reserved.

Anselmo Reyes IJ:

Introduction

1 SIC/OA 3/2024 ("OA 3") is a representative action, involving 275 claimants suing three defendants, Terraform Labs Pte Ltd ("Terraform"), Mr Kwon Do Hyeong ("Mr Kwon"), and Luna Foundation Guard Ltd ("LFG") (collectively, the "defendants") for losses arising from fraudulent misrepresentations made in connection with TerraUSD ("UST"), an algorithmic "stablecoin" that collapsed in May 2022. By order of the court, OA 3 was bifurcated, in the sense that issues common to the representative and represented claimants would be heard in a first tranche to be followed by several tranches dealing with issues specific to the represented claimants in these proceedings.

2 The first tranche of this civil trial, heard before me in May 2025, served two purposes. It determined issues common to all claimants including the

content and scope of the actionable representations, the applicable legal principles for fraudulent misrepresentation, and the framework for the assessment of damages. It also determined the individual claims of the ten representative claimants on questions of reliance, causation and quantum – findings which bind only those ten representative claimants. Following the first tranche, the representative claimants appealed against my decision on, *inter alia*, the cut-off price and the quantum awarded to four of the representative claimants. The Court of Appeal allowed the appeal in part. It revised the cut-off price from US$0.8011 to US$0.60485 per UST token ("Cut-Off Price"), being the average of the opening and closing prices of UST on 12 May 2022, and revised upwards the damages awarded to the four representative claimants: *Kupetz, Jonathan v Terraform Labs Pte Ltd* [2026] SGCA(I) 1 ("CA Judgment") at [148]–[149].

3 Because questions of ownership, reliance, causation and quantum necessarily turn on the particular evidence of each claimant, the remaining represented claimants must each establish these elements individually in subsequent tranches of OA 3. This judgment determines the claims of the 40 represented claimants who gave evidence before me in the second tranche from 9 to 11 March, 20 to 29 April and 18 to 21 May 2026. Mr Kwon did not appear and opted not to be represented by his lawyers at the hearing of the second tranche.

Applicable principles and prior findings

4 The factual and legal background to this dispute has been set out in the first tranche judgment of *Beltran, Julian Moreno v Terraform Labs Pte Ltd* [2025] SGHC(I) 17 ("First Tranche Judgment") and in the CA Judgment. I do not repeat that background here. For present purposes, I summarise the

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principles and findings from those judgments that govern the determination of the claimants' cases.

5 Before the first tranche trial, the defendants conceded that the following representations were false and had been made fraudulently (collectively, "Conceded Representations"):

(a) that UST was stable by design as it was pegged to a stable fiat currency ("First Representation");

(b) that the Terra protocol and its underlying token mechanics would be able to maintain the price stability of UST regardless of market size, volatility or demand through an algorithm that would allow an arbitrage process to happen with UST's sister token, LUNA, guaranteeing that UST would always return to the 1 US dollar peg ("Second Representation");

(c) that UST holders would always be able to exchange 1 UST for 1 US dollar's worth of LUNA on the Terra protocol ("Third Representation");

(d) that Anchor was a principal-guaranteed stablecoin savings product where UST holders could enjoy the stability of holding a stablecoin while earning passive income ("Fourth Representation"); and

(e) that LFG had raised USD 1 billion through the sale of LUNA tokens to establish a reserve fund to maintain the UST peg to the US dollar ("Sixth Representation").

6 The First to Third Representations ("Terra Representations") were made in a white paper authored by Mr Kwon and others ("Terra White Paper") and

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published on Terraform's website ("Terra Website"): First Tranche Judgment at [11]–[20]. Importantly, the claimants pleaded that they derived the Third Representation solely from the Terra Website (specifically from the "About the Terra Protocol" section) as opposed to the Terra White Paper: First Tranche Judgment at [19]. The Fourth Representation was made in a White Paper ("Anchor White Paper") published on the website of the Anchor Protocol ("Anchor Website"). The Anchor Protocol was a lending and borrowing platform where users could deposit or "stake" their UST: First Tranche Judgment at [9] and [21]–[23]. The Sixth Representation was made in a press release issued by LFG ("LFG Press release"): First Tranche Judgment at [27]–[31].

7 For completeness, I note that the Fifth Representation (that purchasers of UST would earn up to 20% annualised percentage yield on Anchor if they staked their UST on the protocol) and the Seventh Representation (that the defendants were deploying more capital, had a plan to rescue the US dollar peg, and that UST and the Terra ecosystem would return to form) were not conceded by the defendants. I found both not to be actionable as misrepresentations: First Tranche Judgment at [71]–[85]. There was no appeal against that finding.

8 Given the defendants' concessions, each claimant must show that they relied on one or more of the Conceded Representations and that such reliance has caused them to suffer loss. More specifically, a claimant must prove that they: (a) read one or more pleaded sources of the Conceded Representations, (b) understood the representations that they read to bear the meanings pleaded, and (c) purchased UST with those representations present in their mind, even if such representations were not the sole or dominant cause of their loss: First Tranche Judgment at [92]–[98]. A claimant need not have acted in an objectively reasonable fashion in understanding a representation or entering into

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a transaction based on it. Thus, it would be no defence to a claim that a representee, as a knowledgeable or experienced investor, ought to have known better: First Tranche Judgment at [96], citing *Panatron Pte Ltd v Lee Cheow Lee* [2001] 2 SLR(R) 435 ("*Panatron*") at [24].

9 Damages are assessed on the reliance measure, the principle being to restore each claimant to the position they would have been in had the misrepresentation not been made. The quantum is the total value of a claimant's UST purchases less the value of any benefits received, including sales proceeds and yields. It is necessary to fix a cut-off time for the purpose of assessing damages. The cut-off would be the point at which the misrepresentations relied upon would have ceased to be operative, so that thereafter any further loss cannot be causally attributable to the defendants. Any UST still held at the cut-off time is therefore treated as having been notionally sold at that point: CA Judgment at [30]–[33].

10 The cut-off time of 12.01am UTC on 12 May 2022 ("Cut-Off Time") established in the First Tranche Judgment binds the representative claimants, but does not invariably bind the represented claimants. The Court of Appeal clarified that the cut-off time may differ based on each represented claimant's individual circumstances, and each claimant may adduce evidence that their individual circumstances warrant a different cut-off time: CA Judgment at [112]–[126]. In particular, the Court of Appeal noted that if a claimant did not read the 11 May 2022 tweets by the Cut-Off Time, or took all reasonable steps to sell but was unable to do so, further losses may continue to be attributed to the defendants: CA Judgment at [115] and [124]. The default Cut-Off Time nonetheless applies in the absence of countervailing individual evidence.

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11 The Court of Appeal revised the Cut-Off Price from US$0.8011 to US$0.60485 per UST token, being the average of the opening and closing price of UST on 12 May 2022. This revision applies to the determination of all represented claimants' claims: CA Judgment at [146]–[148] and [176(b)(iv)].

Issues to be determined

12 For this second tranche of trial, I consider the following issues in respect of each claimant:

(a) whether the claimant owns the cryptocurrency accounts or wallets through which the relevant UST transactions were conducted;

(b) whether the claimant relied on one or more of the Conceded Representations to purchase and hold UST;

(c) what is the appropriate cut-off date and time for the purpose of assessing the claimant's damages, and whether the claimant's individual circumstances displace the default Cut-Off Date and Time of 12.01am UTC on 12 May 2022; and

(d) what is the quantum of damages to be awarded to the claimant, including where pleaded, whether the claimant is entitled to aggravated damages.

13 Issue (a) on ownership was raised by the defendants in respect of some claimants in this tranche. As I explained in the First Tranche Judgment, it is for each claimant to decide how to discharge the burden of proving ownership. Whether the evidence adduced by a claimant establishes ownership is assessed on the balance of probabilities: First Tranche Judgment at [98(e)]. There is no single prescribed method. A claimant may establish ownership through API

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keys, screen recordings of them logging into their accounts, wallet access videos, transaction logs, or some combination of these. Where the defendants have challenged ownership, they have typically not adduced any positive evidence that the relevant accounts or wallets belong to someone else. In the absence of such contrary evidence, each claimant's sworn testimony, taken together with their supporting documentary evidence, is in my assessment sufficient to establish ownership on the balance of probabilities. I address ownership briefly for each claimant in the sections below and find that all claimants in this tranche have discharged their burden on this issue. Consequently, the principal areas of dispute in this tranche are reliance and, where reliance is established, the applicable cut-off date and time.

Common issues in the second tranche

14 At the outset, I address issues that recur across the claimants in this tranche. It is more efficient to resolve these common issues at the outset than to repeat the analysis for each represented claimant. The common issues are as follows:

(a) the proper approach to the preparation and evaluation of witness statements in mass claims, arising from the similarity in language across a number of the claimants' statements;

(b) the applicable principles for assessing reliance on the Conceded Representations, including whether the Anchor Terms of Service ("TOS") negated reliance, and whether the passages cited in the witness statements are sufficient;

(c) the circumstances that justify a departure from the default Cut-Off Date and Time of 00.01am UTC on 12 May 2022, including the

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significance of the May 2021 depeg and personal extenuating circumstances;

(d) the calculation of quantum of damages, including the applicable permutation from the Revised Script; and

(e) the treatment of aggravated damages claims.

Similarity in claimants' witness statements

15 The first issue concerns similar, and in many instances identical, wording in substantial portions of numerous claimants' witness statements. The defendants submit that the repeated use of similar or identical phrasing across multiple witness statements indicates that the statements have been aligned or templated, such that each claimant should not be regarded as giving their own recollection of events. The defendants say that this is a serious concern because the affected portions go to the heart of each claimant's case, namely: (a) their understanding of and reliance on the Conceded Representations; and (b) their holding of UST beyond the Cut-Off Time. The defendants argue that the similarity in wording, coupled with other concerns as to ownership, reliance, and credibility, should lead the court to question the reliability of the claimants' evidence.

The applicable legal principles

16 Witness statements before the SICC are supposed to set out a witness' evidence in writing: O 13 r 8(6)(a) of the SICC Rules 2021 ("SICC Rules"); Supreme Court Registrar's Circular No 1 of 2025 ("Registrar's Circular") at para 13. The fundamental principle underlying that function is that a witness's evidence must be his or her own: *Ernest Ferdinand Perez De La Sala v*

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Compañia De Navegación Palomar, SA [2018] SGCA 16 ("*Compañia*") at [136]. The Registrar's Circular states at para 4:

> The fundamental principle is that the *witness' evidence in an AEIC* [affidavit evidence in chief] *must be his or her independent testimony*. The witness' testimony *should not be altered or influenced by others*. An AEIC should therefore be prepared in such a way as to avoid the altering of the witness' recollection, other than by refreshing of memory. The witness' own evidence must not be supplanted or supplemented by other persons, including the practitioner…
>
> [emphasis added]

17 In applying this principle in practice, it is useful to consider two distinct stages in the preparation of a witness statement: first, the gathering of evidence from the witness; and second, the drafting of the statement itself.

(1) Gathering evidence from the witness

18 On the gathering of evidence, the Registrar's Circular provides:

> 6. *Witnesses should not be interviewed in groups* when their evidence is obtained. In obtaining a particular witness' evidence-in-chief, the *witness should not be given or informed of the evidence of another witness*. However, where the witness' evidence contradicts that of another witness for the same party or for the opposing party, the witness may be asked to comment on the contradiction. Practitioners may also identify matters addressed in another witness' evidence on which the witness may be able to give evidence, and ask the witness proper questions to elicit the evidence that the witness is able to give.
>
> 7. An interview to obtain evidence from a witness should, as much as possible, use *open ended questions and avoid using leading questions*. As a general rule, leading questions should only be used when they relate to uncontentious matters and/or requests for clarification of or additional detail about prior answers.
>
> 8. Similarly, if further evidence is sought from the witness to clarify or complete the AEIC, such further evidence should as much as possible be obtained via non-leading and open ended questions for the witness to answer in the witness' own words.

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> The practitioner should not obtain any evidence by proposing content for approval, amendment or rejection by the witness.
>
> [emphasis added]

19 The principles governing the gathering of evidence are clear in ordinary civil proceedings. The question is how they apply in a mass claim or representative action such as the present. With 275 claimants spread across multiple jurisdictions, it may not be practical to conduct individual face-to-face interviews with each claimant. It emerged in cross-examination that the claimants' solicitors addressed this difficulty by collecting evidence through an open-ended questionnaire circulated to each claimant.

20 There is no rule or directive in Singapore governing the collection of evidence in representative actions. I have consequently looked to other jurisdictions for guidance in deciding this. The claimants' counsel drew my attention to the Civil Procedure Rules Practice Direction ("CPR PD") 19B which governs Group Litigation Orders in England and Wales. CPR PD 19B stipulates at para 14.3 that "the specific facts relating to each claimant on the Group Register may be obtained by the use of a questionnaire". However, CPR PD 19B is not directly applicable. It concerns the use of questionnaires for the purpose of pleadings, which are the solicitor's work product and are not required to be in the witness's own words, rather than for the collection of evidence.

21 CPR PD 57AC governing trial witness statements in the Business and Property Courts in England and Wales, states at para 3.10 that if a trial witness statement is based upon evidence obtained from the witness "by other means (for example by written answers to a questionnaire or the exchange of emails or other forms of correspondence, or by the witness preparing their own draft statement), the guidance set out in this Appendix should still be followed, so far as possible and only modified as necessary." This confirms that in the UK, the

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use of a questionnaire to gather evidence is permissible. But the applicable standards for preparation of witness statements continue to apply.

22 The use of a questionnaire to collect evidence from large numbers of claimants in a representative action is thus acceptable as a practical and efficient means of managing the costs and time involved in proceedings of this scale. But efficiency must not come at the expense of the integrity of the evidence. Solicitors must ensure that the questions in the questionnaire are non-leading and designed to draw out each claimant's recollections, rather than channel them to a predetermined answer. A questionnaire that invites claimants to confirm propositions, or that frames questions that suggest the expected answer, is no different from asking leading questions during examination-in-chief. It defeats the purpose of the exercise and risks supplanting the witness's evidence with the solicitor's gloss.

(2) Drafting of witness statement

23 On the drafting of witness statements, O 13 r 8 of the SICC Rules provides:

> (1) A witness statement must contain only relevant facts.
>
> …
>
> (6) All of the following points are to be observed when making witness statements:
>
> (a) a witness statement should as far as possible be in the witness's own words as the function of a witness statement is to set out in writing the evidence of the witness;
>
> (b) a witness statement should be as concise as the circumstances of the case allow without omitting any significant matters; there may be no need to deal with (or deal with other than briefly) the matters that are common ground;
>
> (c) a witness statement should not contain lengthy quotations from documents;

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> (d) a witness statement should not engage in (legal or other) argument;
>
> (e) a witness statement must comply with any direction of the Court about its length.

24 Where a witness is not sufficiently fluent in English, O 13 r 7(1) of the SICC Rules states that a translation must be done:

> **7.**—(1) If a witness is not sufficiently fluent in English to give evidence in English, the witness statement should be in the witness's own language and a translation must be provided by a person competent to do so.

25 The Registrar's Circular elaborates that (at paras 11–17):

> 11. The AEIC should have an organised and logical structure, and be as concise as possible.
>
> 12. As far as possible, the AEIC should be expressed in the words of the witness as it is meant to be a record of evidence that the witness would have orally given as his or her evidence-in-chief. Practitioners should ensure that the witness understands all statements, phrases, expressions and/or words used in the AEIC.
>
> 13. The AEIC is neither a pleading nor a submission. The AEIC should not repeat pleadings or contain arguments or conclusions in any form, such as explaining why a particular account of facts is plausible or implausible. If the AEIC is prepared for a factual witness, it should not contain irrelevant or inadmissible opinion evidence. Practitioners should explain to the witness what may and may not be included in his or her AEIC.
>
> 14. During the preparation of witnesses' AEICs, the practitioner should not use the draft AEIC of one witness as a template for the AEICs of the other witnesses, or ask if a witness agrees with the version of events set out in the draft AEIC of another witness. Witnesses should not be asked to state in their AEICs that they confirm the AEIC of another witness.
>
> 15. If the AEIC includes evidence on important disputed matters of fact, the AEIC should, if practicable, state in the witness' own words:
>
> (a) how well they independently recall the matters addressed; and

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> (b) whether, and if so, the details of how and when, the witness' recollection in relation to those matters has been refreshed.
>
> 16. The preparation of an AEIC should involve as few drafts being reviewed by the witness as is practicable. Practitioners should be mindful that repeatedly revisiting the draft AEIC may interfere with or influence the witness' own independent recollection of events.
>
> 17. Particular attention is required where a witness does not understand English. In such cases, practitioners should ensure that the witness is able to understand all statements, phrases, expressions and/or words used in the AEIC and to confirm its contents before the witness deposes his or her AEIC before a commissioner for oaths or notary public. Self-represented persons should note that all documents filed or submitted in Court must be in English. Accordingly, self-represented persons who do not understand English should ensure that their AEICs, which must be in English, accurately state what they intend to give in evidence.

26 Therefore, when drafting witness statements, solicitors must, on the one hand, ensure that the witness statements (1) only contain relevant facts without arguments or inadmissible opinion evidence, (2) have an organised logical structure, and (3) are as concise as possible. On the other hand, witness statements must, as far as possible, be in the witness's own words. The difficulty that solicitors face in fulfilling those two requirements is that a witness, particularly one without legal training, will often express their evidence in a way that is disorganised and long-winded. They may include substantial irrelevant material. The question therefore becomes how much re-writing and re-organisation a solicitor may perform to assist the court, without crossing the line from permissible editing into impermissible substitution of the solicitor's words for those of the witness.

27 In my view, solicitors may re-arrange the witness's evidence into a logical structure, engage in limited editing for clarity and succinctness, correct grammar, and delete irrelevant material. This may all be done with a view to assist the court in grasping the evidence. What solicitors may not do is cross

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over from tidying up a witness statement into authorship. A solicitor should not feed words to a witness, substitute different language for that of the witness, use one witness's statement as a template for another, or present the solicitor's reconstruction of events as though it were the witness's own account.

28 Where evidence has been gathered through a questionnaire, the witness's responses may be organised and refined, but the substance of what the witness said – and as far as possible, the words actually used by the witness – should be preserved. The questions must not be lifted wholesale into the witness statement. That risks producing an account that reflects the solicitor's framing of the issues rather than the witness's own account. The evidence will then be influenced by the questions that the solicitor chooses to ask, rather than around what the witness actually has to say. In other words, the witness statement must be built from the witness's responses to the questionnaire, not around the solicitor's questions.

29 The risk will be significantly reduced where the questionnaire is genuinely open-ended. A neutral open-ended question invites the witness to narrate their own experience in their own terms, and the response will naturally contain (and constrain) the substance of what is to go into the statement. The solicitor's task will then be one of organisation and refinement rather than reconstruction. The resulting statement will far more likely reflect a witness's own evidence, in contrast to a statement produced by a questionnaire that asks narrow or leading questions and generates answers that require lifting the question or substantial supplementation and rewriting by the solicitor. The quality of the questionnaire therefore has a direct bearing on the integrity of the evidence and witness statement that flows from it.

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30 Solicitors must also be alert to the risk that the increasing availability of artificial intelligence ("AI") tools will exacerbate the problem of non-individualised witness statements. There is an emerging body of case law in Singapore addressing the misuse of AI in litigation, particularly where counsel have cited fictitious authorities (so-called "hallucinations") generated by such tools: see *Tajudin bin Gulam Rasul v Suriaya bte Haja Mohideen* [2025] 5 SLR 518 at [51]–[59] and *Tan Hai Peng Micheal (as the executor of the estate of Tan Thuan Teck, deceased) v Tan Cheong Joo* [2025] SGHC 217. Beyond the citation of fictitious authority, AI may pose concerns in the preparation of witness statements. The Guide on the Use of Generative Artificial Intelligence Tools by Court Users ("Generative AI Guide"), which applies to all matters in the Supreme Court, the State Courts and the Family Justice Courts, addresses this at page 3:

> For the avoidance of doubt, Generative AI tools *should not be used to generate any evidence that you wish to rely upon in Court*. For example, you *cannot use Generative AI to ask for evidence to be created, fabricated, embellished, strengthened or diluted*. Asking a Generative AI tool to generate a first-cut draft of an affidavit/statement can be done (provided that this Guide is complied with), but it is *not acceptable to ask a Generative AI to fabricate or tamper with evidence*.
>
> [emphasis added]

31 The Generative AI Guide therefore permits the use of AI to generate a first-cut draft of a witness statement – for instance, by assembling a claimant's responses to a questionnaire into a structured document. That is permissible as a matter of form. What is not permissible is to use AI to generate the substance of the evidence itself, or to allow the AI-generated draft to stand, without ensuring that the resulting statement accurately reflects the witness's own evidence in their own words. The line here is the same as that which applies to solicitor-drafted statements: AI may assist with structure, grammar and form. But the evidence and words must remain that of the witness. Solicitors are under

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a duty to ensure that each statement filed before this court represents the untainted and independent evidence of the witness signing it. That obligation cannot be discharged by delegating the drafting to an AI tool and asking the witness to confirm the result.

Application to the facts

32 It emerged in cross-examination that the claimants' solicitors circulated a questionnaire containing open-ended questions for each claimant to complete and prepared the witness statements on the basis of the responses received. This process likely explains why certain portions of the statements are expressed in similar or even identical terms. Where the nature of the claims is similar and the witnesses' responses to the same open-ended questions covered similar ground, the solicitors for the claimants appear to have reproduced the same language across the statements rather than preserving each witness's individual expression.

33 Despite serious concerns about the drafting approach adopted, I admit the evidence of each claimant and accord weight to them for the following reasons. First, when questioned in cross-examination, each claimant confirmed that the contents of their statement represented their own evidence, even if the language was not entirely their own. Second, the questions in the questionnaire circulated by the claimants' solicitors were open-ended. Each claimant was afforded an opportunity to explain and stand by their evidence on the witness stand. I am thus satisfied that the evidence given is genuinely that of each claimant. Third, there is, as I have noted above at [17], no specific guidance in Singapore governing the preparation of witness statements in mass claims or representative actions. In these circumstances, it would neither be necessary nor fair to penalise the claimants for the drafting approach adopted by their

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solicitors. Order 13 r 5(4) of the SICC Rules confers on the court a discretion to refuse to admit a non-compliant witness statement. Implicitly, that discretion permits me to admit evidence where the justice of the case requires, and I exercise my discretion accordingly.

34 However, I should make clear that the approach employed thus far should not be repeated in future tranches or in other proceedings before this court. The claimants' solicitors may have found it expedient to reproduce consistent language across the statements where the claimants' evidence covered similar ground. But convenience is not a justification for departing from the requirement that each statement must be the witness's own evidence in their own words. The guidance here on the gathering of evidence and the drafting of witness statements should be followed in the preparation of any forthcoming witness statements in this litigation.

Assessment of reliance on the Conceded Representations

35 Regarding reliance on the Conceded Representations, the defendants raise three recurring arguments across the claimants in this tranche. First, the defendants suggest that the Anchor TOS negated the claimants' reliance on the Conceded Representations. Second, the defendants submit that reliance on the Conceded Representations as a basis for purchasing UST must be assessed on an objective standard. Specifically, they say that the court must assess whether each claimant objectively understood the Conceded Representations in the sense that they have been admitted to be false. Thus, a claimant whose understanding of the relevant passages was so illogical or unreasonable as to be objectively untenable, cannot be said to have relied on the Conceded Representations. Third, the defendants contend that the court must assess whether each claimant truly arrived at their understanding of the Conceded

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Representations from the specific passages of the source documents cited in their witness statements. I address each of the recurring arguments in turn.

Anchor Terms of Service

36 The defendants argue that some claimants, by reason of their professional background or approach to investment, would certainly have clicked on and read the Anchor TOS when connecting their wallets to the Anchor protocol. Having consequently read those terms, those claimants could not have relied, or continued to rely, on the Conceded Representations. In support of their submission, the defendants rely on two clauses. Clause 1 of the Anchor TOS states that terms such as "debt", "lend", "borrow", "yield", and "invest" are not to be interpreted literally. Accordingly, when users access the Anchor Protocol and enter into transactions using Smart Contracts, there are no legal agreements, promises of payment, or courts of law, and therefore no debts, loans, or other traditional finance transactions involved. Clause 14 provides that the markets for digital assets "are highly volatile due to factors including (but not limited to) adoption, speculation, technology, security, and regulation" and that users "acknowledge the risk that [their] digital assets may lose some or all of their value while they are supplied to the Protocol". The defendants argue that, in the face of such language, any claimant reading these clauses could not have come away with the understanding that the defendants had guaranteed the UST peg regardless of market circumstances. The claimants therefore could not have relied on the Conceded Representations in the manner pleaded. The defendants clarify that they are not relying on the Anchor TOS to establish an exclusion of liability on a contractual basis.

37 I reject that argument on two grounds. First, the defendants' argument, whatever its framing, is in substance an attempt to use the disclaimer language

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in the Anchor TOS to negate the legal consequences of the defendants' own fraudulent misrepresentations. That is precisely what an exclusion of liability clause purports to do, and the law does not permit it in the context of fraud. It is well-established that a person cannot contractually exclude liability for their own fraudulent misrepresentation: *Mentormorphosis Pty Ltd v Phua Raymond* [2010] SGHC 188 at [21], citing *S Pearson & Son Ltd v Dublin Corporation* [1907] AC 351 at 353 per Lord Loreburn LC, at 356 per the Earl of Halsbury, and at 362 per Lord James of Hereford. As Tay Yong Kwang J explained in *Goldring, Timothy Nicholas v Public Prosecutor* [2015] SGHC 158 at [61], the reason for that principle is that a clause purporting to exclude liability for fraud is often "part of the machinery that advances and disguises that fraud". To uphold such a clause "would be inimical to notions of justice". The Anchor TOS contains standard disclaimer language of the kind commonly found in online platforms dealing in digital assets. To accept the defendants' argument would be to permit such boilerplate terms to negate reliance on fraudulent misrepresentations, allowing a fraudulent party to escape the consequences of their fraud through the very instrument of that fraud. The law does not permit that.

38 Second, the contention that certain claimants could not have relied on the Conceded Representations after reading the Anchor TOS applies an objective standard to what is a subjective inquiry. As I held in the First Tranche Judgment, reliance is assessed subjectively – the question is whether the Conceded Representations in fact induced each claimant to act, not whether a reasonable person in their position would have done so: First Tranche Judgment at [96]. The defendants cannot discharge that inquiry by pointing to a claimant's professional background and asserting that a person of such profile ought not to have relied on the representations after reading the Anchor TOS. That approach substitutes the defendants' assessment of how a hypothetical reasonable person

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would have reacted, for the actual evidence of what each individual claimant in fact believed and acted upon.

Unreasonable or illogical understanding of the Conceded Representations

39 The defendants argue the court must assess whether each claimant could objectively have understood the misrepresentations in the sense that they were conceded to be false. It was submitted that, consequently, a claimant whose understanding of the relevant passages in the Terra White Paper is so unreasonable or illogical as to be objectively untenable cannot be said to have relied on the Conceded Representations. The defendants rely on *Chan Pik Sun v Wan Hoe Keet* [2024] 1 SLR 893 ("*Chan Pik Sun*") at [186] for the proposition that the meaning of a representation is assessed objectively, from the perspective of a reasonable person in the position of the representee.

40 I do not accept this argument. The applicable standard for reliance is subjective, not objective. As I held in the First Tranche Judgment at [92]–[98], and as affirmed by the Court of Appeal at [113] of the CA Judgment, the question is not what a reasonable person in the claimant's position would have understood from the Conceded Representations, but whether the Conceded Representations in fact induced a particular claimant to purchase UST. Each claimant need only show that, having seen the relevant representations, they genuinely held the understanding that they describe and acted on it. This is a question to be resolved on the evidence of each individual claimant, not by reference to what a reasonable investor would or would not have understood from the Terra Website, Terra White Paper, or the Anchor White Paper prior to purchasing UST.

41 The defendants' reliance on *Chan Pik Sun* does not advance their case. It is correct that, in determining the meaning of a representation, the court may

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have regard to how it would reasonably be interpreted – in other words, its objective meaning: John Cartwright, *Misrepresentation, Mistake and Non-Disclosure* (Sweet & Maxwell, Fifth Ed, 2019) at paras 5–18, citing *Arnison v Smith* (1889) 41 Ch. D. 348, CA at 368–369. But that objective inquiry goes to the threshold question of whether the words used were capable of bearing the meaning alleged. Once that threshold is crossed – and here it has been crossed, since the defendants have conceded the pleaded meanings and admitted that the Conceded Representations were false – the question of whether each representee actually understood and relied on those representations is a subjective one.

42 The defendants' concessions have a further consequence. Since the pleaded meanings of the Conceded Representations and their falsity are no longer in dispute, a claimant establishes reliance by proving that they saw and understood the Conceded Representations to bear the pleaded meanings and that some combination of those representations was present in their mind when they transacted in UST. To insist on an objective standard at this stage of the inquiry, after the defendants have made their concessions, would impose a burden on claimants that is inconsistent with the established law on deceit and would in substance permit the defendants to resile from their admissions through the back door. I reject that approach.

Analysing specific passages to prove reliance

43 The defendants argue that the court must assess whether each claimant truly arrived at their understanding of the Conceded Representations from the specific passages of the source documents cited in their witness statements. For example, many claimants cite the following passage from para 2.1 of the Terra White Paper in support of the First Representation:

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> the protocol will issue Terra currencies pegged to USD, EUR, … TerraSDR will be the flagship currency of [the Terra] family, given that it exhibits the lowest volatility against the flagship currency of [the Terra] family, given that it exhibits the lowest volatility against any one fiat currency.

44 The defendants argue that this passage does not say that UST tokens are "stable by design" as the First Representation requires, and that a claimant who relies solely on this passage cannot establish that they understood and relied on the First Representation as pleaded. In relation to the Third Representation specifically, the defendants argue that the Third Representation is pleaded as derived solely from the "About the Terra Protocol" section of the Terra Website, hence a claimant who cites only the Terra White Paper, without establishing that they accessed and read the relevant section of the Terra Website, cannot make out the Third Representation.

45 I reject the defendants' approach of isolating the specific passages cited by each claimant in their witness statement and asking the court to scrutinise whether those passages, read in isolation, are capable of conveying the pleaded meaning of the Conceded Representations. That approach is too narrow and mistakes the purpose of the exercise. The bar for establishing reliance in cases of fraudulent misrepresentation is not a high one. The representee need only prove that the misrepresentation was actively present to their mind at the time they entered into the transaction. The misrepresentation need not be the sole or dominant cause of their decision to act: *Panatron*. A claimant is not required to have understood the exact operational mechanics of the UST-LUNA arbitrage mechanism or to have parsed each passage of the Terra White Paper with technical precision: First Tranche Judgment at [98(b)]. The court's task is to assess whether each claimant, reading the relevant sources in their totality and in context, in fact formed the understanding they describe and relied on the representations as understood by them. The fact that specific passages cited in

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a witness statement may, read in isolation, be susceptible to a narrower or more technical interpretation does not negate the understanding that the document as a whole would have conveyed to a person. What matters is the impression the document as a whole left on a claimant.

46 On the Third Representation, the pleaded source is the Terra Website, not the Terra White Paper. But it does not follow that a claimant must specifically identify and quote the relevant passage from the "About the Terra Protocol" section in their witness statement to make out reliance on the Third Representation. Reading the Terra Website as a whole (including the "About the Terra Protocol" section), the claimant may conceivably have gleaned the Third Representation. Contrast the position where a claimant can only show that they relied on the Terra White Paper and cannot establish that they accessed the Terra Website. Such person's claim on the Third Representation will fail because the Terra White Paper is not the pleaded source of the Third Representation: First Tranche Judgment at [19] and [148]. For example, in the first tranche, Mr Macquisten's claim based on the Third Representation failed because the "About the Terra Protocol" section was not on the Terra Website when he accessed it in January 2021: First Tranche Judgment at [147] and [212]. I apply an analogous approach to this tranche's claimants.

Special circumstances justifying a departure from the Cut-Off Time

47 The next issue concerns what circumstances would justify a departure from the Cut-Off Time of 12.01am UTC on 12 May 2022. Many of the claimants in this tranche submitted that the default Cut-Off Time ought not to apply to them. The majority do so on the basis that they continued to believe that the Conceded Representations were true past that point and accordingly did not sell their UST. Typically, those claimants assert that they still believed that

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the UST-LUNA-US dollar peg would be re-established in a matter of time. As I explain below, that reason alone cannot justify a departure from the Cut-Off Time.

Applicable legal principles

48 The Cut-Off Time marks the point at which the Conceded Representations ceased to be operative – that is, the point at which a reasonable investor would objectively have discovered or realised the fraud by the defendants. From that point, reliance on the representations ends and the defendants are not liable for any losses sustained thereafter. The Court of Appeal explained the underlying causation analysis (CA Judgment at [33]):

> For as long as the claimant ***continues to labour under the misimpression created by the defendant's deceit, the claimant is unable to extricate himself from the consequences of the defendant's wrong, and the causal influence of the defendant's wrongful act on the claimant's retention of the asset persists*** (*POP Holdings* at [59]). Conversely, ***once the fraud is discovered, if the claimant exercises a free choice to hold on to the acquired asset, then the chain of causation is broken and the defendant is not liable for any further losses***. Such losses would have been caused by the claimant's informed decision to hold on to the property and not the misrepresentation, which ceases to be operative. ***Of course, it may be that after discovering the fraud, the claimant remains locked into the property due to circumstances outside his control. The claimant then cannot be said to have made a free and informed decision to hold on to the property.*** Any additional losses incurred by the claimant due to, for instance, a further fall in the property's value, may still be causally attributable to the defendant. But if the claimant seeks to recover damages for such losses, it is incumbent on them to plead and prove the relevant cut-off date that they seek to rely on.
>
> [emphasis in original in italics; emphasis added in bold italics]

49 The question of when reliance ends involves an assessment of when the representee became aware of the falsity of the Conceded Representations: CA Judgment at [113], citing *Smith New Court Securities Ltd v Citibank NA* [1997]

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AC 254 at 266G–H. The court is concerned with when the representee must have realised that the Conceded Representations were untrue: CA Judgment at [113], citing *Panatron* at [24]. The Court of Appeal affirmed that the court is entitled to form a view as to how a reasonable reader would have understood the 11 May 2022 tweets (see First Tranche Judgment at [33]), since that is a common factual finding relevant to all claimants: CA Judgment at [116]. Once that common finding is made, it provides the baseline against which each claimant's individual circumstances are evaluated. A claimant who adduces evidence of circumstances that prevented them from discovering the fraud or selling by the Cut-Off Time may depart from that baseline; one who does not is bound by it.

50 The common finding, upheld by the Court of Appeal, is that an investor reading the entirety of the 11 May 2022 tweets would have appreciated that UST's value was not stable and that the Conceded Representations could not be true: CA Judgment at [131]–[135]. By that point, UST had failed to re-peg over four consecutive days since 7 May 2022, hitting a daily low of US$0.2998 on 11 May 2022. The content of the 11 May 2022 tweets reinforced that picture, indicating that the UST-LUNA arbitrage mechanism was struggling to restore UST's value, that extraordinary measures including collateralisation would be required, and that the situation bore no resemblance to the Conceded Representations. A reasonable investor, within the 14-hour grace period afforded by the default Cut-Off Time, would have appreciated that the Conceded Representations pertaining to UST's stability and its peg to the US dollar could not be true: First Tranche Judgment at [111].

51 However, the default Cut-Off Time will not invariably bind all claimants. Thus, the Cut-Off Time may be brought forward where on the

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evidence a claimant ceased to rely on the Conceded Representations before the default date. For example, two situations might give rise to this:

(a) One situation concerns a claimant who engaged in swing trading – that is, buying when UST swings down and selling on rises – on a speculative basis after the de-peg. Such a claimant can no longer be said to have been acting in reliance on the representations and is making a free and informed decision to take on personal risk: First Tranche Judgment at [104]. The applicable cut-off is moved forward to the point at which they first began to trade on a speculative basis. The claimant may only recover net losses on their original pre-existing UST position up to that point. Any gains or losses from post-reliance swing trading are not claimable against the defendants and do not reduce the net loss recoverable from them.

(b) The other situation concerns claimants who sold all or substantially all their UST before the default Cut-Off Time. The act of substantial selling is strong evidence that the claimant had by that point lost faith in the Conceded Representations. The cut-off is accordingly brought forward to the date on which the claimant last sold UST, that being the date on which reliance must have ended.

52 By similar token, the Cut-Off Time may be extended beyond the default where a claimant's circumstances prevented them from discovering the fraud or from liquidating their UST holdings by the default Cut-Off Time. In such cases the claimant did not make a free choice to hold on to their UST. The causal link between the fraud and the claimant's continued loss is not broken, and the defendants remain liable for losses sustained beyond the default Cut-Off Time. For instance, two situations might justify an extension. A claimant may have

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been prevented from learning about the de-peg by the Cut-Off Time. Alternatively, external forces beyond the claimant's control prevented them from liquidating their holdings despite their best efforts: CA Judgment at [115].

Application to the facts

53 Applying these legal principles, I make the following observations.

54 An assertion that a claimant continued to believe in the representations past the Cut-Off Time is not a sufficient basis for extending the applicable Cut-Off Time. The inquiry into when reliance on the Conceded Representations ended is subjective, but it must be assessed against the backdrop of what a claimant must have appreciated from the 11 May 2022 tweets and the market data available at the time. Where the hard facts between 7 May 2022 and the Cut-Off Time show that the Conceded Representations were plainly false, a claimant's assertion of continuing to rely on the truth of the Conceded Representations will not generally be credible and must be approached with scepticism.

55 The Cut-Off Time incorporates a period for claimants to sell their UST once the Conceded Representations have proved to be false. Claimants arguing that the Cut-Off Time should not apply to them because they continued to believe that the peg would be restored face the difficulty that UST's volatility between the depeg on 7 May 2022 and the Cut-Off Time made it plain (contrary to what had been represented by the defendants) that UST was not stable. The purported peg to the US dollar was not holding good over a protracted period. The arbitrage mechanism and the algorithm which were supposed to maintain the UST-LUNA-US dollar peg regardless of market size, volatility or demand, were obviously failing to perform their vaunted function. It would have further been apparent that, if indeed any Bitcoin reserves allegedly held by LFG

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pursuant to the Sixth Representation were being deployed, such reserves were not buttressing the peg. In short, it would have been obvious in the days between the 7 May 2022 depeg and the Cut-Off Time that the Conceded Representations were untrue. The US dollar peg was patently not *always* guaranteed.

56 Several claimants rely on the May 2021 de-peg as a basis for their continued confidence that the May 2022 de-peg would similarly resolve. I do not accept that argument. The two episodes were not comparable. In May 2021, UST fell to a lowest point of approximately US$0.92 and recovered within about four days. In May 2022, UST hit daily lows of US$0.7934, US$0.6841, and US$0.2998 on three consecutive days from 9 to 11 May 2022, with no recovery in the days that followed. The scale and speed of the collapse, and the sustained failure of the arbitrage mechanism to restore the peg, rendered the two situations fundamentally different. A claimant cannot credibly point to the May 2021 experience as a basis for believing that the Conceded Representations remained true and continuing to hold UST past the Cut-Off Time in May 2022: CA Judgment at [133]. There is the additional hurdle for claimants that the May 2021 depeg is not itself a source or part of the Conceded Representations. It was consequently for each claimant who became aware of the May 2021 depeg to draw their own conclusion as to the implications of the May 2021 depeg on the actions (to sell or hold to UST) that they should take once the falsity of the Conceded Representations was plain.

57 Personal difficulties – whether family-related, work-related, or otherwise – would not, without more, justify extending the Cut-Off Time. I accept that, after that point, when the Conceded Representations had been revealed to be false, claimants faced invidious choices. They could sell their UST and crystallise their loss. They could hold on to their UST in the hope of recovery based on their assessment of the situation. The hope may be based on

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what was being said by others or based on whether they believed the ups and downs that UST was experiencing following the 7 May 2022 depeg was a ground for optimism or pessimism. They might avoid making a decision for whatever reason. They could choose to turn a blind eye to what was happening. They may decide to prioritise other matters in their lives. Such decisions may be understandable give a claimant's circumstances. I fully appreciate that each claimant's response to the May 2022 depeg involved a difficult, often painful, judgment call by them. But the consequences of their decision would be at their own risk. Being patently untrue by the Cut-Off Time, the Conceded Representations ceased to be causative of their loss as a matter of law. Further loss resulting from a decision to hold UST beyond the Cut-Off Time must consequently fall on the claimant, not on the defendants. An extension to the Cut-Off Time can really only apply (1) if a claimant's circumstances were such as to prevent them from learning about the de-peg by the Cut-Off Time or (2) if external forces beyond a claimant's control prevented them from liquidating their holding of UST by the Cut-Off Time despite their best efforts.

58 Of the 40 claimants in this tranche, I find that the Cut-Off Time requires adjustment for eight claimants. On swing trading, two claimants have their cut-off brought forward. Mr Thor Robert Kiessling ("Mr Kiessling") ceased to rely on the Conceded Representations from 8 May 2022, when he withdrew his full Aperture position and immediately re-entered into new higher-yielding Aperture products during the early stages of the de-peg. That re-entry was not consistent with continuing reliance on the Conceded Representations but was yield-driven swing trading. His cut-off is accordingly brought forward to 8 May 2022. Mr Gary Koh Boon Thong ("Mr Koh") similarly engaged in post-depeg swing trading, having sold all his UST holdings during the de-peg and re-entered the market to buy UST at a lower price in the hope of profiting from a recovery. He ceased to act in reliance on the Conceded Representations from

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the point of that re-entry. His cut-off is brought forward accordingly. Mr Lam also engaged in swing trading from the early hours of 12 May 2022 in respect of the UST he had withdrawn from Aperture by the default Cut-Off Time, buying and selling UST in multiple cycles in the hope of accumulating more UST before the anticipated repeg. His cut-off for that portion is accordingly brought forward to approximately 4am UTC on 12 May 2022, immediately before his first swing trade commenced. Three claimants (Mr Liam Spagnol ("Mr Spagnol"), Mr Tan E-Wen Timothy ("Mr Tan") and Mr Lim Xianlong, Kevin ("Mr Kevin Lim")) sold substantially all of their UST by 11 May 2022. Their cut-off dates are consequently brought forward.

59 The cut-off of three claimants has been extended as they were prevented from selling by the default date. Mr Lam falls into this category in respect of a portion of his UST that remained locked in Aperture due to the mirror lock contract bug and could not be withdrawn until 11.39am UTC on 16 May 2022. He was not in a position to withdraw and sell those tokens despite his awareness of the de-peg, and accordingly had not made a free and informed choice to retain them past the Cut-Off Time. Mr Bernhard Alexander Friedrich Frey ("Mr Frey") was at a silent meditation monastery retreat from 9 to 16 May 2022. He had surrendered his mobile phone and had no access to the internet during that period. He was unaware of the de-peg and could not have read the 11 May 2022 tweets or sold his UST in time. Mr Neo Ming Feng ("Mr Neo")'s freely available UST is assessed at the default Cut-Off Time, but the UST locked in the OSMO-UST liquidity pool and subject to a 14-day unlock period is assessed at an extended cut-off of 26 May 2022, being 14 days from the default Cut-Off Date.

60 I address the applicable Cut-Off Date and Time for each claimant in the sections below.

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Calculation of damages

61 In calculating the quantum of damages for each claimant, I take as a reference point the methodology set out in the witness statements of Mr Terence Lim Zheng Wei ("Mr Lim"), who is employed by the Plan Administrator of Terraform and is authorised to give evidence on damages on behalf of both Terraform and LFG. The damages assessment script applicable to this tranche ("Revised Script") has been revised to incorporate two principal changes from the version used in the first tranche. First, it applies the revised Cut-Off Price of US$0.60485 per UST token in place of US$0.8011, in accordance with the CA Judgment. Second, it corrects inconsistencies in the earlier script relating to the aggregation of UST balances across multiple accounts and the treatment of inflows and outflows arising from transfers between a claimant's own accounts.

62 The Revised Script generates two main permutations for the assessment of damages. Permutation 1 excludes all purchases of UST made after 7 May 2022, the date of the de-peg, and all UST transactions after 12 May 2022. This reflects the approach applicable to a claimant who is found to have ceased relying on the Conceded Representations from the commencement of the de-peg on 7 May 2022. Permutation 2 excludes only UST transactions after 12 May 2022, and reflects the approach applicable to a claimant who is found to have relied on the Conceded Representations up to and including the Cut-Off Time. For the reasons explained above, the applicable permutation for the majority of the claimants in this tranche is Permutation 2.

63 Under Permutation 2, damages are calculated using the following formula: Total Purchase Value – (Actual Sales Proceeds + Notional Sale Proceeds) = Net Loss where:

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(a) Total Purchase Value is the aggregate value of all the claimant's purchases of UST up to and including the Cut-Off Time, including UST earned as yield, whether on Anchor or on some other platform. The value of each purchase is determined using the hourly price of UST on CoinGecko, matched to the time of each transaction.

(b) Actual Sales Proceeds is the aggregate value of all the claimant's sales of UST up to and including the Cut-Off Time, similarly valued by reference to CoinGecko data.

(c) Notional Sale Proceeds is the value of any UST still held by the claimant as at the Cut-Off Time, treated as notionally sold at the Cut-Off Price of US$0.60485 per UST token.

64 Where the Net Loss is positive, the claimant has a prima facie claim for that sum of damages. Where it is negative, the claimant has made a profit on their UST transactions and has no claim for damages.

65 The claimants' Permutation 2 figures adopt a different pricing methodology. Rather than using CoinGecko's hourly price of UST to value transactions, the claimants use the price of the cryptocurrency or fiat currency actually exchanged. Where fiat currency was used to purchase or sell UST, the claimants use the actual value in US dollars. Where cryptocurrency was used, the claimants value the exchanged cryptocurrency using the average of its daily opening and closing price on CoinGecko. The claimants submit that this approach more accurately reflects the actual price paid for UST and the actual benefit received on sale.

66 There is a large degree of convergence between the two sets of Permutation 2 figures for the majority of claimants, with differences typically

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attributable to the differing pricing methodologies described above, rounding and minor differences in transaction fee treatment. Where the parties' Permutation 2 figures are the same or differ only marginally, I adopt the higher of the two. This is with regard to the principle that, in cases of fraud, a flexible approach should be taken that is more generous to the injured party as opposed to the fraudster: CA Judgment at [147], citing *Vita Health Laboratories Pte Ltd v Pang Seng Meng* [2004] 4 SLR(R) 162 at [93]. Where there is a significant discrepancy between the parties' figures, I address the reasons for the discrepancy and the appropriate figure in the individual sections below.

67 I do not apply the Inference Permutation described in the Revised Script in respect of the claimants in this tranche. The Inference Permutation was developed as a best-efforts approximation for claimants who did not provide deposit and withdrawal logs for their centralised exchange accounts. The Inference Permutation used blockchain wallet transfer records, read together with centralised exchange trading logs, to infer the balance of UST held on those accounts. The claimants in this tranche have since disclosed their deposit and withdrawal logs. Mr Lim confirmed in cross-examination that once all deposit and withdrawal logs are provided, the Inference and the non-inference Permutations should converge to produce the same result, and the Inference Permutation becomes unnecessary. Given that the relevant deposit and withdrawal logs are now in evidence, there is no need to resort to inference, and I have assessed each claimant's damages on the basis of their actual disclosed records.

68 Five claimants' Permutation 2 figures are disputed: Mr Charles Lee Teague ("Mr Teague"), Dr Tobias Speerschneider ("Dr Speerschneider"), Dr Yanni Lin ("Dr Lin"), Mr Clarence Khoo ("Mr Khoo"), and Mr Michael Eli Leidner ("Mr Leidner"). I address the applicable figure for each of those

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claimants in their individual sections below. Additionally, for the seven claimants whose Cut-Off Time departs from the default, Permutation 2 does not apply. I address the applicable calculation of damages individually in their respective sections below.

Aggravated damages

69 Of the 40 claimants who gave evidence in this tranche, six seek aggravated damages, saying that they suffered mental and physical health problems as a consequence of the defendants' fraudulent misrepresentation: Ms Karen Soo Kyung Moon ("Ms Moon"), Mr Cocosatu Mihai ("Mr Cocosatu"), Mr Neo, Ms Ren Qingwen ("Ms Ren"), Dr Aidan Lindsay Fenner Rich ("Dr Rich") and Mr Leidner. Aggravated damages are compensatory in nature and they augment the basic award where the normal measure of general compensatory damages is insufficient to compensate the plaintiff for the totality of the injury suffered: *Noor Azlin bte Abdul Rahman v Changi General Hospital Pte Ltd* [2022] 1 SLR 689 ("*Noor Azlin*") at [261]. To establish an entitlement to aggravated damages, the plaintiff must show that (1) there is "contumelious or exceptional conduct or motive on the part of the defendant" and (2) the plaintiff suffered "an intangible loss, injury to personality or mental distress": *Noor Azlin* at [265].

70 The claimants argue that medical or psychiatric evidence is not required to establish mental distress, and the court may accept a claimant's own testimony as sufficient. They rely on *Li Siu Lun v Looi Kok Poh* [2015] 4 SLR 667, where the High Court affirmed an award of aggravated damages based principally on the claimant's own testimony of mental anguish and distress, notwithstanding the absence of a formal psychiatric diagnosis (at [183]). I accept that the absence of a medical diagnosis is not, without more, fatal to a

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claim for aggravated damages. The question is whether the claimant's evidence of mental distress is credible and sufficient to establish, on the balance of probabilities, that they suffered the intangible loss or mental distress they claim.

71 For the reasons I explain in the individual sections below, I find that none of the five claimants have sufficiently established an entitlement to aggravated damages. While I accept that each of them suffered financial loss and the distress that naturally accompanies such loss, the evidence in each case falls short of establishing the kind of intangible loss, injury to personality, or mental distress of a character and severity that is distinct from and beyond the financial loss compensated by the general damages award. In particular, where a claimant has not adduced medical or professional evidence and relies solely on their own testimony, the court must scrutinise that testimony with care to determine whether it establishes harm beyond the ordinary consequences of financial loss – which is not, without more, compensable by way of aggravated damages.

Analysis of each claimant's situation

72 With the foregoing principles in mind, I turn to analyse each claimant's situation.

Mr Liam Spagnol

73 Mr Spagnol claims damages of US$69,106.59. He purchased UST between 9 November 2021 and 11 May 2022, depositing substantially all of it into the Anchor protocol for staking purposes. His case is that he relied on the First to Fifth Representations in purchasing and holding UST. He lost faith in the representations by 11 May 2022 and sold almost all of his holdings that day, realising only a fraction of his purchase price.

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74 On ownership, Mr Spagnol had conducted his UST transactions through a Binance account, an FTX account, an ACryptoS wallet, and three Terra wallets. He submitted a screen recording of him logging in to his Binance account, completing two-factor authentication, and exporting transaction records. He also submitted a screen recording of him logging into his three Terra wallets. I accept his evidence of ownership of all the accounts.

75 The defendants argue that the screen recordings of Mr Spagnol logging into his Terra wallets are of poor resolution and the wallet addresses cannot be clearly read. On that basis, the defendants invite me to draw the adverse inference that Mr Spagnol was concealing the wallet addresses because they were not his. I decline to draw that inference. I accept Mr Spagnol's explanation during cross-examination that the lower quality arose from having to use a camera rather than screen-recording software. I also accept Mr Spagnol's explanation that he can no longer access his FTX account because the FTX customer portal has been disabled. He testified that he attempted to contact FTX support a few weeks before giving evidence but was unsuccessful. In the absence of any positive evidence that the wallets and accounts belong to someone else, I accept Mr Spagnol's sworn evidence that he had full access to and control over all his accounts at the time the relevant transaction was conducted.

76 Mr Spagnol relies on the First to Fifth Representations. I need not analyse his evidence on the Fifth Representation as it has been held to be unactionable. Mr Spagnol says that he read the Terra White Paper and the Terra Website on or around 15 October 2021, and the Anchor White Paper and Anchor Website at or around 9 November 2021. He was unable to produce browsing histories as he resets his browsing history regularly and no longer has the same laptop. I accept that explanation.

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77 I accept Mr Spagnol's reliance on the First Representation. He relied on section 2.1 of the Terra White Paper and understood from it that UST was designed to be pegged to the US dollar. I also accept Mr Spagnol's reliance on the Second Representation. He relied on sections 2.3, 2.4, and 2.5 of the Terra White Paper. In cross-examination, he explained that he understood the arbitrage and miner stability mechanisms as two distinct but complementary systems that together gave him confidence that UST's peg would be maintained in all market conditions. I also accept Mr Spagnol's reliance on the Fourth representation. His evidence is that he read the Anchor White Paper and the Anchor Website before making his first purchase, and understood from the relevant passages that the Anchor protocol was a principal-guaranteed savings product that would protect his principal while generating passive income. I also accept Mr Spagnol's reliance on the Third Representation. Mr Spagnol's evidence is that he accessed the Terra Website on or around 15 October 2021 before his first purchase. Although his witness statement explains his understanding of the Third Representation primarily by reference to section 2.4 of the Terra White Paper rather than the "About the Terra Protocol" section of the Terra Website, this alone does not defeat reliance.

78 Overall, I am satisfied that some combination of the First to the Fourth Representations was actively present in Mr Spagnol's mind when he purchased and held UST. I do not accept the defendants' argument that Mr Spagnol, as a banker familiar with the concept of credit risk, could not have understood the representations in the manner pleaded. It is Mr Spagnol's actual understanding that is relevant, not what someone of his professional background ought to have known or ought not to have relied upon.

79 On the cut-off time, Mr Spagnol lost faith in the representations by 11 May 2022, when he sold substantially all of his UST holdings. The act of selling

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is evidence that Mr. Spagnol by that point had lost faith in the representations. The cut-off is accordingly brought forward to 11 May 2022, being the date on which Mr Spagnol's reliance on the representations ended and his loss crystallised. I reject the defendants' first argument that reliance ceased from 7 May 2022 merely because Mr Spagnol regarded a 1% price deviation as unusual. I also reject the defendants' second argument that his purchase of UST on the morning of 11 May 2022 was speculative. Mr Spagnol explained in cross-examination that the only available trading pair for LunaX at that time was LunaX/UST, and that he converted his LunaX to UST as a risk management decision, moving from a more volatile asset to one he regarded as relatively more stable. I accept his explanation. His subsequent sale of his entire holdings later that afternoon on 11 May 2022 is the point at which I find him to have lost faith in the representations.

80 On quantum, since the cut-off date is brought forward to 11 May 2022, Permutation 2 does not apply. Mr Spagnol's total eligible UST is 110,458.86 UST, comprising 107,739.31 UST purchased at a total purchase value of US$107,655.26 and 2,719.55 UST earned as yield from staking on the Anchor protocol. By 11 May 2022, Mr Spagnol had sold 108,509.46 UST, realising total sale proceeds of US$41,273.13. A residual balance of 1,949.40 UST remained unsold at the end of 11 May 2022. The residual balance will be treated as having been notionally sold at the average of the opening and closing prices of UST on 11 May 2022 as recorded on CoinMarketCap, being US$0.80025. That yields notional sale proceeds of US$1,560.01. The net damages are therefore US$107,655.26 less US$41,273.13 less US$1,560.01, giving US$64,822.12. I award Mr Spagnol that sum in damages for misrepresentation.

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Mr Mark Eric Burrell

81 Mr Mark Eric Burrell ("Mr Burrell") claims damages of US$294,843.64. He purchased UST between 16 November 2021 and 17 December 2021, depositing substantially all of it into the Anchor Protocol through his Terra wallet for staking purposes. He sold only a small quantity of UST in December 2021 and held the remainder through the depeg period, leaving the majority of his holdings unsold at the Cut-Off Time. His evidence is that he relied on the First to Fifth Representations to purchase UST. His case is that he only read Mr Kwon's 11 May 2022 tweets on 13 May 2022, and that his cut-off should accordingly be extended to 13 May 2022, 2pm UTC, being the end of the 14-hour grace period from that point.

82 On ownership, I accept that Mr Burrell owns both the KuCoin account and the Terra wallet through which his UST transactions were conducted. He adduced a screen recording of himself logging into his KuCoin account via a VPN (KuCoin having restricted access for US citizens), completing two-factor authentication, and exporting transaction records matching those exhibited in his witness statement. He was unable to generate API keys on his KuCoin account because KuCoin no longer offers KYC services to US-based users, which is the prerequisite for generating API keys. I accept that explanation. He also adduced a screen recording of himself logging into his Terra wallet through his Terra Station Chrome extension and displaying the wallet address. The defendants did not seriously challenge the ownership of either account in their submissions. Nor did they adduce positive evidence to suggest that the accounts or wallets belonged to someone else.

83 On reliance, Mr Burrell's evidence is that he accessed the Terra Website at or around October 2021 and continued to access and read it on a daily basis

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between his first purchase of UST on 16 November 2021 and his last purchase on 17 December 2021. He was unable to produce browsing histories because his security settings automatically erase all web and app activity after 90 days. I accept that explanation. His evidence is that he read the Terra White Paper and the "About the Terra Protocol" section of the Terra Website, including the updated version published in November 2021. He also accessed the Anchor White Paper and the Anchor Website in or around October 2021 before deciding to purchase UST.

84 In cross-examination, Mr Burrell accepted that he was unable to recall exactly which parts of the Terra Website he read on each of the 31 days he visited it. He maintained, however, that he had read the First to Third Representations prior to making his first purchase on 16 November 2021. His position, which I accept as credible, is that he went through the whole of the relevant material at some point over those 31 days. Given that he was committing approximately US$300,000, it is wholly believable that he read the source documents carefully and repeatedly before committing that sum. The defendants argue that Mr Burrell had imprecise recollection of which specific part of the website he read on which specific day, and that suggests that he may have only read the representations after his first purchase of UST in November 2021. I do not accept that argument. The question is whether, by the time he made his first purchase, he had seen the relevant representations. I accept his evidence that he had.

85 I am therefore satisfied that Mr Burrell read and understood the First, Second, Third, and Fourth Representations from the Terra White Paper, the Terra Website, the Anchor White Paper, and the Anchor Website respectively. Although Mr Burrell also says he relied on the Fifth Representation, that

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representation has been held in the First Tranche Judgment not to be actionable in misrepresentation.

86 On the cut-off time, Mr Burrell's case is that he did not read Mr Kwon's 11 May 2022 tweets until on or around 13 May 2022. He explains that he still believed in the representations before that point, and considered the price increases between 10 and 11 May 2022 to be an early indicator of the stability mechanism taking hold. He also believed that Terraform would deploy the reserve fund as part of a recovery plan. It was only after reading Mr Kwon's 13 May 2022 tweets, from which he understood that the attempts to address the de-peg had been unsuccessful, that he lost faith in the representations and began taking steps to sell.

87 I do not accept Mr Burrel's argument. Mr Burrell was, by his own evidence, an attentive and diligent investor who read the Terra Website on a daily basis over 31 days before committing US$300,000 to UST. He was monitoring the UST price closely throughout the depeg. I find it difficult to accept that he would not have seen Mr Kwon's 11 May 2022 tweets, which were widely circulated in the crypto community, until two days later. Mr Burrell has provided no positive evidence to explain what he was doing on 11 and 12 May 2022 that would have prevented him from seeing those tweets. A bare assertion that he did not see them until 13 May 2022 is insufficient to displace the default Cut-Off Time.

88 I also note paras 52–53 of Mr Burrell's second witness statement, which originally set out an elaborate explanation of why he was unable to transfer UST out of his Terra wallet during this period, were withdrawn at the commencement of his evidence, after Mr Burrell accepted that the basis for those paragraphs was factually wrong. He had in fact transferred 315,830 UST from his Terra

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wallet to his KuCoin account on 12 May 2022 at 3.37am UTC+8, which is consistent with him having discovered the fraud and taken steps to sell by the default Cut-Off Time. This further undermines his evidence that he was unaware of the scale of the crisis until 13 May 2022. The default Cut-Off Time of 12.01am UTC on 12 May 2022 therefore applies.

89 On quantum, since the default Cut-Off Time applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are close: the claimants' figure is US$108,053.11 and Mr Lim's figure is US$104,551.87. I take the higher of the two figures. I award Mr Burrell US$108,053.11 in damages for misrepresentation.

Mr Cocosatu Mihai

90 Mr Cocosatu claims damages of US$721,320.38. He purchased UST between 14 February 2022 and 14 May 2022. He sold portions of his holdings periodically between February and early May 2022 but held his principal holding through the de-peg period before eventually selling substantially all of his remaining UST on 16 May 2022 at a fraction of its purchase price. His case is that he had relied on the First to Fifth Representations in making his initial purchases of UST on 14 and 15 February 2022, and on all seven representations in making his further purchases on 13 and 14 May 2022. His evidence is that he only lost faith in the representations on 16 May 2022 and is thus seeking a cut-off time of 16 May 2022 at 11.55pm UTC. Additionally, he claims aggravated damages on the basis of high blood pressure, mental anguish, sleep disturbances, depression, and the disruption of two real estate projects.

91 On ownership, I accept Mr Cocosatu's evidence that he owns the accounts and wallets through which he carried out his UST transactions. His Binance account was verified by API keys, and his FTX account and Terra

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wallet were verified by login videos. Although the defendants challenge the sufficiency of API keys due to Binance's policy restricting the lookback period to six months such that the keys could not confirm the February 2022 transactions, I decline to infer from such circumstance that Mr Cocosatu did not own the Binance account. There is a Gate.io account which Mr Cocosatu disclosed during examination-in-chief. He had used that account as an intermediary to transfer 71 UST from Binance to his Terra wallet, but had forgotten about it until shortly before trial when he read Mr Lim's report. The transfer was a small one – 71 UST in, 66 UST out after fees – and the only transaction on that account. I accept Mr Cocosatu's explanation. I find that the Gate.io account does not undermine the integrity of Mr Cocosatu's ownership evidence.

92 On reliance, I find that Mr Cocosatu relied on the First to Fourth Representations in purchasing UST. His evidence is that he accessed the Terra Website and read the Terra White Paper, and accessed the Anchor Website and read the Anchor White Paper, before his first purchase on 14 February 2022. As regards the Sixth Representation, Mr Cocosatu read the LFG Press Release in or around February 2022, after completing his initial purchases on 14 and 15 February 2022. It therefore did not induce those purchases. His evidence is that it reinforced his continued holding of UST thereafter. I accept that evidence.

93 I apply the default Cut-Off Time of 12.01am UTC 12 May 2022. I do not accept Mr Cocosatu's case for an extended cut-off to 16 May 2022 at 11.55pm UTC. Mr Cocosatu's evidence is that he continued to hold faith in the Representations beyond 12 May 2022 because he believed the peg would recover, by analogy to the May 2021 depeg event, and because Mr Kwon's tweets between 9 and 11 May 2022 assured him that a recovery plan was in hand. He says he read those tweets on or around 11 May 2022 at approximately

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2.00pm UTC, but he did not lose faith until reading Mr Kwon's "Terra is more than $UST" tweet on 16 May 2022. However, an assertion of one's belief in the recovery of the peg does not by itself displace the common finding that a reasonable investor reading the entirety of the 11 May 2022 tweets would have appreciated that UST's value was not stable and that the Conceded Representations could not be true.

94 Mr Cocosatu's conduct during this period also does not support his claimed continued belief. Between 13 and 14 May 2022, he was selling UST on FTX at prices ranging from approximately 6 cents to 17 cents on the dollar, and was simultaneously buying small amounts in what he described as a testing exercise to gauge market liquidity. He explained that the sales were of yield income only, made to fund daily living expenses, and that he maintained his principal holding in the expectation of recovery. But his conduct demonstrates that he was well aware by 13 and 14 May 2022 that UST was trading at a fraction of its peg, and that the representations were at that point entirely inconsistent with observable market reality. Accordingly, I find that the default Cut-Off Time of 12.01am UTC 12 May 2022 applies.

95 On aggravated damages, Mr Cocosatu gave evidence of high blood pressure, irritable bowel syndrome, gastritis, persistent anxiety, sleep disturbances, depression, and the disruption of two real estate projects. However, he provided no documentary evidence – no medical records, no expert evidence, and no documents relating to the real estate projects. Mr Cocosatu may have suffered genuine and serious distress as a result of losing his entire life savings, but based on the evidence before me, I find that he has not established mental distress of a character sufficient to ground an award of aggravated damages.

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96 On quantum, since the default Cut-Off Time applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures differ: the claimants' figure is US$302,858.85 and Mr Lim's figure is US$283,525.55. I take the higher of the two figures. I award Mr Cocosatu US$302,858.85 in damages for misrepresentation.

Dr Tiffany Laura Gourley

97 Dr Tiffany Laura Gourley ("Dr Gourley") claims damages of US$108,555.22. She purchased UST between 17 March 2021 and 11 May 2022, depositing a substantial portion into the Anchor Protocol for staking purposes. In addition, she ran an automated grid bot on KuCoin using a Matic/UST trading pair, which generated a large volume of small high-frequency trades. She sold portions of her holdings before the default Cut-Off Time but held the remainder, eventually selling her residual UST holdings on 29 June 2022 at a significantly reduced price. Her case is that she relied on the First to Sixth Representations in making her UST purchases between 17 March 2021 and 11 May 2022, and on all seven representations in making her further purchases between 12 and 14 May 2022. She contends that she lost faith in the representations only on 13 May 2022 at 11.30pm UTC after reading Mr Kwon's tweets, and on that basis seeks an extension of the default Cut-Off Time.

98 On ownership, I accept Dr Gourley's evidence that she owns her accounts and wallets. Her Terra wallet, Binance account, and KuCoin account were all verified through her Crypto Loss Claims ("CLC") submission in Terraform's Chapter 11 bankruptcy proceedings, which accepted her verification of those accounts and the authenticity of the trade records extracted from them, together with API keys for both centralised exchange accounts. The defendants did not challenge her evidence on ownership.

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99 On reliance, I find that Dr Gourley relied on the First Representation to Fourth Representations and the Sixth Representation in purchasing UST. Her evidence is that she had accessed the Terra Website and read the Terra White Paper in or around February 2021 before making her first purchase on 17 March 2021. She likewise accessed the Anchor Website and read the Anchor White Paper before purchasing UST, and read the LFG Press Release on or around 22 February 2022. For the Sixth Representation, Dr Gourley's evidence is that she read the LFG Press Release on 22 February 2022, which post-dated her initial purchases in March 2021. The Sixth Representation therefore did not induce her initial purchases, but reinforced her continued holding and, together with the other actionable representations, her later purchases through to 11 May 2022. I accept her explanation that she could not produce browsing history records due to her practice of regularly clearing her history for security reasons.

100 I do not accept the defendants' challenge that Dr Gourley's did not rely on the Terra Representation as she only cited the Terra White Paper and not the Terra Website as the source of those representations. I also do not accept the argument that Dr Gourley did not rely on the Terra Representations as she was not aware of the specific cryptocurrency TerraSDR mentioned in section 2.1 of the Terra White Paper. Dr Gourley's evidence is that she understood TerraSDR as representing a basket of fiat-currency-pegged cryptocurrencies of which UST was one. She also understood that UST was a stablecoin pegged to the US dollar, that the LUNA-UST arbitrage mechanism would ensure that UST remained stable through all market conditions regardless of size, volatility or demand, and that she would always be able to exchange 1 UST for 1 US dollar's worth of LUNA. She further understood that the stability mechanism had been designed to withstand Bitcoin-level volatility, by which she meant that unlike Bitcoin, which was subject to speculative price swings, UST would be kept stable through the protocol's supply and demand adjustments and the arbitrage process

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with LUNA. In my view, her evidence is sufficient to establish reliance on the Terra Representations.

101 On the applicable Cut-Off Time, I apply the default Cut-Off Time of 12.01am UTC 12 May 2022. I do not accept Dr Gourley's case for an extended cut-off to 13 May 2022 at 11.30pm UTC. Dr Gourley's case rests on two propositions: first, that she genuinely continued to believe that UST would repeg until she read Mr Kwon's 13 May 2022 tweets; and second, that she was on holiday in Byron Bay, New South Wales between 8 and 14 May 2022 with limited access to the internet, which prevented her from selling earlier. I reject both propositions.

102 As to Dr Gourley's continued belief in a repeg, hope for a recovery is not sufficient to displace the Cut-Off Time. As to the holiday, her evidence that she was in Byron Bay with intermittent internet access is uncorroborated. No accommodation receipts, travel records, credit card statements, or any other documentary evidence was produced. More fundamentally, her own evidence demonstrates that, whatever the limitations of access, she used the internet during that period to unstake her UST from the Anchor Protocol on 10 May 2022 and to transfer UST to FTX on 11 May 2022. Having done so, she cannot credibly maintain that she was practically unable to sell. I therefore reject the holiday as a basis for extending the cut-off time.

103 Additionally, Dr Gourley was running an automated grid bot on KuCoin trading in the Matic/UST pair. The bot was set up on the premise that UST was a stablecoin which is what gave the Matic/UST pairing its utility. Once UST depegged dramatically from 7 May 2022 onwards, UST was no longer fulfilling the stable function it was designed to play in the grid bot. A prudent investor who understood the basis on which the bot was configured would have

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recognised immediately that the premise underlying the bot had collapsed and would have shut it off. Dr Gourley's explanation is that she just did not touch the bot settings between starting it in January 2022 and stopping it on 14 May 2022. I do not think these are special circumstances warranting departure from the default Cut-Off Time. Unlike claimants whose UST was locked in a protocol or exchange and who were therefore physically unable to sell, Dr Gourley was not prevented from stopping the bot. Accordingly, the losses sustained from the bot's continued trading after the default Cut-Off Time were not caused by the misrepresentations but by Dr Gourley's own decision not to stop the bot.

104 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures differ: the claimants' figure is US$44,655.16 and Mr Lim's figure is US$32,273.69. I take the higher of the two figures. I award Dr Gourley US$44,655.16 in damages for misrepresentation.

Mr Lam Chung Fan

105 Mr Lam claims damages of US$109,667.08. He purchased UST on Binance in April 2022, and earned yield from staking on the Anchor protocol and Aperture Finance ("Aperture"). After purchasing his UST, he deposited substantially all of it first into the Anchor protocol and then, within three days, transferred it into Aperture, a yield-generating platform that allowed him to invest his UST in the US stock market. He made a further purchase of UST on 12 May 2022 during the depeg period. His case is that he relied on the First to Sixth Representations in making his initial purchases, and on all seven representations in making his further purchase on 12 May 2022. He contends that he was unable to withdraw all of his UST from Aperture by the default Cut-Off Time due to a technical bug in the Aperture mirror lock contract that

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prevented withdrawals, and on that basis seeks an extended Cut-Off Time to 16 May 2022 at 11.39am UTC on 16 May 2022, being the time at which he finally managed to withdraw his remaining UST from Aperture.

106 On ownership, I accept Mr Lam's evidence of ownership over his accounts and wallets. His Terra wallet was verified through his CLC submission in Terraform's Chapter 11 bankruptcy proceedings. His Binance account was verified by API keys provided with his first witness statement. The defendants did not challenge his evidence on ownership.

107 On reliance, I find that Mr Lam relied on the First to Fourth Representations, and the Sixth Representation in purchasing UST. His evidence is that he accessed the Terra Website and read the Terra White Paper on or about 8 January 2022, and accessed the Anchor Website and read the Anchor White Paper on or about the same date. This was corroborated by his Google "My Activity" records showing searches for Terra-related topics on 8 January 2022 and for the Anchor Website on 5 April 2022. He did not make his first purchase until 15 April 2022, some three months later, explaining that he wished to observe the reliability of the Terra ecosystem and the Anchor Protocol before committing his savings. For the Sixth Representation, Mr Lam read the LFG Press Release on or around 22 March 2022, before his first purchase on 15 April 2022, and it reinforced his belief in the stability of UST.

108 On the applicable Cut-Off Time, Mr Lam's situation requires separate analysis of two portions of his UST holdings: (1) the UST he had withdrawn from Aperture by the default Cut-Off Time and was free to sell, and (2) the UST that remained locked in Aperture due to the technical bug. As to the UST he had withdrawn from Aperture, I find that Mr Lam engaged in swing trading from the early hours of 12 May 2022. His own evidence is, in substance, a description

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of swing trading. Between approximately 4am and 11am UTC on 12 May 2022, he sold his first batch of UST at approximately US$0.60 and immediately rebought at approximately US$0.50, sold his entire position again at approximately US$0.50 and repurchased at approximately US$0.485, and then sold again when the price dropped to approximately US$0.36, before rebuying once more when the price rose to approximately US$0.48. By his own account, he was buying when UST swung down and selling on rises, in order to "take advantage from the temporary decrease in the price of UST to accumulate more UST and make a profit when the price of UST recovers". Such conduct of swing trading cannot be said to be done in reliance on the representations. The applicable cut-off time is hence brought forward to the commencement of his first buy-and-sell cycle on 12 May 2022. The swing trades thereafter are not recoverable, since those transactions were speculative in nature and not made in reliance on the representations.

109 As to the approximately 30,779.62 UST that remained locked in Aperture due to the technical bug and could not be withdrawn until 11.39am UTC on 16 May 2022, a different analysis applies. The swing trading analysis does not apply to this portion because Mr Lam was physically incapable of selling it regardless of what he chose to do. Mr Lam's evidence of the technical difficulties is corroborated by screenshots of announcements on the Aperture Discord channel showing that the platform's mirror lock contract was experiencing a bug or liquidity issues on both 11 and 13 May 2022 that were preventing or creating friction for withdrawals. The defendants challenged these screenshots on the basis that the identity of the person posting, referred to as McDavid, could not be verified. I do not accept that argument. Mr Lam's evidence was that McDavid held an elevated role in the Discord channel, indicated by a special colour assigned to his name, suggesting he was one of the key persons or developers of the Aperture programme with actual knowledge

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of whether the platform was experiencing problems. Mr Lam also furnished evidence that the Aperture Discord announcements were corroborated by a Reddit post from another user experiencing similar withdrawal difficulties during the same period, showing that the problem Mr Lam encountered was not isolated to him. I am accordingly satisfied that Mr Lam genuinely encountered significant technical obstacles to withdrawing his remaining UST from Aperture during the relevant period, and that those obstacles were beyond his control.

110 The defendants argue that Mr Lam was able to withdraw 115,000 UST before the Cut-Off Time, which shows he could have withdrawn more had he chosen to. I do not accept this challenge. Mr Lam's evidence is that spent hours persistently attempting withdrawals and managed to extract funds only through sustained effort and, as he described it, an element of luck in timing his attempts to coincide with moments when the contract had sufficient funds available. The fact that he succeeded in withdrawing some funds does not mean he could have withdrawn all of them. His evidence is that two of the six positions remained locked throughout 12 and 13 May 2022, and were only released on 16 May 2022. I accept his explanation. An extended Cut-Off Time of 11.39am UTC on 16 May 2022 applies to this portion.

111 On quantum, because Mr Lam chose to engage in swing trading from the early hours of 12 May 2022 in respect of the UST he had withdrawn from Aperture, the gains and losses from those swing trades are excluded entirely. The cut-off for this portion is accordingly brought forward to approximately 4am UTC on 12 May 2022, immediately before his first swing trade commenced. The UST held at that point is notionally sold at the CoinGecko hourly price of UST prevailing at that time, which is US$0.71534. In addition, he can recover the net loss on the 30,779.62 UST that remained locked in

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Aperture until 11.39am UTC on 16 May 2022. That portion is notionally sold at the cut-off price of US$0.085021 applicable at 11.39am UTC on 16 May 2022 based on the CoinGecko hourly price of UST. The parties have not provided me with a figure for damages calculated on this basis. I accordingly request the parties to agree a figure for damages based on the foregoing. If the parties are unable to agree, they are to submit a joint memorandum within 14 days of this judgment, succinctly setting out their competing figures for Mr Lam and the reasons for any disagreement.

Mr Tan E-Wen Timothy

112 Mr Tan claims damages of US$106,115.81. He purchased UST on Binance between 23 February 2022 and 22 April 2022, depositing substantially all of it into the Anchor Protocol and FTX for staking purposes, and earning yield on both platforms. He sold almost all of his UST holdings on 11 May 2022 after losing faith in the Representations, retaining only a negligible residual balance. His case is that he relied on the First to Sixth Representation in purchasing and holding UST. He does not seek an extended Cut-Off Time.

113 On ownership, I accept Mr Tan's evidence that he owns his accounts and wallets. His Terra wallet was verified through his CLC submission in Terraform's Chapter 11 bankruptcy proceedings. His Binance account and FTX account were each verified by login screen recordings showing his name, date of birth, and identification details. The defendants did not challenge Mr Tan's evidence on ownership.

114 On reliance, I find that Mr Tan relied on the First to Fourth Representations and the Sixth Representation in purchasing UST. The defendants' challenge to reliance rests on two points: first, that Mr Tan's professional background as a cryptocurrency analyst who spent over a year

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reviewing white papers means he is precisely the type of investor who would have read the fine print and not relied on the representations at face value; and second, that he admitted to having briefly read the Anchor TOS, which contained a clause under the heading "No Professional Advice" contemplating the possibility of UST going to zero, which should have caused him to doubt the representations.

115 I do not accept either argument. Mr Tan's professional background as an analyst does not raise the bar for reliance beyond what the subjective standard requires. The test is whether he in fact believed in and relied upon the Representations, not whether a reasonable person in his position would have done more due diligence. Mr Tan's evidence was that he read the Terra Website, the Terra White Paper, the Anchor Website and the Anchor White Paper before purchasing UST, and that the representations contained in those documents induced him to purchase. The fact that a more sceptical analyst might have looked harder for contrary information does not mean Mr Tan did not genuinely believe what he read. It is no defence that the claimant ought to have acted with greater care or taken the steps that a more prudent person would have taken.

116 On the second point, merely reading boilerplate terms of service disclosures found in the Anchor TOS does not negate reliance when it comes to fraudulent misrepresentation.

117 On the applicable Cut-Off Time, Mr Tan lost faith in the representations on 11 May 2022 and sold almost all of his UST holdings that day, retaining only a residual balance of 6.11 UST. The cut-off is accordingly brought forward to 11 May 2022, being the date on which Mr Tan's reliance is found to have ended. The default Cut-Off does not apply.

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118 On quantum, since the cut-off date is brought forward to 11 May 2022, Permutation 2 does not apply. Mr Tan's total eligible UST is 178,827.11, comprising 175,537.00 UST purchased at a total purchase value of US$175,977.85 and 3,290.11 UST earned as yield. He sold 175,821.00 UST on 11 May 2022, yielding US$73,161.55. Only the negligible residual balance of 6.11 UST remaining at the Cut-Off Time is treated as notionally sold. The average price of UST on 11 May 2022 was US$0.80025. Thus, the notional sale value of the remaining UST sold on 11 May 2022 is US$4.88953. The total amount recoverable is US$175,977.85, less US$73,161.55 and US$4.88953, giving the rounded figure of US$102,811.41. I award Mr Tan that sum in damages for misrepresentation.

Ms Karen Soo Kyung Moon

119 Ms Moon claims damages of US$83,852.56. She purchased UST on Coinbase and KuCoin between 13 February 2022 and 9 May 2022, transferring substantially all of it to her Terra wallet for staking on the Anchor Protocol to earn yield. Her case is that she relied on the First to Sixth Representations in purchasing and holding UST. She contends that she lost faith in the representations around 13 May 2022 and that she was unable to sell the bulk of her UST holdings by the default Cut-Off Time because KuCoin had suspended its Terra services and the Terra blockchain had been halted during the critical period. Ms Moon thus seeks an extended Cut-Off Time to 13 May 2022, 8.48pm UTC which is the timing of Ms Moon's first sale of UST on Coinbase after she discovered that the Conceded Representations were false.

120 On ownership, I accept Ms Moon's evidence of ownership of her accounts and wallets. Her Terra wallet was verified through her CLC submission in Terraform's Chapter 11 bankruptcy proceedings. Her Coinbase

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and KuCoin accounts were each verified by login screen recordings showing her personal information including her name, email address, and residential address. The defendants did not challenge her evidence on ownership.

121 On reliance, the defendants submit that Ms Moon gave "evasive and unintelligible responses" in cross-examination, and that her evidence revealed that the real reason she bought UST was her general understanding of how cryptocurrencies were being adopted by governments around the world rather than the representations. They also point to her explanation of section 2.1 of the Terra White Paper in which she initially said she thought TerraSDR and UST were "all kind of together", and her answer in which she spoke about an unrelated topic of Venezuela and developing economies when asked about section 2.5 of the Terra White Paper.

122 I do not accept the defendants' argument. Ms Moon's evidence is that she understood UST to be the token pegged to the US dollar and that she had focused on that aspect of the White Paper when making her investment decision. Her answer on what she understood from section 2.5 of the Terra White Paper was a broad one about why she found the concept of algorithmically stable currencies interesting from a macro perspective. But this reflects the way a non-technical investor, approaching a white paper from a commercial rather than a coding perspective, might think about what they were reading. More importantly, Ms Moon gave careful and detailed evidence of her extensive research into UST before purchasing it. She read the Terra Website, the Terra White Paper, the Anchor Website and the Anchor White Paper. She created notes and research documents based on these sources and concluded that the information in those sources was sufficient for her to rely upon to purchase UST. On the evidence, I am convinced that she relied on the First to Fourth Representations, and Sixth Representation to purchase UST.

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123 On the applicable cut-off time, Ms Moon's evidence is that she lost faith in the Representations around 13 May 2022, when the decline in UST's value went past the point she considered recoverable and when she became aware that the Terra-LUNA network had been disabled. She contends that even before she lost faith, she was unable to transfer UST from her Terra wallet to KuCoin to sell it because KuCoin had suspended its Terra services at 3.19pm UTC on 11 May 2022, more than eight hours before the default Cut-Off Time, and the Terra blockchain was subsequently halted twice during the critical period.

124 I do not accept Ms Moon's argument that an extended Cut-Off Time ought to apply to her. The KuCoin announcements relied upon by Ms Moon refer to the suspension of withdrawal services for LUNA tokens, not UST. This was accepted by Ms Moon in cross-examination. The evidence does not establish that KuCoin suspended deposits or withdrawals of UST itself at or before the default Cut-Off Time. Further, even if Ms Moon had difficulties transferring UST from her Terra wallet to KuCoin at the relevant time, she has failed to establish that she could not have transferred her UST to Coinbase instead. Ms Moon acknowledged in cross-examination that she had a Coinbase account, that she actually sold a small amount of UST on Coinbase on 13 May 2022 from UST she retained there, and that she was uncertain whether she had tried to transfer UST from her Terra wallet to Coinbase. Given that Ms Moon offered no evidence that she attempted to transfer her UST from her Terra wallet to Coinbase before the default Cut-Off Time, I am not satisfied that she was physically prevented from selling her UST by the default Cut-Off Time. This is not a case, unlike Mr Lam's locked position in Aperture, where the UST was physically inaccessible regardless of what steps the claimant took. I apply the default Cut-Off Time.

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125 On aggravated damages, Ms Moon gave evidence of significant personal distress following the collapse of UST, including suicidal thoughts, severe anxiety and insomnia during the period from May 2022 to August 2023 when she was repaying the personal loan she had taken out to invest in UST. However, no medical or psychological evidence was produced in support of her claim. While an absence of medical records is not invariably fatal to a claim for aggravated damages, on the evidence, I am not satisfied that aggravated damages should be awarded.

126 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are the same at US$35,833.99. I award Ms Moon US$35,833.99 in damages for misrepresentation.

Mr Yuji Hoshi

127 Mr Yuji Hoshi ("Mr Hoshi") claims damages of US$60,558.50. He purchased UST on Binance, FTX and Hodlnaut between 6 April 2022 and 9 May 2022, earning UST as yield from staking on Anchor and as interest on Hodlnaut. He deposited substantially all of his UST into the Anchor Protocol and Hodlnaut. He did not sell any of his UST before or after the depeg. His case is that he relied on the Terra Representations and the Sixth Representation in purchasing and holding UST, and that he continued to believe that the peg would recover until 16 May 2022 when Mr Kwon's tweets announcing Terra 2.0 finally caused him to lose faith. He therefore seeks an extended Cut-Off Time to 16 May 2022 at 5.48pm UTC after reading Mr Kwon's 16 May 2022 tweets.

128 On ownership, I accept Mr Hoshi's evidence of ownership of his accounts. His Binance account was verified by API keys and a login screen

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recording. His Terra wallet was verified by a login video showing the matching wallet address. His Hodlnaut account was verified by a login screen recording. For his FTX account, Mr Hoshi was unable to log into FTX when recording the ownership video because FTX's customer portal had been disabled following its bankruptcy. He acknowledged in cross-examination that he did not contact FTX support to obtain account details, explaining that he had no money remaining in his FTX account by 2025 and did not think it worth the trouble. I accept his explanation and decline to draw an adverse inference that the FTX account did not belong to him. On the evidence, I am satisfied that Mr Hoshi owned the above accounts and wallets.

129 On reliance, I accept that Mr Hoshi relied on the Terra Representations and the Sixth Representation in purchasing UST. He read the Terra Website, the Terra White Paper and the LFG Press Release before making his first purchase on 6 April 2022.

130 On the applicable Cut-Off Time, Mr Hoshi's case is that he continued to believe in the representations until 16 May 2022 at around 5.48pm UTC, when Mr Kwon tweeted about Terra 2.0 and made clear that the new ecosystem would not include UST. Before that point, he says he genuinely believed UST would repeg, pointing to the substantial reserve fund backing UST and the brief price recoveries on 10 and 11 May 2022.

131 A reasonable investor would have appreciated by the default Cut-Off Time that the stability algorithm was not working as represented and that the Conceded Representations were false. A belief that UST will repeg does not displace this finding. I therefore apply the default Cut-Off Time of 12.01am UTC 12 May 2022.

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132 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. Mr Hoshi sold no UST before the Cut-Off Time, so his entire eligible holdings are treated as notionally sold at the Cut-Off Price. The parties' Permutation 2 figures differ: the claimants' figure is US$24,479.18 and Mr Lim's figure is US$23,141.06. I take the higher of the two figures. I award Mr Hoshi US$24,479.18 in damages for misrepresentation.

Mr Matthew James Mezger

133 Mr Matthew James Mezger ("Mr Mezger") claims damages of US$211,926.71. He purchased UST on Coinbase and KuCoin between 3 February 2022 and 12 May 2022, and staked the UST on the Anchor Protocol to earn yield. His case is that he relied on the First to Fifth Representations in purchasing UST, and additionally on the Seventh Representation in making a small further purchase on 12 May 2022. Mr Mezger sold only a small portion before the depeg. He did not sell the bulk of his holdings until June 2022 and thereafter, by which point UST had collapsed to a fraction of its original value. Mr Mezger seeks an extended Cut-Off Time being 13 May 2022, 11.59pm UTC being the date on which he arrived home from work, checked the price of UST, and read Mr Kwon's tweets of that evening signalling that UST in its current form could not be saved.

134 On ownership, I accept Mr Mezger's evidence that he owns his accounts and wallets. His Terra wallet was verified through his CLC submission. His Coinbase and KuCoin accounts were each verified by login screen recordings showing his personal details including his name, email address, phone number, residential address and date of birth. The defendants did not challenge his evidence on ownership.

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135 On reliance, the defendants advance two challenges. First, that given his extensive professional background in financial markets, Mr Mezger always appreciated the risks inherent in trading an algorithmic stablecoin and therefore cannot have genuinely believed the representations guaranteed the peg would be maintained in all market conditions. Second, he did not understand that UST was uncollateralised. He insisted in cross-examination that UST had some collateral behind it, based on his understanding of the May 2021 depeg and that this fundamentally undermines the credibility of his evidence, since it contradicts his own pleaded case that he understood and relied on the algorithm alone.

136 However, the question is not whether Mr Mezger had a technical understanding of how UST worked, or whether he appreciated in the abstract that some outlier risk existed. The question is whether the representations were present in his mind when he purchased UST, and whether they induced him to do so. I am satisfied they were. Mr Mezger's evidence in cross-examination was that the Terra Representations gave him confidence in the Terra protocol, and that the representations about stability were one factor, alongside the attractive yield, that led him to purchase. That is sufficient for reliance to be made out. The fact that he also appreciated there was some risk does not negate the fact that he relied on the representations. The defendants themselves conceded that representations were fraudulently made. A fraudster typically counts on investors accepting such representations at face value, notwithstanding an awareness of market risk. I find that reliance on the First to Fourth Representations is made out.

137 On the applicable Cut-Off Time, Mr Mezger's evidence is that he lost faith in the representations only on the evening of 13 May 2022, after returning home from work and reading Mr Kwon's tweet at 10.15pm UTC on 13 May

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2022. Mr Kwon stated that it was clear that UST in its current form would not become the decentralised money that decentralised economies deserved. Before that point, he says he continued to believe that the peg would recover, relying on the May 2021 precedent, Mr Kwon's tweets promising a recovery plan, and his awareness that LFG had accumulated substantial reserves by May 2022.

138 However, as the Court of Appeal affirmed from my holding in the First Tranche Judgment, the May 2021 depeg and recovery cannot provide a reasonable basis for a claimant to continue believing in the Representations beyond the default Cut-Off Time. The May 2021 depeg saw UST fall to approximately 92 cents before recovering within days. By contrast, by 11 May 2022 UST had fallen to a low of approximately 30 cents on the dollar – a collapse of an entirely different order of magnitude. Mr. Metzger's belief in the possibility of a repeg does not displace the finding that a reasonable investor, reading Mr Kwon's 11 May 2022 tweets against the backdrop of volatility and steep decline in UST, would have appreciated that the represented stability mechanism was not functioning. The May 2021 precedent offered no meaningful precedent to what was happening in May 2022.

139 Mr Mezger also claims that he was unable to monitor developments closely because he was on holiday in Miami and the Florida Keys, and did not have access to his desktop computer. I do not accept this as a valid reason for extending the applicable Cut-Off Time. Mr Mezger accepted that he was checking prices *ad hoc* on his phone during the holiday period, and that he purchased more UST on 9 May 2022 on the Coinbase mobile app at approximately 88.5 cents on the dollar. The fact that he was able to buy more UST on his phone means he was also in a position to sell. His evidence that he could not access the Anchor Protocol on his phone does not explain why he could not have sold UST holdings held on Coinbase or KuCoin through his

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phone during the same period. I therefore apply the default Cut-Off Time of 12.01am UTC 12 May 2022.

140 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are the same at US$80,200.22. I award Mr Mezger US$80,200.22 in damages for misrepresentation.

Dr Tobias Speerschneider

141 Dr Tobias Speerschneider ("Dr Speerschneider") claims damages of US$142,729.98. He purchased UST on Kraken and Binance between 15 April 2022 and 26 April 2022, depositing substantially all of it into the Anchor Protocol to earn yield. He did not sell any UST until 8 June 2022, by which point UST had fallen to a mere fraction of its purchase value. His case is that he relied on the First to Fifth Representations in purchasing and holding UST. He contends that he continued to believe in the representations well beyond the default Cut-Off Time. On that basis he seeks an extended Cut-Off Time of 8 June 2022 at 5.13am UTC, being the time of his first sale of UST after he says he finally lost faith in the representations.

142 On ownership, I accept Dr Speerschneider's evidence that he owns his accounts and wallets. His Terra wallet was verified by a login screen recording. His Binance and Kraken accounts were each verified by API keys provided to the defendants. The defendants did not challenge his evidence on ownership.

143 The defendants suggest that Dr Speerschneider never genuinely understood or relied on the representations as pleaded when purchasing UST. That is because he accepted that the algorithm was subject to market forces, that there was always some risk in holding UST, and that the peg could not be

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guaranteed regardless of all market conditions or volatility. I do not accept this argument. A subjective standard applies. It is no defence that a claimant acted incautiously or failed to take steps a prudent investor would have taken. The question is whether the representations were present in Dr Speerschneider's mind and whether they induced him to purchase UST. He conceded that UST was subject to market forces and that he understood there was always some risk. However, these concessions must be read in context. Dr Speerschneider also said in cross-examination that he trusted the algorithm, that he did not consider at the time of purchase that it had any defects or faults, and that his decision to purchase was a combination of the stability representations and the attractive yield. That is sufficient for reliance to be made out. I accept that Dr Speerschneider's evidence that he read the Terra Website, the Terra White Paper and the Anchor White Paper before purchasing UST, and those representations induced him to buy UST. I find reliance on the First to Fourth Representations made out. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

144 On the applicable Cut-Off Time, Dr Speerschneider's case is that he only lost faith in the Representations on 8 June 2022, when he finally sold his UST. He contends that between the default Cut-Off Time and 8 June 2022, he continued to believe the peg would recover based on the May 2021 precedent, the brief partial price recoveries he observed, Mr Kwon's tweets, and LFG's 16 May 2022 tweet suggesting compensation might be available to holders. I do not accept his argument. I have already found that a reasonable investor who read Mr Kwon's 11 May 2022 tweets on that day would have appreciated by the default Cut-Off Time that the Conceded Representations were false. Dr Speerschneider accepted in cross-examination that he was closely following Mr Kwon's tweets between 9 and 11 May 2022, and that he read all of them at the

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time. He acknowledged that Mr Kwon's 11 May 2022 tweets showed a need to tinker with the mechanism and that the mechanism was not working.

145 More significantly, Dr Speerschneider accepted in cross-examination that he withdrew all his UST from the Anchor Protocol on 13 May 2022 because he was worried about what was happening with his holdings on the Anchor platform. He accepted that this withdrawal was motivated by a fear that he would not be able to retrieve his funds if something happened to the Anchor Protocol, which itself was run by Terraform. That is the conduct of someone who has lost faith. As for the LFG 16 May 2022 tweet, Dr Speerschneider accepted in cross-examination that holding onto UST in anticipation of compensation from LFG was not in reliance on any of the representations, and that LFG's suggestion of compensation must have contemplated that UST would not recover its value. He accepted that, by the time he read that tweet, he could no longer rely on the representations. I therefore apply the default Cut-Off Time of 12.01am UTC 12 May 2022.

146 On quantum, since the default Cut-Off Time applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures differ materially: the claimants' figure is US$56,363.34 and Mr Lim's figure is US$5,533.49. The discrepancy is significant. From Mr. Lim's cross-examination, it emerged that his script was prone to treating outflow transactions to unidentified wallet addresses as sales, even where those transactions were in fact internal transfers between a claimant's own accounts. It also emerged that manual extraction errors during the conversion of PDF logs to machine-readable format occasionally caused timestamps to be truncated, resulting in post-cut-off purchases being incorrectly included as eligible purchases and inflating the mitigation sale amount. Either or both of these errors could account for the discrepancy in Dr Speerschneider's case. Dr Speerschneider sold no UST before

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the Cut-Off Time, and his entire eligible holdings are to be notionally sold at the Cut-Off Price. On that basis, and given the identified limitations of Mr Lim's script, I prefer the claimants' figure. I award Dr Speerschneider US$56,363.34 in damages for misrepresentation.

Mr Owen Vernon Henry

147 Mr Owen Vernon Henry ("Mr Henry") claims damages of US$156,209.21 for misrepresentation. He purchased UST on KuCoin and through his Terra wallet between 26 December 2021 and 19 April 2022. He deposited the UST into the Anchor Protocol to earn yield. His case is that he relied on the First to Fifth Representations in purchasing and holding UST. He contends that he continued to believe in the representations beyond the default Cut-Off Time. On that basis he seeks an extended Cut-Off Time of 13 May 2022 at 10.15pm UTC, being the time at which he read Mr Kwon's tweets admitting that UST in its current form could not be saved.

148 On ownership, I accept Mr Henry's evidence that his account and wallet belong to him. Mr Henry's Terra wallet was verified through his CLC submission and his KuCoin account was verified by API keys. The defendants query ownership of the KuCoin account on the basis that Mr Henry did not include it in his CLC submission, even though the CLC form called for the submission of centralised exchange account details. I decline to draw an adverse inference and accept the API keys as proof of ownership of his KuCoin account.

149 On reliance, I accept that Mr Henry relied on the First to Fourth Representations in purchasing UST. He read the Terra Website and the Terra White Paper before making his first purchase in December 2021. The defendants challenged the adequacy of certain passages in the Terra White Paper to support the representations as pleaded. But Mr Henry was not reading

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those passages in isolation. His evidence was that he drew inferences and conclusions from the White Paper as a whole, and that stable mining demand was a core requirement for the security and stability of the Terra ecosystem. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

150 On the applicable Cut-Off Time, Mr Henry contends that he continued to believe in the representations beyond the default Cut-Off Time because Mr Kwon's 10 and 11 May 2022 tweets set out a concrete plan to restore the peg by doubling the SDR base pool and halving the pool recovery block time. He understood that such steps would accelerate the minting of LUNA and the burning of UST, and thereby restore the peg. As I found in the First Tranche Judgment at [109], a reasonable investor who read Mr Kwon's 11 May 2022 tweets on that day would have appreciated by the default Cut-Off Time that the representations were false. The fact that Mr Henry drew a different and more optimistic inference from those same tweets does not displace the fact that by the Cut-Off Time it was plain that UST was not stable, the depeg with Luna and the US dollar was not guaranteed, and remedial steps (as Mr Henry on his own evidence appreciated) were needed.

151 On quantum, since the default Cut-Off Time applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are close: the claimants' figure is US$53,276.90 and Mr Lim's figure is US$56,409.61. I take the higher of the two figures. I award Mr Henry US$56,409.61 in damages for misrepresentation.

Mr Neo Ming Feng

152 Mr Neo claims damages of US$118,933.59. He purchased UST on Osmosis DEX, KuCoin, Binance and Kraken between 5 November 2021 and 10 May 2022. After purchasing UST, he deposited a portion into the Anchor

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Protocol and deposited another portion into the OSMO-UST liquidity pool on the Osmosis decentralised exchange between 5 November 2021 and 28 December 2021 to earn yield. His case is that he relied on the First to Sixth Representations in purchasing and holding UST. He contends that he only lost faith in the representations on 14 May 2022 after reading Mr Kwon's 13 May 2022 tweets, and seeks an extended Cut-Off Time accordingly. He also contends that a further extended cut-off should apply to the portion of the UST that was locked in the OSMO-UST liquidity pool, which was subject to a 14-day unlock period from the date of any withdrawal request.

153 On ownership, I accept Mr Neo's evidence that he owns the accounts and wallets. His ownership of his Terra wallet was verified by a screen recording of him logging in. His Osmosis wallet was verified through his CLC submission. His KuCoin, Binance, and Kraken accounts were each verified by API keys. The defendants did not challenge his evidence on ownership.

154 On reliance, the defendants contend that Mr Neo did not genuinely understand or rely on the representations as pleaded, because in cross-examination he struggled to explain the distinction between user-driven arbitrage and the algorithm operating automatically. In particular, he initially denied that users could directly mint or burn LUNA, saying that was done by the algorithm itself, which appeared to contradict his own witness statement where he described the mechanism as users trading US$1 of LUNA for 1 UST and a resulting burn and mint process. I do not accept the defendants' argument. Mr Neo's understanding was that users could trade US$1 of LUNA for 1 UST through the protocol and, when such trade was carried out, the mechanism would automatically burn LUNA and mint UST. Thus, the mechanism itself performed the burn and mint, triggered by the user's trade. I accept his explanation of his understanding of the Terra Website and Terra White Paper.

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155 Mr Neo's evidence is that he read the Terra Website and Terra White Paper before purchasing UST, trusted the stability mechanism as described, and believed the May 2021 recovery demonstrated the protocol worked. The stability of UST, combined with the attractive yield, drove his decision to buy. He confirmed in re-examination that the reason he purchased UST, despite acknowledging some risk, was that he had read the representations and believed them. That is sufficient for reliance to be made out.

156 On the applicable Cut-Off Time, for Mr Neo's UST held on Binance, I apply the default Cut-Off Time. As I found in the First Tranche Judgment and as was affirmed by the Court of Appeal, a reasonable investor who read Mr Kwon's 11 May 2022 tweets on that day would have appreciated by the default Cut-Off Time that the Representations were false. Mr Neo accepted in cross-examination that he could have sold his UST on Binance on 12 May 2022 at approximately US$0.60485. Mr Neo's evidence that Binance suspended withdrawals therefore does not assist him in establishing an extended Cut-Off Time for his Binance holdings as he could have sold his UST.

157 For the 45,592.47 UST that Mr Neo ultimately withdrew from the OSMO-UST liquidity pool on 16 May 2022, I apply a different analysis. On Mr Neo's evidence, this amount of UST had been deposited into the liquidity pool between 5 November 2021 and 28 December 2021, and was subject to a 14-day unlock period from the date any withdrawal was initiated. The defendants contend that Mr Neo's inability to sell this UST by the default Cut-Off Time was the result of his own conduct in choosing to deposit it into the Osmosis liquidity pool rather than the Anchor Protocol, and that this choice breaks the chain of causation. I do not accept this. Mr Neo's evidence was that he deposited UST into the Osmosis liquidity pool because it offered a higher rate of return than the Anchor Protocol. Because he believed in the stability of UST as a store

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of value, he would regularly convert the Osmosis tokens he received as yield back into UST to lock in their value. His decision to invest his UST in a manner consistent with his belief in its stability, is directly referable to the representations. Had the representations been true and UST remained stable, the locked UST would have retained its full value throughout the unlock period. It was the fraudulent misrepresentation of UST's stability that caused the locked position to be worth only a fraction of its purchase price by the time the UST deposited could be withdrawn. The lock-in period prevented Mr Neo from mitigating his loss once the falsity of the representations became apparent. As I observe in the First Tranche Judgment, for fraudulent misrepresentation, it is sufficient that the representation was a cause of loss, not the only cause.

158 The 14-day lock-in period is a special circumstance that affects when Mr Neo could realistically have sold this portion of his holdings. The question is what extended Cut-Off Time should apply. Even if Mr Neo initiated a withdrawal on 7 May 2022, the first day of the depeg, he would not have received his UST until 21 May 2022. More practically, a reasonable investor who had deposited UST into the Osmosis pool and was watching the depeg unfold between 7 and 11 May 2022 might reasonably have initiated a withdrawal by the default cut-off date and time on 12 May 2022, in which case he would have received his UST approximately 14 days later, around 26 May 2022. Giving Mr Neo the benefit of a reasonable time to act, I find that the extended cut-off date for the locked UST should be 26 May 2022, applying the CoinMarketCap open-close average price on that date.

159 Mr Neo claims aggravated damages for depression, emotional distress, and sleepless nights suffered between May and August 2022 as a result of losing his life savings, including approximately S$110,000 borrowed from his mother and father-in-law from their retirement savings. He deposes that the guilt of

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having lost money entrusted to him by his family members caused him significant emotional burden during this period. I am unable to award aggravated damages. Although Mr Neo may have suffered genuine distress as a result of losing his investment and the added burden of having to repay loans taken from family members, this is an ordinary and foreseeable consequence of suffering a significant financial loss, particularly one involving money borrowed from family members. It does not, without more, establish the exceptional mental distress that is distinct from and beyond the financial loss already compensated by a general damages award. Additionally, Mr Neo provides no evidence for his medical condition. While the absence of a medical diagnosis is not fatal to a claim for aggravated damages, the absence of any professional or medical evidence means the court is left with little more than Mr Neo's own bare testimony of depression and emotional distress. On the evidence before me, I do not find it sufficient to ground an award of aggravated damages.

160 On the quantum of damages, Mr Neo's total eligible UST is 177,018.48 UST, comprising 170,829.86 UST purchased at a total purchase value of US$171,970.72 and 6,188.62 UST earned as yield from staking on the Anchor Protocol. By the default Cut-Off Time of 12.01am UTC 12 May 2022, Mr Neo had sold 103,529.68 UST realising US$50,043.36. Of the remaining 73,488.80 UST, 27,896.33 UST was freely available but unsold and is notionally sold at the default Cut-Off Price of US$0.60485, yielding US$16,874.04. The remaining 45,592.47 UST was locked in the OSMO-UST liquidity pool and could not have been realised until approximately 26 May 2022 at the earliest, being 14 days from the default Cut-Off Date. Applying the CoinMarketCap open-close average price for UST on 26 May 2022 of US$0.07933, the notional sale value of the locked UST is US$3,616.45. The total amount recoverable against Mr Neo's purchase value is therefore US$50,043.36 plus US$16,874.04

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plus US$3,616.45, for a total of US$70,533.85. The net damages are US$171,970.72 less US$70,533.85, giving US$101,436.87. I award Mr Neo that sum in damages for misrepresentation.

Mr Bernhard Alexander Friedrich Frey

161 Mr Frey claims damages of US$343,582.57. He purchased UST on KuCoin, TerraSwap and PancakeSwap between 12 September 2021 and 5 April 2022, and deposited substantially all of it into the Anchor Protocol. His case is that he relied on the First to the Fifth Representations in purchasing and holding UST. He contends that he was physically unable to sell any UST before 16 May 2022 because from 9 May 2022 he was attending a community-building retreat at a monastery in Drongen, Belgium. He was without his phone or hardware wallets, had no access to the internet, and therefore had no knowledge of the depeg until he returned home to Köln on 16 May 2022. After returning home on 16 May 2022, he sold approximately two-thirds of his UST holdings on Kraken that day, and sold almost all of his remaining holdings on 27 May 2022 after concluding that the peg would not recover. Accordingly, Mr Frey seeks an extended Cut-Off Time of 27 May 2022 at 12.28am UTC, being the date on which he lost all hope that UST would recover its peg and sold almost all his remaining holdings. In the alternative, he suggests 16 May 2022 at 10.07am UTC, being the time of his first sale of UST after returning home from the monastery retreat and discovering the collapse in UST's price.

162 On ownership, I accept Mr Frey's evidence that he owned the accounts and wallets. Mr Frey's Kraken and KuCoin accounts were verified by screen recordings of him logging into those accounts. His three Terra wallets were verified by a screen recording of him logging into Terra Station and demonstrating that all three wallets are hardware wallets requiring a physical

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USB device to transact. The defendants did not challenge his evidence on ownership.

163 On reliance, the defendants contend that Mr Frey did not genuinely rely on the Terra Representations because he understood that the algorithm depended on market incentives that could be lost if the arbitrage opportunity disappeared, and that demand for UST was not static. The defendants also point to Mr Frey's contemporaneous WhatsApp messages with his friend Mr Schlosser on 17 May 2022, in which he made no mention of the representations. He referred instead to LFG's Bitcoin reserves as a basis for potential recovery. The defendants submit that this evinces that what was operative in Mr Frey's mind was not the representations, but a separate hope that reserves would be deployed.

164 I do not accept the defendants' arguments. During cross-examination, Mr Frey acknowledged that the mechanism depended on market incentives and that demand was not static. But he also said clearly that, at the time of purchase, he did not see that risk materialising and that he trusted the representations. A claimant need not have been blind to the theoretical possibility of failure. The claimant in such position may still have been induced by the representations at the time of purchase. I accept Mr Frey's evidence that he would not have purchased an algorithmic stablecoin like UST unless he had been satisfied by the Terra White Paper and Terra Website that the mechanism was designed to maintain the peg reliably. As for the WhatsApp messages, I am unable to infer much from them. Mr Frey had just returned from a week-long retreat to discover his investment had collapsed. His messages to Mr Schlosser express shock and refer to LFG's Bitcoin reserves as a possible source of recovery. It would be unrealistic to expect someone in that state to enumerate the specific legal representations he had relied upon months earlier. The absence of any express

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reference to the representations in casual WhatsApp messages written in a moment of crisis carries no real weight. I accept Mr Frey's evidence that he read the Terra Website and Terra White Paper before purchasing, and that the representations induced him to buy. I find reliance on the First to Fourth Representations made out. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

165 The defendants also argue that Mr Frey, as a technically literate and security-conscious investor, would have read the Anchor TOS before connecting his hardware wallet to the Anchor Protocol, and that reading those terms would have displaced his reliance on the representations. I do not accept this argument. As explained above, one cannot contract out of fraud, and the Anchor TOS do not displace the defendants' liability for their own fraudulent misrepresentations.

166 On the applicable Cut-Off Time, Mr Frey's case for an extended cut-off rests on his evidence that he was at the monastery retreat from 9 to 16 May 2022 without his phone, hardware wallets and internet access. The defendants challenge this on several grounds. They say that not bringing his phone was his own choice and not a requirement of the event, that his hardware wallets are small USB devices that he could have brought with him, that the evidence of his attendance relies partly on photographs that appear to have been posted on a blog only in February 2026, and that someone as heavily invested in cryptocurrency as Mr Frey should not have wilfully cut himself off from the markets for an extended period.

167 I accept Mr Frey's evidence that he was at the retreat and did not have access to his phone or hardware wallets from 9 to 16 May 2022. His evidence is corroborated by contemporaneous documentary evidence including the

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organiser's email dated 21 April 2022, his event ticket, his train ticket, and his WhatsApp message to Mr Schlosser on 16 May 2022 in which he says he has only just seen the price of UST on returning home. I decline to draw an adverse inference based on the blog post being uploaded in February 2026, since that likely reflects the timing of the organiser's publication of an account of the event.

168 I do not accept the defendants' argument that Mr Frey should not have gone on a digital detox while holding over US$300,000 in cryptocurrency. Mr Frey had planned the retreat since at least 21 April 2022, before the depeg began. He had no reason at the time of departure on 9 May 2022 to anticipate the collapse. The price of UST was within fractions of a cent of its peg when he left Köln. The choice to attend a digital detox retreat was not an unreasonable or foreseeable break in the chain of causation. As the hardware wallets are physical USB devices that he left at home in Germany, and as his Anchor-staked UST was only accessible through those hardware wallets connected to his desktop computer, I accept that Mr Frey was physically unable to withdraw his UST from Anchor or sell any of it before he returned home on 16 May 2022. He began selling from approximately 10.07am UTC on 16 May 2022.

169 I find the extended Cut-Off Time to be 16 May 2022. The price to apply is the CoinMarketCap open-close average for that date, being US$0.15150, treating his sales on 16 May 2022 as if the entire remaining balance were sold on that day at that price.

170 On the quantum of damages, Mr Frey's total eligible UST is 470,690.46 UST, comprising 438,679.93 UST purchased at a total purchase value of US$438,523.09 and 32,010.53 UST earned as yield from staking on the Anchor Protocol. I have found that the extended Cut-Off Time applicable to Mr Frey is

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16 May 2022, being the earliest date on which he could have sold his UST after returning from the monastery retreat. Applying the CoinMarketCap open-close average price for UST on 16 May 2022 of US$0.15150 to the entirety of his eligible UST holdings as if sold on that date, the total notional proceeds are 470,690.46 × US$0.15150 = US$71,309.58. On the foregoing basis, an estimate of Mr. Frey's net damages would be US$438,523.09 less US$71,309.58, giving US$367,213.51. However, Mr. Frey has only particularised his loss as US$343,582.57. I therefore award Mr Frey US$343,582.57 as damages for misrepresentation.

Ms Ren Qingwen

171 Ms Ren claims damages of US$95,411.76. She purchased UST on Binance, KuCoin, Orion Money, Thorswap and Terra Station between 30 December 2021 and 12 May 2022, and deposited the majority of her holdings into the Anchor Protocol to earn yield from March 2022 onwards. During the depeg between 11 and 12 May 2022, she sold and re-purchased UST multiple times. She sold the bulk of her remaining holdings on 16 May 2022 at approximately 8 cents per UST. Her case is that she relied on the First to Sixth Representations in purchasing and holding UST. She contends that she did not lose faith in the Representations until 16 May 2022 after participating in the Terra Research Forum and concluding that no recovery plan was being put in place. She seeks an extended Cut-Off Time of 16 May 2022 at 10.37am UTC accordingly. Ms Ren also seeks aggravated damages.

172 On ownership, I accept Ms Ren's evidence that she owns her wallets and account. Ms Ren's two Terra wallets were verified by screen recordings of her logging in. Her Binance account was verified by API keys. Her KuCoin account

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was verified by a screen recording of her logging in. The defendants did not challenge her evidence on ownership.

173 On reliance, the defendants raise two arguments. First, they contend that Ms Ren's witness statement relies solely on the Terra White Paper to ground her understanding of the Terra Representations, and that the Terra White Paper alone cannot support those representations as pleaded. Second, they submit that Ms Ren accepted in cross-examination that investing in UST carried risk and that there was never a guarantee, which is inconsistent with her having relied on the representations as pleaded.

174 I accept Ms Ren's evidence that she did rely on the First and Second Representations, where the Terra White Paper is one of the pleaded sources and her evidence is that she read it before purchasing UST. However, for the Third Representation, the pleaded source is the Terra Website, specifically the "About the Terra Protocol" section: First Tranche Judgment at [148]-[149]. In setting out her understanding of the Third Representation, Ms Ren cited only section 2.4 of the Terra White Paper and did not specifically cite the "About the Terra Protocol" section of the Terra Website. As I held in the First Tranche Judgment, a claimant cannot establish reliance on the Third Representation by reference to the Terra White Paper alone. I therefore find that reliance on the Third Representation has not been made out.

175 I accept Ms Ren's evidence that she relied on the Fourth Representation. Her evidence is that she learned about the Anchor Protocol through cryptocurrency Twitter accounts in or around January 2022, accessed the Anchor Website, and read the Anchor White Paper before deciding to deposit her UST. I also accept that she relied on the Sixth Representation. She read the LFG press release in or around February 2022 and understood it to mean that a

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USD 1 billion reserve fund had been established to reinforce and support the stability mechanism behind UST.

176 On the defendants' second challenge, although Ms Ren accepted in cross-examination that there was some risk, she maintained that she viewed UST as equivalent to holding a stablecoin like USDT – minimum volatility and minimum risk. The acceptance that there is always some residual risk in any investment does not preclude reliance. It is enough that the representations were present in her mind and induced her to purchase. I therefore find reliance on the First, Second, Fourth and Sixth Representations made out. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

177 On the applicable Cut-Off Time, there are no special circumstances warranting an extension. Ms Ren was actively monitoring the price of UST throughout 10 and 11 May 2022, refreshing the price chart every few minutes. She was aware by 11 May 2022 that UST had fallen to a very low price. She sold approximately 126,858 UST on 11 May 2022, accepting in cross-examination that she did so out of a combination of prudence and panic given that it was her life savings. She also made further sales on 12 May 2022. As I found in the First Tranche Judgment at [109], a reasonable investor who was monitoring the price and had read Mr Kwon's 11 May 2022 tweets would have appreciated by the default Cut-Off Time that the Conceded Representations were false. Ms Ren read those tweets between 11 May 2022 at 12.00pm UTC and 12 May 2022 at 12.00pm UTC. She was closely following the price throughout this period. There are no special circumstances, such as a physical inability to sell or a lock-in, that prevented her from selling at the default Cut-Off Time. The magnitude of the May 2022 depeg was, as Ms Ren herself accepted, nothing like the May 2021 depeg. The May 2021 precedent does not

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assist her in justifying continued belief in the representations. I therefore apply the default Cut-Off Time.

178 Ms Ren claims aggravated damages for anxiety, emotional distress and panic attacks. She did not seek medical attention, provides no medical evidence, and relies on her own diary entry dated 28 May 2022 and her oral testimony. This, in my view, falls short of the threshold for aggravated damages as I have found in the common issues section. Ms Ren has not adduced evidence of distinct and exceptional mental distress beyond what is ordinarily suffered by investors who have lost a significant portion of their savings. I do not award aggravated damages.

179 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are close: the claimants' figure is US$65,301.25 and Mr Lim's figure is US$64,730.89. I take the higher of the two figures. I award Ms Ren US$65,301.25 in damages for misrepresentation.

Mr Peter Mrekaj

180 Mr Peter Mrekaj ("Mr Mrekaj") claims damages of US$176,379.21. He purchased UST on OKX and Binance between 13 March 2022 and 29 April 2022, and deposited substantially all of it into the Anchor Protocol to earn yield. He did not sell any of his UST holdings during or after the depeg, and as of the date of his witness statement continues to hold UST. His case is that he relied on the First to Sixth Representations in purchasing and holding UST. He contends that he did not lose faith in the representations until 20 May 2022 UTC, after reading Mr Kwon's tweet announcing the rebranding of the existing Terra stablecoin and the launch of a new Terra blockchain, and seeks an extended Cut-Off Time of 18 May 2022 at 11.59pm UTC accordingly.

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181 On ownership, the defendants challenge Mr Mrekaj's proof of ownership of his OKX account because the screen recording that he provided does not contain any personal details linking the account to him, save for the country of residence listed as Paraguay. Mr Mrekaj also limited the export of his OKX transaction history to 13 and 14 March 2022. During cross-examination, Mr Mrekaj explained that he used an email alias to log into the OKX account to protect his real email address. Mr Mrekaj also declined to provide API keys for his CEX accounts citing privacy and security concerns,

182 There is nothing to suggest that the account does not belong to Mr Mrekaj. The country listed on the account profile is Paraguay, which is where Mr Mrekaj resides and works. In the absence of positive evidence suggesting the account belongs to someone else, I find ownership of the OKX account established on the balance of probabilities. His Binance account was verified by a screen recording showing his name, country of residence, date of birth and ID card number. His Terra wallet was verified by a screen recording of him logging into his Terra Station app. Accordingly, I accept his evidence of ownership of all accounts.

183 On reliance, the defendants raise two challenges. First, they contend that Mr Mrekaj did not genuinely rely on the Terra Representations because he did not purchase any UST until 13 March 2022, almost three months after he first read the Terra White Paper and Terra Website in December 2021, and that it was only after reading the LFG press release in early March 2022 that he felt confident enough to buy UST. Second, they submit that Mr Mrekaj accepting in cross-examination that he was aware there was some level of risk in investing in UST, is inconsistent with reliance on the pleaded representations.

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184 On the first point, I do not accept that the delay between reading the Terra Representations in December 2021 and purchasing UST in March 2022 is inconsistent with reliance. Mr Mrekaj's evidence was that during that period he was still holding profitable positions in other cryptocurrencies, and that he purchased UST when he decided to exit those positions and convert the proceeds into a stablecoin. I accept that the Terra Representations played a part in his decision to purchase UST. The fact that reading the Sixth Representation in early March 2022 reinforced his confidence does not negate reliance on the Terra Representations.

185 On the defendants' second challenge, Mr Mrekaj accepted in cross-examination that there is "risk everywhere" but characterised the level of risk in UST as approximately 0.00001. The acceptance that some residual risk exists in any investment does not preclude reliance. I accept his evidence that he was induced by the representations to view UST as essentially a safe and stable asset. I find reliance on the First to Fourth Representations and the Sixth Representation made out. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

186 On the applicable Cut-Off Time, I apply the default Cut-Off Time of 12.01am UTC 12 May 2022. Mr Mrekaj's evidence is that he first became aware of the depeg in the early morning of 10 May 2022 UTC after reading tweets from Terraform on Twitter stating there would be "no death spiral" and that "peg regaining takes time". He then checked the price of UST the following morning, found it had risen from approximately 80 cents to 92 cents, and concluded it was similar to the May 2021 depeg. He next checked the price in the early morning of 13 May 2022 UTC and found it was at approximately 13 cents. On his evidence, he did not check the price between the morning of 10 May 2022 and the early morning of 13 May 2022 UTC, and that he was content

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to leave his UST staked on Anchor in the belief that the algorithm would restore the peg. He was not physically prevented from selling his UST at any point during this period. His evidence was simply that he chose not to because he believed the peg would recover.

187 I do not accept Mr Mrekaj's case that the Cut-Off Date should be extended to 18 May 2022. As I found in the First Tranche Judgment, a reasonable investor who was aware of the depeg from 10 May 2022, who had seen UST at 80 cents and then 92 cents but never returning to the peg, and who had access to Mr Kwon's 11 May 2022 tweets, would by the default Cut-Off Time of 12.01am UTC 12 May 2022 have appreciated that the representations were false. The May 2021 analogy does not assist Mr Mrekaj as the magnitude of the May 2022 depeg was nothing like that of May 2021, and the CA Judgment confirms that the May 2021 precedent is insufficient to extend the Cut-Off Time. I therefore apply the default Cut-Off Time.

188 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. Mr Mrekaj sold no UST before the default Cut-Off Time, so his entire eligible holdings are treated as notionally sold at the Cut-Off Price. The parties' Permutation 2 figures differ: the claimants' figure is US$70,611.66 and Mr Lim's figures are US$68,575.75 and US$62,955.60. I take the highest of the figures. I award Mr Mrekaj US$70,611.66 in damages for misrepresentation.

Mr Piotr Augustynowicz

189 Mr Piotr Augustynowicz ("Mr Augustynowicz") claims damages of US$61,455.92. He purchased UST on ThorChain between 9 and 13 April 2022, depositing substantially all of it into the Anchor Protocol for staking purposes. He did not sell any of his UST holdings during or after the depeg. His case is

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that he relied on the First to Sixth Representations in purchasing and holding UST. He contends that he was not actively monitoring the price of UST during the depeg, having deliberately stepped back from cryptocurrency at the end of April 2022 by throwing away his Ledger hardware wallet. He only became aware of the collapse when a friend sent him a WhatsApp message pointing him to a Reddit post, which he estimates he read between 14 and 16 May 2022. He seeks an extended Cut-Off Time of 14 May 2022 12.01am UTC.

190 On ownership, Mr Augustynowicz proved ownership of his Terra Wallet No. 1 through his CLC submission in Terraform's Chapter 11 bankruptcy proceedings, which verified that wallet address. He proved ownership of Terra Wallet No. 2 through a screen recording of him logging into his Trust Wallet app. In respect of the two blockchain wallet addresses through which he made his ThorChain purchases, Mr Augustynowicz explained in examination-in-chief that he had thrown away the Ledger hardware device that allowed him to log into ThorChain at the end of April 2022 as part of a deliberate decision to step back from managing his cryptocurrency investments. He could no longer log into those wallets. However, he explained that the UST purchased through ThorChain was sent directly to his Terra Wallet No. 1, and the ThorChain transaction records exhibit the outbound address as his Terra Wallet No. 1. The chain of transactions from the ThorChain purchases to Terra Wallet No. 1 is thus traceable. I find ownership established on the balance of probabilities.

191 On reliance, Mr Augustynowicz's evidence is that he first learned about Terra and UST in or around February 2022 through cryptocurrency Telegram group chats and Reddit, then accessed the Terra Website, read the Terra White Paper, the Anchor White Paper and the LFG press release before making his first purchase in April 2022. He stated that he would never have invested in UST if there was more risk than USDT or USDC, and that for him the risk was

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comparable to holding a US dollar-pegged stablecoin because the representations assured him that 1 UST could always be exchanged for US$1. I find reliance on the First to the Fourth Representations and the Sixth Representations made out. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

192 On the applicable Cut-Off Time, I apply the default Cut-Off Time of 12.01am UTC 12 May 2022. I do not accept Mr Augustynowicz's evidence that he was unaware of the depeg until 14 to 16 May 2022. Mr Augustynowicz's account was that he stopped monitoring the price of UST entirely from the end of April 2022, threw away his Ledger, quit his Telegram groups, and placed his savings in UST as a safe haven without further monitoring. He says he only learned of the collapse when a friend sent him a WhatsApp message pointing him to a Reddit post. He estimates that was approximately one week after the depeg began on 7 May 2022, placing his discovery at around 14 May 2022.

193 I have difficulties with this account. First, the period from 14 to 16 May 2022 is a reconstruction carried out years after the event. Mr Augustynowicz accepted in cross-examination that this date was not contemporaneously recorded and was derived from his estimate that the Reddit post he read was approximately one week old. That is an unreliable basis for a specific date. Second, Mr Augustynowicz's evidence was that he remained part of cryptocurrency Telegram groups and that he would look at discussions on Reddit. He accepted that there would have been extensive online discussion about the depeg between 7 and 12 May 2022. His assertion that he saw none of this discussion is implausible. Third, and most significantly, the transaction records show that on 11 May 2022, during the height of the depeg, a transfer of approximately 45 LUNA Classic tokens was made from a KuCoin account into Mr Augustynowicz's blockchain wallet. When confronted with this, Mr

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Augustynowicz gave a shifting and unsatisfactory account. He first explained that it was probably his KuCoin account, then suggested that the transaction was done for a friend, and then said the KuCoin account was not his. Even on his most favourable account, that he carried out the transaction as a favour for a friend without paying attention to the details, he would at the very least have been aware of the price of LUNA at the time of that transaction. The price of LUNA had by 11 May 2022 collapsed from over US$80 to below US$1, a collapse that was directly connected to the UST depeg and was extensively covered online. I do not accept that he carried out this transaction without an awareness of what was happening in the Terra ecosystem. Accordingly, I apply the default Cut-Off Time.

194 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. Mr Augustynowicz sold no UST before the default Cut-Off Time, so his entire eligible holdings are treated as notionally sold at the Cut-Off Price. The parties' Permutation 2 figures are the same at US$24,091.72. I award Mr Augustynowicz US$24,091.72 in damages for misrepresentation.

Mr Clarence Khoo Boo Hock

195 Mr Clarence Khoo Boo Hock ("Mr Khoo") claims damages of US$67,445.97. He purchased UST on KuCoin between 13 December 2021 and 8 May 2022, depositing substantially all of the UST into the Anchor Protocol to earn yield. On two occasions in April and May 2022, he asked his friend Fan Ye to purchase UST on his behalf using Fan Ye's own account, with Mr Khoo providing the funds in Singapore dollars. Fan Ye then transferred the purchased UST directly to Mr Khoo's Terra wallet. Mr. Khoo did not sell any of his UST holdings during or after the depeg, withdrawing his UST from Anchor on 12

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May 2022 and transferring it to his KuCoin account, where it remains. His case is that he relied on the First to Fifth Representations in purchasing and holding UST. He contends that he did not lose faith in the representations until on or around 16 May 2022 after reading Mr Kwon's 14 May 2022 tweets stating that UST in its current form would not serve as decentralised money. Mr Khoo seeks an extended Cut-Off Time of 16 May 2022 12.01am UTC accordingly.

196 On ownership, I accept Mr Khoo's ownership of his KuCoin account or Terra wallet, both of which were verified by screen recordings. In respect of the two purchases made through his friend Fan Ye, 10,928.12 UST received on 26 April 2022 and 8,141 UST received on 8 May 2022, Mr Khoo's evidence is that Fan Ye purchased UST on his behalf using Mr Khoo's money and transferred the UST directly to Mr Khoo's Terra Wallet. This is corroborated by Mr Khoo's DBS bank transfer records, Fan Ye's KuCoin transaction records and Fan Ye's email confirming the transactions. I accept that these purchases are properly attributable to Mr Khoo. The defendants also did not challenge Mr Khoo's evidence on ownership.

197 On reliance, the defendants' case is that Mr Khoo was so technologically unsophisticated that it is implausible that he independently read the Terra White Paper and Terra Website, and that in reality it was Fan Ye who was driving his cryptocurrency investment decisions. They point to Mr Khoo's lack of familiarity with many of the tokens traded in his own KuCoin account, his request to be referred to UST rather than Terra because "Terra throws me off", his difficulty answering questions about the Terra Representations without referring to his witness statement, and his apparent uncertainty about whether the Anchor Protocol was associated with Terraform.

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198 The defendants' challenge goes to the depth and sophistication of Mr Khoo's reading of the representations, rather than to whether he read them at all. A claimant need not have a technical understanding of the underlying mechanism in order to establish reliance. What matters is that the representations were a cause of the claimant's decision to purchase, not that they were the sole cause or that the claimant fully understood the technical details behind them. Mr Khoo's evidence is that read the Terra Website and Terra White Paper before purchasing. He maintained that the investment decisions were his alone, even where Fan Ye assisted with execution. I accept that the representations, even if not read with depth or technical rigour, were present in his mind when he made his investment decision. I find reliance on the First to Fourth Representations made out. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

199 On the applicable Cut-Off Time, Mr Khoo's case is that he did not lose faith in the representations until 16 May 2022, when he read Mr Kwon's 14 May 2022 tweets. However, his evidence is that his reading of those tweets was delayed by 24 to 48 hours due to work commitments. The date of 16 May 2022 is a reconstruction based on when he estimates he caught up on Twitter, not a contemporaneously recorded date. More importantly, Mr Khoo's evidence is that he first learned of the depeg from a friend on or about 10 May 2022 and that he was actively monitoring Twitter from that point and reading Mr Kwon's tweets between 10 and 13 May 2022. He accepted in cross-examination that 1 UST no longer equalled US$1 as at 10 May 2022, that the peg was not holding throughout 10 and 11 May, and that he withdrew his UST from Anchor on 12 May specifically because he was afraid of a bank run. This is a fear that is inconsistent with a continuing belief in the representations. In any case, based on my finding as affirmed by the Court of Appeal, a reasonable investor reading Mr Kwon's 11 May tweets would have sold all one's UST holdings by the

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default Cut-Off Time. Accordingly, there are no special circumstances warranting an extension of the Cut-Off Time for Mr Khoo. I apply the default.

200 On quantum, since the default Cut-Off Date and Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures differ materially. The claimants' figure is US$26,087.71 and Mr Lim's figure is US$1,410.88. The discrepancy is likely attributable to Mr Lim's script not recognising the two purchases made through Fan Ye's account as eligible inflows attributable to Mr Khoo. Those UST amounts were transferred from a third-party wallet address that the script probably treated as a sale rather than an internal transfer. Having found that those purchases are properly attributable to Mr Khoo, I prefer the claimants' figure. I award Mr Khoo US$26,087.71 in damages for misrepresentation.

Mr Cameron Thomas Windross

201 Mr Cameron Thomas Windross ("Mr Windross") claims damages of US$ 116,562.22. He purchased UST on KuCoin between 28 April and 1 May 2022, depositing substantially all of it into the Anchor Protocol. He sold all of his UST holdings on 15 June 2022 after concluding that recovery was no longer likely. His case is that he relied on the First to Fifth Representations in purchasing and holding UST. He contends that he did not lose faith in the representation until on or around 15 June 2022, and seeks an extended Cut-Off Time of 15 June 2022, 12.45am UTC accordingly.

202 On ownership, Mr Windross proved ownership of his KuCoin account and Terra Wallet through screen recordings of him logging into each. I accept his evidence. The defendants did not challenge his evidence on ownership.

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203 On reliance, the defendants challenge Mr Windross's evidence on two points. First, they submit that his evidence is inconsistent with any actual reading of the Terra White Paper. He misread the graphs in the White Paper as showing that mining rewards would be unstable, when in fact those graphs demonstrated that the protocol could maintain stable mining rewards even in extreme conditions, which is the opposite of what he said. Second, when questioned about the passage in the Terra White Paper cited in his second witness statement, he said that "this particular section is not jumping out at me at the moment". They further rely on his messages with his friend Andy as showing that his decision to purchase UST was based on price chart analysis rather than the representations.

204 The defendants' challenge goes primarily to the depth and sophistication of Mr Windross's reading, rather than to whether he read the representations at all. What matters is that the representations were a cause of the claimant's decision to purchase, not that they were the sole cause or that the claimant fully understood the technical details behind them. I accept Mr Windross's evidence that he read the Terra White Paper, the Terra Website, the Anchor White Paper and the Anchor Website before purchasing, that the overall explanation of how UST would maintain its peg and how the Anchor Protocol would protect his principal seemed to him logical and credible, and that he trusted the developers to have properly tested and validated the system.

205 The defendants pointed out that the screenshot of Mr Windross's WhatsApp messages with Andy omitted a message that appeared in the scrolling video subsequently disclosed. The omitted message read:

> There also might be a cheat code out of it as you can swap ust for Luna at the peg on terra station. Would then have to move terra to an exchange and sell for usdc.

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206 The defendants submit that Mr Windross deliberately stitched together two screenshots to remove this message, and that the message shows he had already understood before the default Cut-Off Time that the Third Representation was flawed – If LUNA and UST were both falling simultaneously, the arbitrage mechanism could not save the peg. I decline to draw the inference that the omission was deliberate or that it demonstrates Mr Windross had no faith in the representations before the depeg. On the contrary, the message appears to reflect Mr Windross's continued belief at that time that UST could still be swapped for LUNA at the peg on Terra Station.

207 I apply the default Cut-Off Time of 12.01am UTC 12 May 2022. Mr Windross's messages with Andy are highly revealing on this issue and paint a clear picture of his state of mind in the days leading up to the default Cut-Off Time. On 9 May 2022 UTC, Mr Windross had written to Andy:

> … Like its peg to usdt is 93 cents right now it's crazy. It will get back up but I'll likely pull it when it does and maybe try intrepids liquidity pool strategy.

208 On 10 May UTC, he was telling Andy:

> …Once it's back to parity, we out

209 On 11 May UTC, he wrote:

> Well…looks like I'm gonna have to ride this out. To [sic] much panic, Will never repeg till people stop selling.

210 These messages reveal that Mr Windross had ceased to rely on the representations before the default Cut-Off Time. By 9 May UTC, Mr Windross had made up his mind to exit as soon as the price recovered sufficiently. His decision to hold was driven by the hope of recovering value at a better exit price. Mr Windross had told Andy that he had "missed the move" when Andy exited at 80 cents. He explained in cross-examination that this meant that if UST had

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moved to a higher price, he would have jumped on it but was not in a position to move quickly enough to do so. A hope of price recovery is not a special circumstance justifying an extension. Mr Windross was monitoring developments closely during the evening of each day and was reading Mr Kwon's tweets in real time. He acknowledged in cross-examination that he was familiar with the tweets around 9, 10 and 11 May. He was not physically prevented from selling at any point. His own messages make clear that by 9 May UTC, let alone 12 May UTC, he had already lost confidence in UST as a stablecoin and was simply waiting for an exit opportunity. Accordingly, I apply the default Cut-Off Time.

211 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are the same at US$47,344.57. I award Mr Windross US$47,344.57 in damages for misrepresentation.

Mr Jeremy Chi-Mun Lau

212 Mr Jeremy Chi-Mun Lau ("Mr Lau") claims damages of US$54,892.67. Between 30 November 2021 and 12 May 2022, he purchased UST on KuCoin and through Terra Station, staking substantially all of it on the Anchor Protocol. He did not sell any of his UST holdings after the price began to fall in May 2022. His case is that he relied on the First to Fifth Representations in purchasing and holding UST, and did not lose faith in the representations until on or around 13 May 2022. He accordingly seeks an extended Cut-Off Time of 13 May 2022 11.59pm UTC.

213 On ownership, I accept Mr Lau's evidence that he owns his wallets and accounts. Mr Lau proved ownership of his two Terra Wallets through his CLC Submission. His KuCoin account is proved through his correspondence with

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KuCoin's customer service team, which his transaction records directly after he was unable to log in due to restrictions on US-based users. The defendants do not challenge his evidence on ownership.

214 On reliance, the defendants submit that Mr Lau purchased UST because of the attractive yield available on the Anchor Protocol and, but for that yield, he would have stayed with USDT and USDC. They point to his acceptance in cross-examination that investing in UST carried a risk of de-pegging, and to his answers in re-examination where, when pressed by his counsel on what other reasons he had for purchasing UST beyond the high yield and technological curiosity, he did not mention reliance on the representations.

215 Mr Lau's evidence is that the high yield available on the Anchor Protocol was a significant driver of his decision to purchase UST. However, that primary motivation for purchasing UST does not displace his reliance on the representations. Mr Lau's second witness statement sets out clearly his understanding of each of the First to Fourth Representations. He understood UST to be a stablecoin that would always maintain its dollar peg through an autonomous algorithmic mechanism incentivising arbitrageurs to burn and mint UST and LUNA. He understood that he could always exchange 1 UST for 1 US dollars' worth of LUNA through the market module, and that the Anchor Protocol was a principal-guaranteed savings product offering stable returns on UST deposits. The representations need only have been a cause of the decision to purchase, not the sole or dominant cause. I find reliance on the First, Second, Third and Fourth Representations made out. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

216 I apply the default Cut-Off Time of 12.01am UTC 12 May 2022. The defendants submit that Mr Lau had already ceased to rely on the Representations

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by 10 May 2022. They rely on two points. First, by 9 and 10 May 2022, he had read announcements about LFG deploying Bitcoin reserves and a rumoured institutional bailout. This showed that the algorithm was not working. Second, he withdrew all his UST from Anchor on 10 May. This is inconsistent with continued reliance.

217 I do not accept the defendants' argument. On the LFG announcement, Mr Lau's evidence was that he interpreted the Bitcoin reserve deployment not as proof that the algorithm had failed but as an accelerant, a means of providing additional liquidity to support the arbitrage mechanism while it worked to restore the peg. On the Anchor withdrawal, Mr Lau's evidence was that he moved his UST from Anchor to his Terra Wallet as a precautionary measure to reduce platform risk and centralise his holdings, not because he had lost faith in UST itself. In cross-examination, he said that Anchor was perceived as relatively higher risk than UST because of the yield it offered. This is consistent with someone who still believed in UST's stability while taking a step to reduce exposure to a separate protocol.

218 I do not accept Mr Lau's argument that an extended Cut-Off Time ought to apply to him. There are no special circumstances here that would justify an extension. Mr Lau was not physically prevented from selling at any point. He accepted in cross-examination that he was free to trade his UST throughout 9 to 12 May 2022, and that the decision to hold was his own choice.

219 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are close. The claimants' figure is US$11,337.57 and Mr Lim's figure is US$11,202.96. I take the higher of the two figures. I award Mr Lau US$11,337.57 in damages for misrepresentation.

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Mr Foo Wei Qiang, Desmond

220 Mr Foo Wei Qiang, Desmond ("Mr Foo") claims damages of US$74,834.83. Between 11 and 21 March 2022, he purchased UST on Binance, depositing substantially all of it onto the Anchor Protocol and FTX's lending protocol. He did not sell any of his UST holdings. His case is that he relied on the First to Sixth Representations in purchasing and holding UST. He did not lose faith in the representations until 14 May 2022 after reading Mr Kwon's tweet at 10.15pm UTC on 13 May 2022 acknowledging that UST in its current form would not continue as decentralised money. He seeks an extended Cut-Off Time of 14 May 2022, 11.46am UTC being the time he read Mr Kwon's tweet.

221 On ownership, I accept Mr Foo's evidence on ownership of his wallet and accounts. Mr Foo proved ownership of his Terra Wallet through his CLC Submission and a screen recording of him logging in. He proved ownership of his FTX account and Binance account through screen recordings of him logging into each. The defendants did not challenge his evidence on ownership.

222 On reliance, the defendants submit that Mr Foo did not rely on the representations in purchasing UST because he acknowledged that Terraform could not control whether users would engage with the market module and investing in UST carried a risk that the peg might not hold. The defendants contend these admissions are inconsistent with reliance on representations that UST would always return to its peg.

223 I do not accept that these concessions undermine reliance. The question is whether the representations were a cause of Mr Foo's decision to purchase, not whether he thought there was zero risk. When asked about the possibility that the incentive mechanism might not work in extreme conditions, Mr Foo characterised such an event as a black swan, something he could not rule out

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but which he regarded as extremely unlikely. That is consistent with reliance on representations that the protocol was designed to maintain stability regardless of market conditions. It reflects the possible view of an investor who read and believed the representations while appreciating that no investment is entirely without risk. I find reliance on the First to Fourth Representations and the Sixth Representation made out. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

224 On the applicable Cut-Off Time, the defendants submit that Mr Foo had ceased to rely on the representations by 11 May 2022. They rely on two points. First, Mr Foo read Mr Kwon's 11 May 2022 tweet series. That stated: "As we begin to rebuild UST, we will adjust its mechanism to be collateralised". Upon reading this, Mr Foo would have understood that the representations could no longer be relied on, since Mr Kwon was effectively conceding that UST in its existing algorithmic form had failed. Second, Mr Foo withdrew of all his UST from Anchor on 11 May 2022. This (the defendants suggest) show that he had lost faith in the representations.

225 I do not accept the defendants' arguments. I found in the First Tranche Judgment that a reasonable investor reading Mr Kwon's 11 May tweets would by the default Cut-Off Time have recognised the falsity of the representations. It is not open to the defendants to argue that Mr Foo "would have known" the falsity of the representations earlier than that merely by reading the tweets. To accept the defendants' argument substituting a different standard for Mr Foo would be inconsistent with the common finding. I accept Mr Foo's evidence that he withdrew his UST from Anchor on 11 May 2022 not to exit his position but to take advantage of higher lending rates on FTX. There is no special circumstance here that would justify an earlier Cut-Off Time. However, I do not accept Mr Foo's case for extending the Cut-Off Time beyond the default. He

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was not physically prevented from selling at any point and there are no special circumstances here that would justify an extension. I apply the default Cut-Off Time.

226 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are close: the claimants' figure is US$29,338.76 and Mr Lim's figure is US$29,260.99. I take the higher of the two figures. I award Mr Foo US$29,338.76 in damages for misrepresentation.

Mr Surachai Poopisit

227 Mr Surachai Poopisit ("Mr Poopisit") claims damages of US$117,269.02. On 7 December 2021, he purchased UST on KuCoin, depositing substantially all of it onto the Anchor Protocol. He sold all of his UST holdings on 13 May 2022. His case is that he relied on the First to Fifth Representations in purchasing and holding UST. His evidence is that he was occupied with work and family matters between 7 to 13 May 2022 and did not have time to closely monitor the price situation. He did not lose faith in the representations until 13 May 2022, when the price had fallen too far and there were no signs of recovery. Accordingly, he seeks an extended Cut-Off Time of 13 May 2022, 4.32am UTC being the time he sold his remaining UST.

228 On ownership, I accept Mr Poopisit's evidence of ownership of his account and wallet. He proved ownership of his KuCoin account and Terra Wallet through screen recordings of him logging into each. The defendants did not challenge his evidence on ownership.

229 On reliance, the defendants challenge that Mr Poopisit did not read the representations: First, they point to the fact that the phrase "in order to maintain

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Terra's price stability" appearing at the end of paragraph 18(c) of his second witness statement, which was presented as part of a quotation from the Terra White Paper, was not in fact in the Terra White Paper. Second, they submit that Mr Poopisit misunderstood sections 2.4 and 2.5 of the Terra White Paper as guaranteeing the stability of the UST peg, when those sections concerned the stability mechanism for mining rewards rather than the peg itself. Third, they contend that Mr Poopisit admitted in cross-examination that he did not rely on anything in the Anchor White Paper save for the interest rate.

230 I do not accept these challenges. On the erroneous quotation, Mr Poopisit's evidence was that the phrase was his own explanation of his understanding of the Terra White Paper rather than a direct quote. I accept his explanation. On sections 2.4 and 2.5 of the Terra White Paper, Mr Poopisit's evidence was that the stability mechanism for mining rewards was, in his understanding, closely related to how the algorithm kept the UST price stable, and that the two were similar in his thinking. A claimant need not have a technical understanding of the underlying mechanism in order to establish reliance. What matters is that the representations were a cause of the decision to purchase. Mr Poopisit's evidence was that he understood UST to be a stablecoin that could withstand any price fluctuation through an algorithmic mechanism involving LUNA, and that the representations played a part in his decision to purchase UST. I accept his evidence. On the Anchor White Paper, Mr Poopisit's evidence in re-examination was that the Anchor White Paper spoke to UST's stability by nature and allowed his investment to remain stable. I accept that explanation. I find reliance on the First, Second, Third and Fourth Representations made out. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

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231 I apply the default Cut-Off Time. The defendants submit that Mr Poopisit had already ceased to rely on the representations by 11 May 2022, before the default Cut-Off Time. They rely on the fact that Mr Poopisit had alert notifications switched on for Mr Kwon's Twitter account and would therefore have read the tweet "As we begin to rebuild UST, we will adjust its mechanism to be collateralised" in real time on 11 May 2022, upon which he would have known that UST was no longer a working algorithmic stablecoin. They further rely on his withdrawal of approximately 134,473 UST from the Anchor Protocol on 11 May 2022 as conduct inconsistent with continued reliance.

232 Mr Poopisit's evidence is that he read the 11 May tweet series as a whole rather than in isolation, and that taken together the tweets conveyed that Mr Kwon was still actively working on a recovery – a reading reinforced by the brief price recoveries he observed between 10 and 11 May. His Anchor withdrawal, he said, was motivated by his search for a better selling platform rather than a decision to exit, consistent with his eventual sale on KuCoin on 13 May 2022. I accept his evidence. In any case, I found in the First Tranche Judgment that a reasonable investor would by the default Cut-Off Time have recognised the falsity of the representations. It is not open to the defendants to argue that Mr Poopisit should have recognised the falsity earlier than that in the absence of special circumstances. That would be imposing a standard on Mr Poopisit that is inconsistent with the common finding affirmed on appeal. There are no special circumstances that would justify an earlier Cut-Off Time.

233 There is also nothing in the evidence to suggest that Mr Poopisit was physically prevented from selling. He did not claim to be locked into any protocol, he had already withdrawn his UST from Anchor on 11 May 2022 and the UST was sitting in his Terra Wallet. Being occupied with work and family matters is an insufficient basis to extend the cut-off time. If an investor opts to

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prioritise other matters, the losses flowing from such decision are not attributable in law to the defendants' fraud. There are therefore no special circumstances justifying an extended Cut-Off Time.

234 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are close. The claimants' figure is US$42,585.48 and Mr Lim's figure is US$42,555.58. I take the higher of the two figures. I award Mr Poopisit US$42,585.48 in damages for misrepresentation.

Dr Yanni Lin

235 Dr Lin claims damages of US$73,754.47. Between 2 and 22 April 2022, she purchased UST on OKX, Gemini and Coinbase, depositing substantially all of it onto the Anchor Protocol. She sold a portion of her UST between 11 and 15 May 2022 as swing trades which she accepts do not form part of her claim, and eventually sold her remaining on-chain holdings on 26 May 2022 after bridging her UST from the Terra blockchain to the Ethereum network. Her case is that she relied on the First to Sixth Representation in purchasing and holding UST. She claims to have been unable to sell her on-chain UST holdings earlier due to a combination of Terra blockchain halts, OKX's suspension of UST trading on 13 May 2022, and her lack of familiarity with the Terra-to-Ethereum bridging process until 19 May 2022. She seeks an extended Cut-Off Time of 14 May 2022, 1.47am UTC being the timing of Dr Lin's first sale of UST after she discovered that the representations were false, or in the alternative, 26 May 2022, 5.43pm UTC after she understood the Terra bridging process and confirmed it was operational.

236 On ownership, I accept Dr Lin's evidence that she owns her wallet and accounts. Dr Lin proved ownership of her Terra Wallet through her CLC

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Submission, and ownership of her OKX, Gemini and Coinbase accounts through API keys. Dr Lin also confirmed at trial that she held a KuCoin account which she used solely as a bridge to transfer ERC-20 UST purchased on Gemini and Coinbase to her Terra Wallet, and that no purchases or sales of UST were made on it. Full KuCoin transaction records were subsequently provided to the defendants. The defendants did not challenge her evidence on ownership.

237 On reliance, the defendants mount several challenges to Dr Lin's evidence: First, Dr Lin accepted that there was a risk that UST might depeg. That is inconsistent with reliance on representations that the peg was guaranteed in all market conditions. Second, she accepted that Terraform could not force users to interact with the market module. Third, they submit that OKX's endorsement of Terra was the real reason she purchased UST, not the representations. Fourth, it was impossible for Dr Lin to have completed the thorough research in reading the sources she described in her second witness statement within a single day before making her first purchase on 2 April 2022.

238 I do not accept these challenges. On the risk point, Dr Lin acknowledged that there is risk with any investment, but her evidence was that she considered the risk of investing in UST to be very low, comparable to that of holding USDT or USDC, because the protocol had been extensively stress-tested and simulated over a 10-year period under severe conditions. That is consistent with reliance on the representations. On the market module, Dr Lin explained that, while Terraform could not force users to interact with the market module, she believed that the guaranteed swap price would create sufficient profit incentives for arbitrageurs to participate, and that this was what made the algorithm work. I accept her evidence. What matters is that the representations were a cause of the decision to purchase, not that the claimant fully understood every technical detail.

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239 On the OKX endorsement, Dr Lin's evidence was that she read the Terra White Paper, Terra Website, Anchor White Paper and LFG Press Release before purchasing, and that she would not have blindly trusted an advertisement from OKX precisely because it would naturally say positive things about a project it had invested in. I accept her explanation. Dr Lin's evidence was also that she was a fast reader and could complete her research in several hours. The White Papers were under 20 pages each. I accept her evidence that she had read the relevant sources. All that matters is that the Conceded Representations were a cause in her decision to purchase UST, they need not be the only cause. Accordingly, I find reliance on the First to Fourth Representations, and the Sixth Representation made out. The Fifth Representation is not actionable per the First Tranche Judgment at [79]. The Seventh Representation is not actionable per the First Tranche Judgment at [85].

240 On the applicable Cut-Off Time, Dr Lin's primary case is that she did not lose faith in the representations until 14 May 2022, 1.00am UTC, after reading Mr Kwon's tweet at 10.15pm UTC on 13 May 2022 in which he stated that UST in its current form would not continue as decentralised money. Her alternative case is that, even if she should have recognised the falsity of the representations earlier, she was physically prevented from selling her on-chain UST holdings until 26 May 2022, due to a combination of Terra blockchain congestion, OKX's suspension of UST trading, and her unfamiliarity with the Terra-to-Ethereum bridging process.

241 On her primary case, I do not accept that the default Cut-Off Time should be displaced in favour of 14 May 2022. Dr Lin's continued holding after the default Cut-Off Time was informed by a number of sources – the non-actionable Seventh Representation, messages from a Discord moderator called Spirit, observations about the burning of UST, and her own test swap of 100

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UST to LUNA on 12 May 2022 which she took as confirmation that the peg still held. These were essentially matters which led to Dr Lin deciding to continue holding UST, despite its obvious instability at the time. Merely having a belief that UST will repeg does not constitute a special circumstance justifying departing from the default Cut-Off Time.

242 On her alternative case, Dr Lin advances three arguments in support of an extended cut-off date to 26 May 2022: First, she submits that her on-chain UST was staked in Anchor and could not be sold directly. It had to be unstaked, transferred to a centralised exchange, and then sold, and that she did not unstake until 4.08am UTC on 12 May 2022 because she still believed the peg would recover. Second, she submits that, even after unstaking, the Terra blockchain was severely congested. Her test transfer of 100 UST to OKX took approximately three hours, making her hesitant to transfer her remaining holdings. Third, she submits that OKX suspended UST trading on 13 May 2022, eliminating her only available route for selling without bridging, and that she only learned about the Terra-to-Ethereum bridging process on 19 May 2022 due to her daily work obligations, ultimately completing the bridge transfer and selling on 26 May 2022.

243 I do not accept Dr Lin's arguments. On the first argument, Dr Lin accepted in cross-examination that there was nothing physically preventing her from unstaking her UST from Anchor before the default Cut-Off Time. The decision not to unstake was her own, driven by her continued belief that the peg would recover. On the second argument, I do not accept that the Terra blockchain congestion constituted a special circumstance justifying an extended Cut-Off Time. Dr Lin's concern was about transferring the bulk of her UST from her Terra Station wallet to OKX, after her test transfer of 100 UST took approximately three hours to arrive. However, the test transfer did arrive. The

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three-hour delay did not make the transfer impossible. Furthermore, Dr Lin had a KuCoin account that she had used in April 2022 to bridge UST. Her explanation for not using it in May, that Reddit posts suggested KuCoin might be restricting deposits, was (as she accepted in cross-examination) speculation based on research conducted the day before trial rather than knowledge she had at the time.

244 On the third argument of her lack of familiarity with the bridging process, this is not analogous to the physical lock-in mechanisms that justified extended Cut-Off Time for other claimants. Such mechanisms were circumstances entirely beyond those claimants' control. Dr Lin's situation is different. Her inability to sell her on-chain holdings after the default Cut-Off Time was a consequence of her own choice not to unstake before that time and her lack of familiarity with the bridging process. Such were practical difficulties within her control, not external insurmountable constraints. I apply the default Cut-Off Time of 12.01am UTC 12 May 2022.

245 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures differ materially: the claimants' figure is US$23,527.87 and Mr Lim's figure is US$7,209.20. The discrepancy is attributable to a pricing error in Mr Lim's script, identified in cross-examination, whereby Dr Lin's Gemini transactions on 22 April 2022 were assigned incorrect below-peg prices, significantly understating her eligible purchase value. Mr Lim accepted in cross-examination that this was an error in the calculation. I prefer the claimants' figure. I award Dr Lin US$23,527.87 in damages for misrepresentation.

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Mr Ekow Eshun

246 Mr Ekow Eshun ("Mr Eshun") claims damages of US$101,100.00. Between 9 and 20 April 2022, he purchased UST on Binance, depositing a substantial portion onto the Anchor Protocol. He did not sell any UST before the default Cut-Off Time save for 320 UST sold on 11 May 2022. He sold a further 15,000 UST on 12 May 2022 before retaining the remaining UST which he continues to hold on Binance. His case is that he relied on the First to Fifth Representations in purchasing UST. He continued to believe the peg would recover until he read Mr Kwon's tweets on 13 May 2022 acknowledging the failure of UST. He seeks an extended Cut-Off Time of 13 May 2022, at 10.15pm being the time at which he read Mr Kwon's tweet.

247 On ownership, I accept Mr Eshun's evidence that he owns the account and wallet. Mr Eshun proved ownership of his Binance account through API keys and ownership of his Terra Wallet through a screen recording of him logging in. The defendants did not challenge his evidence on ownership.

248 On reliance, the defendants argue that, as a professional actuary with 13 years of experience assessing risk in a forward-looking manner, Mr Eshun would have understood that the representations did not guarantee the peg, and that he cannot be said to have relied on them. They point specifically to his acceptance in cross-examination that there is a difference between an outcome premised on an incentive and one premised on a guarantee, his acceptance that it was impossible to force users to interact with the market module, and his agreement that as an actuary he would have contemplated scenarios where the arbitrage mechanism might be severely tested.

249 I do not accept the defendants' argument. The defendants' argument is essentially that a person with Mr Eshun's professional background ought not to

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have relied on the representations because he should have known better. However, it is no defence that a claimant acted incautiously or failed to take the steps a more prudent person might have taken. What matters is whether the representations induced Mr Eshun to purchase UST. His evidence was that he understood from the representations that UST was a stable asset backed by a robust algorithmic mechanism, that 1 UST could always be exchanged for 1 US dollars' worth of LUNA through the market module, and that Anchor offered a principal-guaranteed savings product. His professional background as an actuary does not preclude him from having held these beliefs and having acted on them. I find reliance on the First to Fourth Representations made out. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

250 On the applicable Cut-Off Time, I do not accept Mr Eshun's argument that the Cut-Off Time should be displaced in favour of 13 May 2022. Mr Eshun's evidence was that he continued to hold the majority of his UST because he believed the peg would recover within a reasonable time, that the price recoveries he observed between 7 and 11 May 2022 were signs of the stabilisation mechanism working, and that Mr Kwon's tweets pointed to a credible recovery plan. A belief that the peg would recover does not displace the common finding, and it does not constitute a special circumstance justifying a departure from the default Cut-Off Time. I apply the default Cut-Off Time of 12.01am UTC 12 May 2022.

251 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are close. The claimants' figure is US$42,925.01 and Mr Lim's figure is US$43,343.89. I take the higher of the two figures. I award Mr Eshun US$43,343.89 in damages for misrepresentation.

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Dr Aidan Lindsay Fenner Rich

252 Dr Rich claims damages of US$67,095.50. Between 24 September 2021 and 14 May 2022, he purchased UST on UniSwap, KuCoin and through his Terra Wallet, depositing substantially all of his holdings onto the Anchor Protocol. He progressively withdrew his UST from Anchor between 7 and 11 May 2022 and transferred it to KuCoin in readiness for a potential sale, but ultimately did not sell until 9 June 2022. His case is that he relied on the First to Sixth Representations in purchasing and holding UST. He did not lose faith in the Representations until on or about 13 May 2022 after reading Mr Kwon's tweet conceding the failure of UST. Accordingly, he seeks an extended Cut-Off Time of 13 May 2022, 10.15pm UTC being the time when the tweet was published. He also claims aggravated damages for mental distress.

253 On ownership, I accept Dr Rich's evidence that he owns his wallets and accounts. Dr Rich proved ownership of his Terra Wallet and Blockchain Wallet through his CLC Submission, and ownership of his KuCoin account through API keys provided in his CLC Submission. The defendants did not challenge his evidence on ownership.

254 On reliance, the defendants argue that Dr Rich did not cite the Terra Website anywhere in his second witness statement, relying instead solely on the Terra White Paper for the Terra Representations. They submit that the pleaded meanings of the Terra Representations cannot be derived from the Terra White Paper alone. I do not accept this challenge. As I explained above, what matters is the claimant's understanding of what he read and how that understanding gave rise to the pleaded meaning of the representations. Dr Rich's evidence was that he read the Terra Website and Terra White Paper carefully before purchasing UST and understood that UST was a stablecoin designed to maintain

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a 1:1 peg to the US dollar through a robust algorithmic mechanism involving LUNA and UST, that the mechanism was designed to withstand significant market volatility, and that 1 UST could always be exchanged for 1 US dollar's worth of LUNA. I accept his evidence.

255 The defendants also raised a number of credibility challenges. First, they pointed to Dr Rich's initial error in stating that purchases after 14 April 2022 were excluded from his claim, when the correct date should have been 14 May 2022. Dr Rich explained that this was a typographical error. His evidence is that he lost faith in the representations by 13 May 2022 and excluded purchases after that. I accept that explanation. Second, the defendants pointed to the amendment of the date on which he accessed the Anchor Website and Anchor White Paper from November to October 2021. Dr Rich acknowledged that he did not have evidence of his browsing history due to his browser's automatic deletion setting after three months. Hence, the date was based on his recollection that he would have read the relevant documents before making his first deposit in October 2021. I accept his explanation and decline to draw any adverse inferences based on his amendments. I find reliance on the First, Second, Third, Fourth and Sixth Representations made out. The Fifth Representation is not actionable per the First Tranche Judgment at [79]. The Seventh Representation is not actionable per the First Tranche Judgment at [85].

256 On the applicable Cut-Off Time, I do not accept Dr Rich's argument that the Cut-Off Time should be displaced in favour of 13 May 2022. Dr Rich's evidence was that he continued to hold his UST because he was monitoring Mr Kwon's optimistic tweets and a tweet from the @aspiretranspire account suggesting UST had previously recovered from depegs. The brief price upswings between 9 and 11 May 2022 indicated to him that the stabilisation mechanism was working. He acknowledged that, between 7 and 11 May 2022,

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he had been withdrawing his UST from Anchor progressively and transferring it to KuCoin to position himself for a potential sale. He explained that this was a precautionary step, but that on balance he decided to hold. That was his choice to do so. The belief that a recovery was possible, whether reinforced by Mr Kwon's tweets, third-party social media commentary, or brief price recoveries, does not constitute the kind of special circumstance that would justify departing from the default Cut-Off Time. I apply the default Cut-Off Time of 12.01am UTC 12 May 2022.

257 Dr Rich seeks aggravated damages for mental distress. In support of this claim, he produced a letter dated 5 February 2026 from Dr Peter Fuller ("Dr Fuller"). However, Dr Rich clarified in re-examination that Dr Fuller is a sport and exercise medicine physician, not a psychiatrist or psychologist. Dr Fuller is a former colleague of Dr Rich from a multidisciplinary sports medicine clinic where Dr Rich had previously worked, and whom Dr Rich used to consult informally for general health and musculoskeletal matters in the absence of having a regular General Practitioner. Critically, Dr Rich did not see Dr Fuller or any other medical personnel for the symptoms he now claims during the 2022 and 2023 period. The letter was produced only in February 2026, following a discussion at Dr Fuller's home office in which Dr Rich explained what had transpired over the preceding four years. Dr Fuller therefore had no contemporaneous clinical basis for his assessment. The letter amounts to a retrospective account based entirely on Dr Rich's own narrative, provided to a former colleague who is not a mental health specialist and did not examine or treat Dr Rich at the relevant time. The circumstances in which this letter came to be produced, approaching a former colleague nearly four years after the events in question and asking him to document symptoms he had not personally observed, in my view undermines its reliability. I place no weight on it and do not award aggravated damages.

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258 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures differ materially. The claimants' figure is US$26,665.46 and Mr Lim's figure is US$14,092.21. The discrepancy is attributable to Mr Lim's script misclassifying Dr Rich's transfer to his Ethereum blockchain wallet as a sale to a third party, when that wallet in fact belongs to Dr Rich as verified in his CLC submission. Mr Lim accepted in cross-examination that this wallet should have been recognised as belonging to Dr Rich and that the transfer should not have been treated as a sale. I prefer the claimants' figure. I award Dr Rich US$26,665.46 in damages for misrepresentation.

Mr Brian Patrick Cavers

259 Mr Brian Patrick Cavers ("Mr Cavers") claims damages of US$139,812.27. Mr Cavers purchased UST on KuCoin and through his Terra Wallet between 20 March 2021 and 12 May 2022. After purchasing UST, he deposited it into the Anchor Protocol, while also actively trading in the Terra ecosystem through the Mirror Protocol. Between 9 and 12 May 2022 Mr Cavers sold substantial quantities of UST as part of his trading activity on the Mirror Protocol, but retained a significant position as at the default Cut-Off Time. His case is that he relied on the First to Fifth Representations in purchasing UST. He continued to believe in the representations until 13 May 2022 at 10.15pm UTC, when Mr Kwon tweeted that UST in its current form would not be the decentralised money of the future. The Cut-Off Time (he says) should accordingly be extended to 14 May 2022, 2.47am UTC, being the timing of Mr Cavers's first sale of UST after he discovered that the representations were false.

260 On ownership, I accept Mr Cavers's evidence that he owns the wallet and account. Mr Cavers's ownership of his Terra Wallet is verified by his CLC

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Submission. His ownership of his KuCoin account is verified by a screen recording of him logging in. Mr Cavers explained that he is unable to provide KuCoin API keys due to restrictions imposed by KuCoin on US-based users. I accept his explanation. The defendants did not challenge his evidence on ownership.

261 On reliance, Mr Cavers's case is that he relied on the First to Fifth Representations, having read the Terra Website, the Terra White Paper, the Anchor Website and the Anchor White Paper before his first purchase on 20 March 2021. I accept his reliance on the First, Second, and Fourth Representations, but not the Third Representation. The pleaded source of the Third Representation is the Terra Website, specifically the "About the Terra Protocol" section. Mr Cavers cited only section 2.4 of the Terra White Paper in his second witness statement and confirmed in cross-examination that he may not have read the Third Representation from the website. As mentioned above, reliance on the Third Representation cannot be established by reference to the Terra White Paper alone.

262 The defendants raise three further challenges. First, they submit that Mr Cavers could not have believed the peg was guaranteed because he accepted in cross-examination that sections 2.4 and 2.5 of the Terra White Paper related to the stability of mining rewards, not the peg. I do not accept this. Mr Cavers' evidence was that he understood that the roles of miners and arbitrageurs were linked and underpinned the stability of the peg. The representations need only be a cause of purchase, not the sole cause, and a reader need not have a technical understanding of the underlying mechanism.

263 Second, the defendants submit that Mr Cavers conceded that he did not rely on the Fourth Representation because his understanding of how UST

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maintained its peg only derived from the Terra Representations. I do not accept this argument. Mr Cavers' evidence is that his understanding of UST's stability came primarily from the Terra White Paper. The Fourth Representation operated as another basis for his decision to stake on Anchor and hold for yield.

264 On the Cut-Off Time, Mr Cavers's case is that he only lost faith in the representations on 13 May 2022 when Mr Kwon tweeted that UST in its current form would not be the future of decentralised money. I do not accept this. No special circumstances justify departing from the common finding. Mr Cavers was not physically locked in or otherwise prevented from selling. To the contrary, he was actively trading on the Terra blockchain throughout the period in large volumes. The default Cut-Off Time of 12.01am UTC on 12 May 2022 applies.

265 On quantum, since the default Cut-Off Time applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are the same at US$54,757.69. I award Mr Cavers that sum in damages for misrepresentation.

Mr Lim Xianlong, Kevin

266 Mr Lim Xianlong, Kevin ("Mr Kevin Lim") seeks damages of US$500,780.33. Between 2018 and 2021, he worked at QCP Capital, a cryptocurrency trading firm, where his duties included interfacing with clients and partners and reading white papers as part of the firm's business activities. Mr Kevin Lim purchased UST on Binance and FTX between 15 March and 3 April 2022. After purchasing UST, he deposited it into the Anchor Protocol, the Aave Protocol, and his FTX lending account to earn yield. He sold almost all of his UST holdings by 11 May 2022. His case is that he relied on the First to Sixth Representation in purchasing UST.

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267 On ownership, I accept Mr Kevin Lim's evidence that he owns the accounts and wallet. Mr Kevin Lim's ownership of his Binance account, FTX account, Terra and Blockchain wallets are verified by screen recordings of him logging into each. The defendants did not challenge his evidence on ownership.

268 On reliance, Mr Kevin Lim's case is that he relied on the First to Sixth Representations, having read the Terra Website, the Terra White Paper, the Anchor Website, the Anchor White Paper and the LFG Press Release before his first purchase on 15 March 2022. The defendants raise several challenges to reliance. First, they submit that Mr Kevin Lim's real motivation for purchasing UST was to earn returns on the Anchor Protocol, rather than a belief in the stability representations. The defendants note that although he read the Terra White Paper in 2019, he did not purchase UST until 2022. I do not accept this argument. Mr Kevin Lim explained that he did not purchase UST in 2019 as there was no practical functionality or liquidity for UST at the time, and no yield-generating ecosystem. I accept his explanation. In his witness statement, he made it clear that, when purchasing UST, he was motivated by the combination of UST's stability, the principal-protected nature of Anchor and the yield available there, and the added assurance of the LFG reserve. As I held in the First Tranche Judgment, representations need only be a cause of the purchase, not the sole cause.

269 Second, the defendants submit that Mr Kevin Lim conceded at trial that, when reporting back to QCP on the Terra White Paper in 2019, he may not have characterised Terraform as guaranteeing that the peg would always hold regardless of market conditions. I do not place weight on this. Mr Kevin Lim's evidence was that he focused on summarising the algorithmic mechanism and how the arbitrage process was supposed to work, rather than using the specific language of a guarantee. That is consistent with his personal understanding,

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formed when he came to invest for himself, that the representation conveyed a robust stability mechanism.

270 Third, the defendants submit that Mr Kevin Lim accepted that the US$1 billion LFG reserve was insufficient to collateralise UST's market capitalisation. He therefore must have understood (the defendants suggest) that, if the reserve needed to be deployed, UST would already be in trouble. Mr Kevin Lim's evidence was that the reserve reinforced his confidence as a second layer of protection. That is consistent with his understanding that the reserve was a supplementary safety mechanism rather than full collateralisation. A claimant is not required to have understood the exact operational mechanics of the UST-LUNA arbitrage mechanism or to have parsed each passage of the Terra White Paper with technical precision: First Tranche Judgment at [98(b)].

271 On quantum, Mr Kevin Lim sold most of his UST holdings by 11 May 2022, before the default Cut-Off Time, retaining only 7.32 UST. His damages are assessed on the basis of his actual realised losses. Mr Kevin Lim's total eligible UST is 1,187,194.74, comprising 1,152,377.00 UST purchased at a total purchase value of US$1,156,528.45 and 34,817.74 UST earned as yield. He sold 1,187,187.42 UST on 11 May 2022, yielding US$685,478.44. The residual balance of 7.32 UST remaining is treated as having been notionally sold on 11 May 2022. The average price of UST on 11 May 2022 was US$$0.80025. Thus, the notional sale value of the remaining UST sold on 11 May 2022 isUS$5.85783. The total amount recoverable is US$1,156,528.45, less US$685,478.44 and US$5.85783, giving the rounded figure of US$471,044.15.

Mr Charles Lee Teague

272 Mr Teague claims damages of US$62,718.93. He purchased UST on KuCoin, Terra Bridge, Terra Station, Coinbase, and Harmony between 29

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November and 29 December 2021 and deposited those UST into Anchor. He says he relied on the First to Fifth Representations in purchasing UST. He sold the majority of his UST holdings, but retained a portion as at the default Cut-Off Time. His case is that he lost faith in the representations only on 13 May 2022 after reading Mr Kwon's tweets conceding that UST in its current form would not recover. He seeks a Cut-Off Time of 13 May 2022 at 11.59pm UTC, being the time he says that he discovered the representations were false.

273 I accept Mr Teague's evidence that he owned the relevant accounts. His Terra Wallet is verified by his CLC Submission. His Coinbase accounts are verified by API keys. His KuCoin account is verified by a screen recording of him logging in. The defendants did not challenge his evidence on ownership.

274 I accept Mr Teague's evidence of reliance. He accessed the Terra Website and Terra White Paper in or around November 2021, and the Anchor Website and Anchor White Paper around the same time. His browsing history shows access on 30 November 2021. A screenshot of a message to his brother dated 30 November 2021 refers to him having spent considerable time reading about the Anchor Protocol in the preceding days. I accept his evidence that he was looking for a safe place to store value and earn a stable return, and the Terra Representations and the Fourth Representation persuaded him that UST was as safe (or safer) than holding US dollars and that Anchor offered principal-protected passive income. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

275 The defendants raise several challenges to reliance. First, they submit that Mr Teague's evidence was inconsistent. He claimed to have no preference between currency-backed and algorithmic stablecoins while saying he researched whether a cryptocurrency was backed by currency or algorithm. I do

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not regard this as an inconsistency. Mr Teague explained that he wanted to understand the basis of a stablecoin's value before investing. That is consistent with remaining agnostic as to which type he preferred. Second, the defendants submit that Mr Teague accepted in cross-examination that the peg depended on arbitrageurs choosing to participate and that UST's stability depended on the robustness of the algorithm, demonstrating that he appreciated the risk. I do not accept that these concessions preclude reliance. A reader could understand the representations as conveying that the algorithm was sufficiently robust to maintain the peg in all market conditions without appreciating the theoretical risk of insufficient arbitrageur participation. Mr Teague's evidence is that he believed the algorithm guaranteed stability and I accept his evidence. I accordingly find that Mr Teague has made out reliance on the First, Second, Third, and Fourth Representations.

276 The default Cut-Off Time of 12.01am UTC on 12 May 2022 applies. Mr Teague's case is that he lost faith on 13 May 2022 after reading Mr Kwon's tweets conceding that UST in its current form would not recover. I reject this. Mr Teague's evidence was that he had read Mr Kwon's series of tweets on 11 May 2022 by approximately 10.23pm UTC that day. A reasonable investor in Mr Teague's position, having read those tweets and observed UST's failure to re-peg over four consecutive days, would have recognised the falsity of the representations as to UST's stability by the default Cut-Off Time. There is no evidence that Mr Teague was restricted or locked in such that he was prevented from selling his UST. There is accordingly no basis to extend the Cut-Off Time beyond the default.

277 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure would *prima facie* be Permutation 2. The parties' Permutation 2 figures differ materially. The claimants' figure is

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US$64,645.92, while Mr Lim's figure is US$6,122.83. The discrepancy arises because Mr Lim's script captured all inflows and outflows across Mr Teague's accounts, including transactions with lending and staking protocols that Mr Teague does not claim as purchases or sales. Mr. Lim's script treated the transactions indiscriminately as profit-taking events. Mr Lim accepted in cross-examination that the script does not account for individual claimants' explanations of which transactions are relevant to their claim. As between the two amounts, I therefore would prefer the claimants' figure, which is derived from the transactions Mr Teague has identified as relevant to his claim. However, the US$64,645.92 thrown up by the claimants' Permutation 2 is greater than the US$62,718.93 claimed by Mr Teague. I therefore award US$62,718.93 to Mr Teague as damages for misrepresentation.

Mr Aaron Quigley-Clarke

278 Mr Aaron Quigley-Clarke ("Mr Quigley-Clarke") claims damages of US$108,064.54. Mr Quigley-Clarke purchased UST on Binance between 15 and 19 April 2022, depositing those UST into Anchor. He says that he relied on the First to Fifth Representations to purchase UST. He subsequently purchased more UST on 12 May 2022 in reliance on the First to Fifth, and Seventh Representation. He sold the majority of his UST holdings only on 12 May 2022. His case is that he lost faith in the representations only at 4.29pm UTC on 12 May 2022 when the price collapsed repeatedly after several rebounds. He seeks to extend the Cut-Off Time accordingly.

279 On ownership, I accept Mr Quigley-Clarke's evidence that he owns his account and wallet. Mr Quigley-Clarke proved ownership of his Binance account by a screen recording of him logging in. His evidence in respect of his Terra Wallet is that he can no longer access it as he cannot locate the seed

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phrase. As an alternative means of proving ownership, he tendered a screen recording showing that all six UST withdrawals from his Binance account during the relevant period matched inflows into the Terra Wallet address at corresponding times, with the amounts reconciling to within the yield earned on Anchor. The defendants submit that it is unbelievable that a person dealing in over US$100,000 of UST as late as April 2022, and contemplating legal proceedings within months of the depeg, could have lost one's seed phrase. I accept Mr Quigley-Clarke's explanation that he misplaced the seed phrase. I decline to draw an adverse inference that Mr Quigley-Clarke does not own his Terra wallet.

280 On reliance, I accept Mr Quigley-Clarke's evidence that he accessed the Terra Website, the Terra Money White Paper, the Anchor Website, and the Anchor White Paper on or around 15 April 2022, before his first purchase. He has no browsing history to exhibit as he routinely clears it and has since changed devices. I accept his explanation. His evidence is that he was looking for a stable place to store value and earn passive income. The combination of the Terra and Anchor Representations satisfied him that UST was a safe and reliable stablecoin and Anchor offered principal-protected savings. I accept his evidence. The defendants did not challenge his evidence on reliance. I find that Mr Quigley-Clarke has made out reliance on the First, Second, Third, and Fourth Representations. The Fifth and Seventh Representations are not actionable per the First Tranche Judgment at [79] and [85] respectively.

281 On the applicable Cut-Off Time, I apply the default Cut-Off Time. Mr Quigley-Clarke's case is that he did not lose faith in the representations until 4.29pm UTC on 12 May 2022 when the price collapsed repeatedly following a rebound. This is not a sufficient basis to extend the Cut-Off Time. Mr Quigley-Clarke read Mr Kwon's series of tweets on 11 May 2022 between 1.00am and

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12.00pm UTC. By that point UST had failed to re-peg over four consecutive days. The common finding is that a reasonable investor having read those tweets and observed the extended period of instability, would have recognised the falsity of the representations by the default Cut-Off Time. Mr Quigley-Clarke was not locked in from selling. There is no evidence of any restriction or lock-up period that would have prevented him from selling before the default Cut-Off Time. Accordingly, the default Cut-Off Time applies.

282 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are close. The claimants' figure is US$44,741.01 and Mr Lim's figure is US$43,571.87. I take the higher of the two figures and award Mr Quigley-Clarke US$44,741.01 in damages for misrepresentation.

Mr Alberto Grimaudo

283 Mr Alberto Grimaudo ("Mr Grimaudo") claims damages of US$192,367.36. He purchased UST on KuCoin and Jupiter jup.ag between 26 February 2022 and 8 April 2022, depositing those UST into Anchor, yiSolUST, FTX, and Mirror. He says he relied on the First Representation to the Fifth Representation in purchasing UST. He sold portions of his UST on 12 and 13 May 2022 and the majority of his remaining holdings on 31 May 2022. His case is that he did not see Mr Kwon's 11 May 2022 tweets until 13 May 2022 between 06.00am and 08.00am UTC, having been on holiday in the Canary Islands, and that he did not lose faith in the representations until 10.15pm UTC on 13 May 2022 after reading Mr Kwon's tweets of that date. He seeks an extended Cut-Off Time accordingly.

284 I accept Mr Grimaudo's evidence of ownership. His Terra Wallet and Solana Wallet are verified by his CLC Submission. His KuCoin, Binance and

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OKX accounts are verified by API keys. His FTX sub-account was deleted before FTX collapsed and cannot be restored, but he has exhibited his correspondence with FTX support and confirmed on affirmation that he owned and controlled the account at all material times. The defendants submit that Mr Grimaudo could not have amassed the approximately US$360,000 required for his first two purchases in February and March 2022 on an income of approximately €2,000 per month from matched betting. However, these suggestions are theoretical possibilities. The defendants have not identified any specific evidence that the UST in Mr Grimaudo's wallets belonged to someone else. I accept that the UST was his own.

285 On reliance, I accept Mr Grimaudo's evidence that he accessed the Terra Website and Terra White Paper in November 2021 and again between 1 and 15 February 2022, as corroborated by his Google My Activity records showing access to the Terra Website as early as 14 November 2021 and Anchor-related searches from the same date. His browsing history was cleared due to his practice of doing so to free up memory space. I accept his explanation. I accept Mr Grimaudo's evidence that he was looking for a stablecoin with a stable yield and the combination of the Terra and Anchor Representations satisfied him that UST was as safe as holding USDT or USDC and that Anchor offered principal-protected passive income.

286 The defendants submit that Mr Grimaudo accepted in cross-examination that UST had no real asset collateral to defend the peg and that the algorithm worked through market forces which were not within the defendants' control, demonstrating that he appreciated the risks. I do not accept this argument. Mr Grimaudo's evidence was that the historical data showing UST's prior successful maintenance of the peg, combined with what he read in the Terra White Paper and Anchor White Paper and the Terra Website, gave him genuine

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confidence that the algorithm was sufficiently robust to maintain the peg in all market conditions. His acceptance that Terraform could not force arbitrageurs to participate does not undermine this. The question is not whether Mr Grimaudo appreciated that there was some theoretical risk, but whether the representations operated on his mind and induced him to purchase UST. A lay investor may simultaneously appreciate in the abstract that no investment is entirely risk-free while believing, on the basis of what he has read, that the risk is negligible. I find that Mr Grimaudo has made out reliance on the First to Fourth Representations. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

287 The default Cut-Off Time of 12.01am UTC on 12 May 2022 applies. Mr Grimaudo's case is that he did not see Mr Kwon's 11 May 2022 tweets until 13 May 2022 because he was on holiday in the Canary Islands with no notifications. I reject this. His evidence on the holiday was inconsistent and thus unreliable. He suggested he may have been on top of a mountain with no access to Twitter and was unable to receive notifications. But he also suggested that he may have been doing matched betting and trading from a laptop while away. Additionally, his own transactions tell a different story. On 11 May 2022 he withdrew all 45,000 UST from Anchor. On 12 May 2022 he sold over 9,500 UST at prices of between 52 and 65 cents on the dollar, well below the one-to-one peg. A person who sold UST at those prices on 12 May 2022 plainly appreciated by then that UST's peg was not recovering. The inference I draw is that Mr Grimaudo had in fact seen Mr Kwon's 11 May 2022 tweets before the default Cut-Off Time. The common finding that a reasonable investor, having seen those tweets and observed UST's failure to re-peg over multiple days, would have recognised the falsity of the representations by 12.01am UTC on 12 May 2022 therefore applies to him.

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288 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are close: the claimants' figure is US$70,903.77 and Mr Lim's figure is US$68,784.72. I take the higher of the two figures. I award Mr Grimaudo US$70,903.77 in damages for misrepresentation.

Mr Fredrick William Phillips

289 Mr Fredrick William Phillips ("Mr Phillips") claims damages of US$50,234.45. He purchased UST on KuCoin on 4 July 2021 and 17 August 2021, depositing those UST into Anchor. He made a nominal purchase of UST on 26 May 2022 to pay fees for a withdrawal from Anchor and does not rely on the representations for that transaction. He says he relied on the First to Sixth Representations to purchase UST. He did not sell any of his UST before the default Cut-Off Time and still holds the majority of his position. His case is that he lost faith in the representations on or around 24 May 2022 after returning to Terra-related news following a deliberate period of disengagement for reasons of mental health. He seeks an extended Cut-Off Time of 24 May 2022 at 11.59pm UTC.

290 I accept Mr Phillips's evidence of ownership. His Terra Wallet is verified by his CLC Submission. His KuCoin account is verified by an email from KuCoin to his registered email address attaching the transaction history he had requested. Mr Phillips explained that he is currently unable to log into his KuCoin account as KuCoin has ceased providing KYC services in his region. I accept his explanation. The defendants did not challenge his evidence on ownership.

291 On reliance, Mr Phillips's evidence is that he understood UST to be a stable algorithmic stablecoin, appreciated the mint/burn mechanism as a self-

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balancing system, and believed from the Anchor White Paper that Anchor offered principal-protected passive income. He does not have evidence of his browsing history as it was cleared as part of routine maintenance. I accept his explanation. However, Mr Phillips cites only section 2.4 of the Terra White Paper as the basis for his understanding of the Third Representation. The pleaded source of the Third Representation is the "About the Terra Protocol" section of the TFL Website. As such, I find that the Third Representation is not made out for Mr Phillips. I find that Mr Phillips has made out reliance on the First, Second, and Fourth Representation. The Fifth Representation is not actionable per the First Tranche Judgment at [79]. The Sixth Representation was relied on only to hold UST through the depeg, not to purchase it.

292 The default Cut-Off Time of 12.01am UTC on 12 May 2022 applies. Mr Phillips's case is that he lost faith on 24 May 2022, having deliberately disengaged from Terra-related news on 12 May 2022 for reasons of mental health. I reject his argument. Mr Phillips read Mr Kwon's 11 May 2022 tweets shortly after they were posted. His evidence was that he read them by approximately 12.00 UTC on 11 May 2022, well within the 14-hour grace period. He accepted in cross-examination that, on reading those tweets, he understood the UST/Luna arbitrage mechanism was stressed. A reasonable investor, having read Mr Kwon's full series of tweets and observed UST failing to re-peg over multiple days, would have recognised the falsity of the representations by the default Cut-Off Time. That Mr Philips decided of his own volition to disengage from Terra-related news on 12 May would not justify extending the Cut-Off Time. There is no evidence of any restriction that would have prevented him from selling before that time. The default Cut-Off Time applies.

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293 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are the same at US$15,481.87. I award Mr Philips that sum in damages for misrepresentation.

Mr Trent Cooper

294 Mr Trent Cooper ("Mr Cooper") claims damages of US$65,207.18. He purchased UST on Binance between 28 December 2021 and 3 March 2022, depositing those UST into Anchor. He subsequently purchased substantial further quantities of UST on 12 and 13 May 2022. He says he relied on the First to Seventh Representations. He sold all of his UST by 13 May 2022. He made a nominal additional purchase of a small amount UST on 16 May 2022 to monitor the Anchor Protocol's behaviour. This does not form part of his claim. His case is that he lost faith in the representations on 13 May 2022 at 10.15pm UTC after reading Mr Kwon's tweet of that date and seeks an extended Cut-Off Time of 13 May 2022 at 11.59pm UTC. Alternatively, he seeks an extended Cut-Off Time of 12 May 2022 at 05.00pm UTC being the end of the 14-hour "grace period" for Mr Cooper to digest the tweets and liquidate his UST holdings after reading Mr Kwon's 11 May 2022 tweets around 12 May 2022, 3am UTC.

295 On ownership, I accept Mr Cooper's evidence of ownership. His Terra Wallet is verified by his CLC Submission and his Binance account is verified by API keys. The defendants did not challenge his evidence on ownership.

296 I accept Mr Cooper's evidence of reliance on the First to Sixth Representations for his purchases between 28 December 2021 and 3 March 2022. He accessed the Terra Website around 18 December 2021 as corroborated by his Google My Activity records, read the Terra Money White Paper and the

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Anchor White Paper before his first purchase, and read the LFG Press Release around 22 February 2022. The defendants submit that Mr Cooper accepted in cross-examination that there was a risk that the peg would not hold and that arbitrageurs could not be forced to interact with the market module. I do not accept this as displacing reliance. Mr Cooper's evidence was that he considered the risk to be minimal, bordering on negligible, given that UST had been operating for years and the incentive mechanism was designed to make arbitrage essentially equivalent to collecting free money. His acceptance of a theoretical risk does not mean the representations did not operate on his mind. I find that Mr Cooper has made out reliance on the First to Fourth Representations and the Sixth Representation for his pre-depeg purchases. The Fifth Representation is not actionable per the First Tranche Judgment at [79]. The Seventh Representation is not actionable per the First Tranche Judgment at [85]. His post-depeg purchases on 11, 12 and 13 May 2022 were made in reliance on the Seventh Representation which is not actionable. I do not award damages in respect of those purchases.

297 The default Cut-Off Time of 12.01am UTC on 12 May 2022 applies. Mr Cooper's case is that he lost faith on 13 May 2022 after reading Mr Kwon's tweet of that date. I reject this. Mr Cooper's evidence was that he had read Mr Kwon's 11 May 2022 tweets by approximately 3.00am UTC on 12 May 2022, well within the 14-hour grace period. On 10 May 2022 he withdrew all 101,342 UST from Anchor, accepting in cross-examination that he did so to be able to act faster if he chose to sell. On 11 May 2022, upon seeing the price fall overnight to approximately 30 cents on the dollar, he panicked and sold some of his remaining holdings. The common finding applies, which is that a reasonable investor would already have recognised the falsity of the representations by the default Cut-Off Time.

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298 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties' Permutation 2 figures are close. The claimants' figure is US$33,558.56 and Mr Lim's figure is US$33,528.64. I take the higher of the two figures. I award Mr Cooper US$33,558.56 in damages for misrepresentation.

Mr Chung Ee Yen Ian

299 Mr Chung Ee Yen Ian ("Mr Chung") claims damages of US$57,828.45. He purchased UST between 16 January and 10 May 2022 on Gemini, KuCoin, FTX and through the Mirror Protocol, depositing his UST into Anchor to earn yield. He relies on the First to Third Representations and the Sixth Representation. He does not rely on the Fourth or Fifth Representation, having learned about Anchor through online community sources rather than the Anchor White Paper. He accepts that his transactions from 13 May 2022 onwards were not made in reliance on the representations and does not claim in respect of them. His case is that was busy with his clinical and academic obligations, including his preparations for his final examinations. He says that he lost faith in the representations on 13 May 2022, and that his Cut-Off Time should be extended to 13 May 2022 at 3.08am UTC, being the time of his first sale that day.

300 I accept Mr Chung's evidence of ownership. His Gemini and KuCoin accounts are verified by API keys and screen recordings of him logging in. His FTX account is verified by a screen recording. His Terra Wallet is verified by his CLC Submission. The defendants did not challenge his evidence on ownership.

301 On reliance, I accept Mr Chung's evidence that he had read and relied on the Terra Website and Terra White Paper before his first purchase. His

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reliance on the Terra Representations is made out. The Sixth Representation is made out on the basis of his reading of the LFG Press Release on or around 23 February 2022. I accept his evidence that he understood that UST would not always remain exactly at one dollar but that the algorithm would iron out deviations, and that the LFG reserve provided a supplementary backstop for use in the unlikely event the algorithm encountered difficulty.

302 The defendants submit that Mr Chung's evidence was internally inconsistent. He agreed in cross-examination that human behaviour could not be forced. But he claimed there was no risk at all, before accepting under further questioning that everything carries some very small risk. I do not accept this argument. Mr Chung's position was that he considered the risk negligible, given the representations' assurances and the historical performance of the protocol, and that the reserve fund would function as a safety net in the unlikely event of algorithmic failure. The question is whether the representations operated on his mind, not whether he was free of awareness of risk. I find that Mr Chung has made out reliance on the First to Third Representations and the Sixth Representations. The Fifth and Seventh Representations are not actionable per the First Tranche Judgment.

303 The default Cut-Off Time of 12.01am UTC on 12 May 2022 applies. Mr Chung read Mr Kwon's tweets between approximately 10 May 2022 at 8.00 UTC and 11 May 2022 at 11.00 UTC. The common finding that a reasonable investor, having read those tweets, would have recognised the falsity of the representations by the default Cut-Off Time applies. There is no evidence of any restriction that prevented him from selling before the Cut-Off Time. The fact that Mr Chung was busy with his academic obligations is an insufficient basis to extend the Cut-Off Time. As mentioned above, if an investor chose to turn a blind eye to the available information while his investment collapses

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around him, that choice is his own and the losses flowing from it are not attributable to the defendants' fraud.

304 The defendants argue that Mr Chung's conduct on 10 May 2022 demonstrates that he had lost faith by that date. On 10 May 2022 he withdrew 20,000 UST from Anchor and conducted some UST sales. I do not accept that argument. Mr Chung explained that the first two UST sales on 10 May 2022 were not open market disposals but were the unwinding of his Mirror Protocol positions, the reverse leg of his aUST-collateral-mIAU strategy, which was necessary to unlock his underlying Anchor position. His KuCoin trades on that day, which yielded a profit of approximately US$27, was an attempt to increase his UST store of value by buying lower and selling marginally higher. His evidence is that he was taking preparatory steps to put him in a place where he could make decisions more easily, and that he still relied on the representations. I accept his explanation.

305 On quantum, since the default Cut-Off Time of 12.01am UTC on 12 May 2022 applies, the applicable figure is Permutation 2. The parties agree on the Permutation 2 figures of US$23,607.65. I award Mr Chung that sum in damages for misrepresentation.

Mr Thor Robert Kiessling

306 Mr Thor claims damages of US$140,985.74. He purchased UST on Coinbase between 29 April and 7 May 2022, depositing those UST into Anchor and Aperture Finance, a third-party delta-neutral yield strategy platform that was built on top of Anchor and offered a yield somewhat above 20%. He relies on the First to Sixth Representations. He says that he lost faith in the representations on 10 May 2022, and seeks a Cut-Off Time of 16 May 2022,

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04.28pm UTC being the earliest date on which he could sell his Aperture-locked UST.

307 I accept Mr Kiessling's evidence of ownership. His Coinbase account is verified by API keys and a screen recording. His Terra Wallet is verified by a screen recording. The defendants do not challenge his evidence on ownership.

308 On reliance, I accept Mr Kiessling's evidence that he read the Terra Website, Terra White Paper, Anchor White Paper, Anchor Website, and LFG Press Release before his first substantive purchase on 29 April 2022. His Google My Activity records show searches for the Terra Station desktop app and for Coinbase's Terra chain integration plans on 21 April 2022, and for the official Anchor Protocol site on 20 April 2022. Although the records do not show a direct Google search for the Terra Website or Terra White Paper, Mr Kiessling explained that he arrived at the Terra Website by downloading the Terra Station desktop app from it. He then read both the website and the White Paper in the period between 21 April and his first substantive purchase on 29 April 2022. I accept his explanation. I decline to draw the adverse inference that the absence of a Google Activity record for the Terra Website means he never accessed the latter.

309 I reject the defendants' submission that Mr Kiessling's true motivation was yield rather than any belief in the representations. Mr Kiessling's evidence is that his primary purpose was to find a safe and stable home for approximately US$160,000 set aside to meet a capital gains tax liability arising from the sale of Bitcoin. He wanted to earn yield on those funds while preserving the principal. His understanding of Anchor as a principal-guaranteed savings product, derived from the Fourth Representation, was consistent with that purpose. The fact that he also staked on Aperture for a higher yield does not

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negate reliance. Mr Kiessling understood Aperture as built on top of Anchor, with Anchor's risks as the primary risks, and his investment in Aperture was accordingly in reliance on the Fourth Representation. I find that the First to Fourth Representations, and Sixth Representation operated on Mr Kiessling's mind when he purchased UST between 29 April and 7 May 2022. The Fifth Representation is not actionable per this judgment at [79].

310 On the applicable Cut-Off Time, Mr Kiessling's situation is unique. His trading history evinces a claimant who began swing trading from 8 May 2022, motivated by yield, and who voluntarily re-entered a position from which he could have exited cleanly. He does appear on the evidence to be a claimant who continued to believe in the representations through to 10 May 2022 and was then involuntarily locked into Aperture.

311 On 8 May 2022, Mr Kiessling withdrew approximately 156,554.59 UST from Aperture. At that point, he had a clean exit. Instead, he immediately re-deposited approximately 146,360.47 UST into new Aperture vaults offering even higher yields than those he had just left. He accepted in cross-examination that this was entirely his own decision and that, in the normal course, Aperture withdrawals could be executed within minutes. He was not locked in on 8 May 2022, it was his choice to go back in. On 9 May 2022, he set up a limit sale order on Coinbase at US$1.00, which itself reflects a degree of concern about whether UST would recover. On 10 May 2022, upon finding the price had fallen to approximately 91 cents on the dollar, which he accepted was way outside normal variance, he scrambled to sell his available Coinbase UST and attempted to withdraw from Aperture. He accepted in cross-examination that this was when he lost faith in the representations. However, the withdrawal difficulty he encountered from 10 May onwards arose from a platform-wide Aperture issue that post-dated his voluntary re-entry of 8 May 2022.

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312 The claimants submit that Mr Kiessling re-entered Aperture on 8 May because he saw no issue with the Terra protocol at the time and was simply exploring different Aperture products. I do not accept this. The timing and pattern of his conduct, which was a full withdrawal from Aperture on 8 May, followed immediately by re-entry into higher-yielding products during the early stages of a visible depeg, is indicative of an investor who was swing trading by moving into higher-yielding Aperture products in a bid to profit from UST's volatility. As I held in the First Tranche Judgment, such conduct of buying USTs when low and selling on rises in UST's value with a view to speculating on short-term swings in UST's value in a volatile market, cannot be said to be done in reliance on the representation: First Tranche Judgment at [98(d)]. Any resulting losses from such decisions are not claimable against the defendant. The cut-off date is accordingly brought forward to 8 May 2022, the date on which Mr Kiessling's reliance on the Representations ended and his swing trading began. Any loss or gain from Mr Kiessling's re-entered Aperture position from 8 May 2022 onwards must be treated as the outcome of his own speculative decision.

313 On quantum, the assessment of damages is accordingly limited to the net loss on the position Mr Kiessling held as part of his original reliance-based investment as at 8 May 2022, excluding the swing trading re-entry.

314 In sum, because Mr Kiessling chose to go back into Aperture on 8 May 2022 for his own speculative reasons, almost all of his loss is excluded. He can only recover the net loss on the small slice of his holdings that he actually sold in his first liquidation on 10 and 11 May, plus the small residual that was never re-entered into Aperture. The parties have not expressly provided me with a figure for damages on the basis just summarised. I accordingly request the parties to agree a figure for damages based on the foregoing. If the parties are

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unable to agree, they are to submit a joint memorandum within 14 days of this judgment, succinctly setting out their competing figures for Mr. Kiessling and the reasons for any disagreement.

Mr Gary Koh Boon Thong

315 Mr Koh claims damages of US$325,037.39. He purchased UST on TerraStation between 26 March 2021 and 11 May 2022, depositing the majority into Anchor and deploying the rest across numerous projects within the Terra ecosystem including Valkyrie, Mirror, MINE, SPEC, and FLOKI. He earned UST in yield from Anchor and from non-Anchor yield-generating platforms. From 26 March 2021 to 27 February 2022, He relied on the First to Fifth Representations to purchase UST. From 3 March 2022 to 11 May 2022, he relied on the First to Sixth Representations to purchase UST. His case is that he lost faith in the representations on 12 May 2022 and seeks the default Cut-Off Time.

316 I accept Mr Koh's evidence of ownership. His two Terra Wallets are verified by his CLC Submission. His KuCoin account is verified by API keys. His Kraken and Nexo accounts are verified by screen recordings of him logging in. The defendants did not challenge his evidence on ownership.

317 On the remaining representations, I accept Mr Koh's evidence of reliance on the First, Second, Fourth, and Sixth Representation for his purchases between 26 March 2021 and the cut-off. I do not accept the defendant's argument that Mr Koh did not rely on the representations because he accepted in cross-examination that there would be some risk in extreme market conditions. His evidence is that he trusted the algorithm to correct any deviations and did not expect a catastrophic failure. That is consistent with the representations having operated on his mind. However, for the Third

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Representation, Mr Koh's witness statement cites only section 2.4 of the Terra White Paper as the source of his understanding, with no reference to the Terra Website. He confirmed in cross-examination that his understanding of the Terra Representations came solely from the Terra White Paper. Reliance on the Third Representation is accordingly not made out, as the pleaded source of that representation is the "About the Terra Protocol" section of the Terra Website exclusively. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

318 I turn to the cut-off. Mr Koh's case is that he lost faith in the representations on 12 May 2022 and that his active trading on 11 May 2022 was a mixture of panic selling and continued hope in a re-peg, rather than a loss of faith. I do not accept this. Mr Koh's trading history reflects an active participant in the Terra ecosystem who, from the start of the depeg, was engaged in swing trading rather than continuing to hold in reliance on the representations. On 11 May 2022, Mr Koh sold about 140,000 UST on KuCoin at less than 25 cents on the dollar. He then bought and sold again across multiple tranches throughout that day. He accepted in cross-examination that he was "swing trading" to "pare his losses". That is inconsistent with an investor who continued to believe in the absolute stability of UST as represented.

319 I find that Mr Koh's reliance on the representations ended on 11 May 2022, when he read Mr Kwon's full series of tweets and thereafter embarked on a sustained pattern of swing trading that was motivated by speculation rather than any continuing belief in the representations. The cut-off is accordingly brought forward to 11 May 2022, being the date on which Mr Koh's reliance on the representations ended and his swing trading began. Any gains or losses from Mr Koh's trades from 11 May 2022 onwards are the result of his own speculative decision and are not claimable against the defendants.

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320 On quantum, the assessment of damages is limited to the net loss on Mr Koh's position prior to his first repurchase on 11 May 2022, when his swing trading commenced. The parties have not provided me with a figure for damages on the basis just summarised. I accordingly request the parties to agree a figure for damage. If the parties are unable to agree, they are to submit their competing figures for Mr. Koh in a joint memorandum within 14 days of this judgment, succinctly setting out their competing figures and the reasons for any disagreement.

Mr Dennis Thoft

321 Mr Dennis Thoft ("Mr Thoft") claims damages of US$76,497.57. He purchased UST on KuCoin between 10 November 2021 and 8 April 2022, depositing those UST into Anchor to earn interest. He sold some UST before the default Cut-Off Time and held the remainder until 17 May 2022, when he sold all his remaining UST after seeing Mr Kwon's tweets of 16 May 2022 announcing a blockchain fork, which he understood to mean that UST had been abandoned. He relies on the First to Fifth Representations. His case is that he did not lose faith in the Representations until 17 May 2022, and seeks an extended Cut-Off Time of 17 May 2022, 2.16am UTC being his first sale after he lost faith in the representations.

322 I accept Mr Thoft's evidence of ownership. His Terra Wallet is verified by his CLC Submission. His KuCoin account is verified by API keys. The defendants did not challenge his evidence on ownership.

323 On reliance, I accept Mr Thoft's evidence that he accessed the Terra Website and Terra White Paper in around October 2021 before his first purchase on 10 November 2021. I accept his explanation for the absence of browsing history, which is that he used Brave, a privacy-focused browser which deletes

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history after 90 days, on both his phone and laptop. I find that Mr Thoft has made out reliance on the First, Second and Fourth Representations. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

324 For the Third Representation, Mr Thoft's witness statement cites only section 2.4 of the Terra White Paper as the source of his understanding of the Third Representation. He confirmed in cross-examination that the relevant statement was not on the Terra Website at the time he conducted his research in October 2021. He believed that the "About the Terra Protocol" section containing the pleaded source of the Third Representation was published later and he could not have seen it before his first purchase. As the pleaded source of the Third Representation is exclusively the "About the Terra Protocol" section of the Terra Website, I do not find reliance on the Third Representation.

325 I turn to the Cut-Off Time. Mr Thoft's case is that he lost faith in the representations on 17 May 2022 when he saw Mr Kwon's tweets of 16 May 2022 announcing a blockchain fork. He says that Mr Kwon's tweets of 9 to 11 May 2022 gave him continued hope because they focused on the algorithm absorbing excess UST supply and the changes being made to assist repeg. He understood the tweet about collateralisation as referring to something in the far future rather than a present admission that the algorithm had failed.

326 I do not accept Mr Thoft's argument. Mr Thoft read Mr Kwon's full series of 11 May 2022 tweets within 12 hours of them being posted. The common finding is that a reasonable investor in Mr Thoft's position, having read those tweets and observed UST's failure to re-peg across four consecutive days from 7 to 11 May 2022 would have recognised by 12.01am UTC on 12 May 2022 that the representations as to UST's unconditional stability and the integrity of the arbitrage mechanism were false. Accordingly, Mr Thoft's

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interpretation of the collateralisation tweet as referring only to the far future is not sufficient basis for extended the Cut-Off Time. The default Cut-Off Time applies.

327 On quantum, applying the default Cut-Off Time of 12.0am UTC on 12 May 2022 and the Cut-Off Price of US$0.60485, parties agree on the Permutation 2 figure of US$31,065.18. I award Mr Thoft that sum in damages for misrepresentation.

Mr Bharat Nathubhai Patel

328 Mr Bharat Nathubhai Patel ("Mr Patel") claims damages of US$167,096.04. He purchased UST on KuCoin, Binance, Kraken, and Terra Station between 16 June 2021 and 11 May 2022, depositing those UST into Anchor and Aperture Finance to earn yield. He first noticed the depeg on 9 May 2022 when he received slightly more UST than expected in a trade on Kraken and began researching further. He subsequently saw Mr Kwon's tweets of 9 to 11 May 2022 at or around the time they were posted. He sold the bulk of his UST on 13 May 2022 after Mr Kwon's tweets of that date. He relies on the First to Fifth Representations and the Seventh Representation. His case is that he lost faith in the representations on 13 May 2022 after reading Mr Kwon's tweets stating that UST in its current form would not be the future of decentralised money. He seeks an extended Cut-Off Time of 13 May 2022, 5.36am UTC being the time of his first sale after he lost faith in the representations.

329 I accept Mr Patel's evidence of ownership. His Terra Wallet is verified by his CLC Submission. His Binance, KuCoin, and Kraken accounts are verified by API keys. The defendants did not challenge his evidence on ownership.

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330 On reliance, I accept that Mr Patel accessed the Terra Website and Terra White Paper in around March 2021 before his first purchase on 16 June 2021. I accept his explanation for the absence of browsing history, which is that he regularly uses CCleaner to delete his browsing history and temporary files to free up disk space. The defendants challenge the reliability of his evidence on the basis of shifting dates for when he first accessed the source documents. Mr Patel explained that the discrepancy was because he was working backwards inferentially from the Coin Bureau email he found in his inbox and from when he first deposited UST on Anchor. On the evidence, I am satisfied that Mr Patel had read the source documents before making his UST purchases. I find that Mr Patel relied on the First, Second and Fourth Representations. On the Third Representation, Mr Patel's witness statement cites only section 2.4 of the Terra White Paper as the source of his understanding of the Third Representation and not the Terra Website which is the pleaded source. The Fifth Representation is not actionable per the First Tranche Judgment at [79]. The Seventh Representation is not actionable per the First Tranche Judgment at [85].

331 On the applicable Cut-Off Time, Mr Patel's case is that he lost faith in the representations on 13 May 2022 when the price of UST had collapsed to approximately US$0.08 and Mr Kwon's tweets of that day made plain that UST in its current form would not survive. He says that before that point, he retained faith because of Mr Kwon's tweets of 9 to 11 May 2022, reports of investment funds stepping in with capital, the GAM Holdings article, intraday price recoveries, and his recollection of the May 2021 depeg being followed by a repeg.

332 I do not accept Mr Patel's argument. Mr Patel read Mr Kwon's full series of 11 May 2022 tweets at around the time they were posted. The common finding, that a reasonable investor reading those tweets would have recognised

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by 12.01am UTC on 12 May 2022 that the representations as to UST's unconditional stability were false, applies. Mr Patel's evidence was that he was overwhelmed by noise and could not conclusively determine whether the representations were false. I do not accept this as a sufficient basis to extend the cut-off date. Whatever hope Mr Patel chose to maintain beyond that point, whether drawn from online articles, rumours of external capital, or intraday volatility, that hope was personal to him. Any loss flowing from his decision to hold beyond the cut-off is not attributable to the defendants' fraud. The default Cut-Off Time applies.

333 On quantum, applying the default Cut-Off Time of 12.01am UTC on 12 May 2022 and the Cut-Off Price of US$0.60485, the claimants accept Mr Lim's Permutation 2 figure of US$69,498.69. I award Mr Patel that sum in damages for misrepresentation.

Ms Ximena Andrea Besnier Galvez

334 Ms Ximena Andrea Besnier Galvez ("Ms Besnier Galvez") claims damages of US$630,728.29. She purchased UST on Gemini, KuCoin, and FTX between 11 November 2021 and 26 March 2022, depositing the majority into Anchor and earning UST in yield. She sold some UST on 28 April 2022 via a liquidity pool transaction. She relies on the First to Sixth Representations. Her case is that she did not lose faith in the representations until she read Mr Kwon's tweets of 13 May 2022, at which point the price of UST had fallen to approximately 13 cents. She took the view that selling would not result in any meaningful recovery. She seeks an extended Cut-Off Time of 13 May 2022 at 11.59pm UTC.

335 I accept Ms Besnier Galvez's evidence of ownership. Her Terra Wallet and Blockchain Wallet 1 are verified by her CLC Submission. Her KuCoin

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account is verified by API keys and a screen recording. Her Gemini, FTX, and Blockchain Wallet 2 accounts are verified by screen recordings. The defendants did not challenge her evidence on ownership.

336 I accept Ms Besnier Galvez's evidence that she read and relied on the First, Second, Fourth, and Sixth Representation. Her Google "My Activity" records corroborate that she was actively searching for Terra and Anchor-related information around 11 November 2021. She does not have evidence of her browser history due to her practice of regularly clearing the browser for privacy and device performance reasons. I do not accept the defendants' suggestion that she was relying on a Coindesk article alone and not on official source documents. Her evidence was that she followed the link in the Coindesk article to the Terra Website because her practice was to go to official sources for accurate information. I accept her evidence.

337 On the Third Representation, Ms Besnier Galvez's cites only section 2.4 of the Terra White Paper as the operative passage for her understanding of the Third Representation. As that is not the pleaded source for the Third Representation, I do not find reliance on the Third Representation. The Fifth Representation is not actionable per the First Tranche Judgment at [79]. The Seventh Representation is not actionable per the First Tranche Judgment at [85].

338 On the applicable Cut-Off Time, Ms Besnier Galvez's case is that she was unable to monitor UST between 9 and 12 May 2022 because of her husband's medical situation. He was undergoing urgent medical checks including an ultrasound on 9 May and an MRI on 10 May to rule out prostate cancer and that personal circumstances left her with limited bandwidth to assess what was happening with her investment. Personal circumstances, however difficult, cannot justify extending the cut-off beyond the default. I fully

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appreciate that Ms Besnier Galvez was faced with difficult choices on how to allocate her time. But such difficulty cannot be attributed to the defendants' fraud. Ms Besnier Galvez was sufficiently aware of the depeg to search Google for information about it on 9 May 2022. She was monitoring UST prices at least once daily during this period. She recalls the intraday price recoveries between 9 and 12 May 2022. She read Mr Kwon's tweets of 9, 10, and 11 May 2022 within what she estimated was 12 May 2022 at the earliest. She accepted in cross-examination that by the time of those price movements her understanding of the Terra Representations "was being challenged". She was researching how to sell UST on 11 May 2022, reflecting an investor who is no longer confident that the peg will hold. She withdrew approximately 41,000 UST from Anchor on 12 May 2022, which she said was a test to see whether the website was functional. But a person does not test whether they can withdraw from a staking protocol unless they are contemplating doing so. Ms Besnier Galvez was not locked-in or prevented from selling in any way. The default Cut-Off Time applies.

339 On quantum, applying the default Cut-Off Time of 12.01am UTC on 12 May 2022 and the Cut-Off Price of US$0.60485, the claimants accept Mr Lim's Permutation 2 figure of US$220,556.98. I award Ms Besnier Galvez that sum in damages for misrepresentation.

Mr Adam Walshe

340 Mr Walshe claims damages of US$58,134.96. He purchased UST on Binance and OKX between 19 March 2022 and 13 May 2022 and staked it on Anchor, earning UST in yield. He relies on the First to Sixth Representations. His case is that he did not lose faith in the representations until 14 May 2022, when Terraform, unilaterally disabled the market module, in direct

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contradiction to the Third Representation. He sold approximately two-thirds of his holdings on that date. He seeks an extended Cut-Off Time of 14 May 2022, 3.27pm UTC being the timing of his first sale after he lost faith in the representations.

341 On ownership, the Binance account used for Mr Walshe's two principal purchases is registered in the name of his twin brother, Jarrod Walshe, who lives in Brisbane, Australia. Mr Walshe explained that the account was created in 2017 when only an email address was required. It was only later, when Binance required compliance with KYC [know your client] protocols, that the account was registered under his brother's name. Both brothers, however, retained access to the account and the relevant authenticator application. When Mr Walshe wished to execute trades, he would inform his brother in advance and his brother would forward the one-time email code when prompted. Mr Walshe further explained that he and his brother each executed trades and immediately withdrew the proceeds of their respective trades to their individual wallets. Thus, the Binance account functioned as a transit trading account rather than a storage account. His brother also traded UST on the same account. I accept his explanation. There is no evidence that the Binance trades were his brother's rather than his, and I accept his explanation of the arrangement. His OKX account is verified by API keys. His Terra Wallet is verified by a screen recording of him logging in via a Ledger hardware device.

342 On reliance, I accept Mr. Walshe's evidence that he read both the Terra Website and the Terra White Paper in around February 2022, the Anchor Website and Anchor White Paper before his first purchase, and the LFG Press Release between late February and mid-March 2022. The defendants did not challenge his reliance on the representations. I find that he relied on the First

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Representation to Fourth Representations, and the Sixth Representation. The Fifth Representation is not actionable per the First Tranche Judgment at [79].

343 On the applicable Cut-Off Time, Mr Walshe's case is that he lost faith in the representations on 14 May 2022 when Terraform disabled the market module. He says he continued to believe in the peg's recovery beyond the default cut-off of, relying on the precedent of the May 2021 depeg which had been followed by a repeg, on the intraday price recoveries between 10 and 11 May 2022, and on Mr Kwon's tweets which he says he understood to mean that a recovery plan was being worked on.

344 I do not accept Mr Walshe's argument. He read the full series of Mr Kwon's tweets from 10 to 11 May 2022 at or around the time they were published. He accepted in cross-examination that he would have seen all 14 tweets in the series of 11 May 2022. He also accepted that the May 2021 depeg involved a deviation of less than 10 per cent from the peg, and that he regarded even that smaller deviation as abnormal and significant. He further accepted that the deviation in May 2022 was far more significant than the May 2021 depeg. On Mr Walshe's own evidence, he could not have drawn comfort from the May 2021 precedent when the deviation in May 2022 had far exceeded the threshold that he himself described as abnormal. The findings as affirmed by the Court of Appeal that (1) a reasonable investor acting prudently would have recognised by 12.01am UTC on 12 May 2022 that the representations were false and (2) the May 2021 depeg is not a sufficient basis for continued reliance, apply. Whatever belief Mr Walshe chose to maintain beyond that point was personal to him. Any loss flowing from his decision to hold beyond the cut-off is not attributable to the defendants' fraud.

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345 On quantum, applying the default Cut-Off Time of 12.01am UTC on 12 May 2022 and the Cut-Off Price of US$0.60485, the claimants accept Mr Lim's Permutation 2 figure of US$25,220.61. I award Mr Walshe that sum in damages for misrepresentation.

Mr Michael Eli Leidner

346 Mr Leidner claims damages of US$277,990.25. He purchased UST on KuCoin and Terra Station between 9 September 2021 and 12 May 2022, depositing the vast majority into Anchor and earning UST in yield. At the time of the depeg, approximately 60 to 70 per cent of his investment portfolio was in UST. During the depeg, he sold a small amount of UST on 9 May 2022 to purchase LUNA in the hope that LUNA would appreciate upon UST's recovery, sold 1,000 UST on Coinbase on 11 May 2022 as a test transaction, and sold 100,000 UST on Coinbase on 12 May 2022 after the Cut-Off Time. The latter sale represented a portion that he had been attempting to sell since 9 May 2022 via Alice Finance, which had frozen his transfer. He sold the remainder of his holdings on 13 May 2022 at 7.53pm UTC after reading an article published by GAM Holdings confirming it was not in negotiations with Terraform to rescue UST. He relies on the First to Sixth Representations. His case is that he lost faith in the representations on 13 May 2022, when he read the article. He seeks an extended Cut-Off Time of 13 May 2022, 7.53pm UTC being the timing of his first sale after he lost faith in the representations. He also advances a claim for aggravated damages due to depression and anxiety caused by the depeg event.

347 On ownership, I accept Mr Leidner's evidence. Mr Leidner's two Terra Wallets are verified by his CLC Submission. His Coinbase account is verified by API keys. His KuCoin account is verified by a screen recording showing him attempting to log in, although he was unable to do so as KuCoin had ceased

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services in his region. He also obtained his KuCoin transaction records directly from KuCoin by email, and provided those records to the defendants during trial. The defendants do not challenge his evidence on ownership.

348 On reliance, Mr Leidner's evidence is that he spent close to a month in August and September 2021 reading everything he could find about Terra and the Anchor Protocol, including the Terra Website, the Terra White Paper, the Anchor Website, the Anchor White Paper, YouTube videos, and articles on Medium. His Google Activity history shows he accessed the Terra Website in around 19 August 2021, before his first purchase on 9 September 2021. He produced a Slack message from 22 February 2022 sharing a link to Terraform's announcement of the LFG Press Release, corroborating that he read the Sixth Representation around that date. I accept that he relied on the First, Second, Fourth, and Sixth Representations. The Fifth Representation is not actionable per the First Tranche Judgment at [79]. For the Third Representation, Mr Leidner's witness statement only cites a passage from the Terra White Paper. As the pleaded source of the Third Representation is from the Terra Website, the Third Representation is not made out.

349 On the applicable Cut-Off Time, Mr Leidner's case is that he was prevented from selling his UST by the cut-off date due to platform failures, Alice Finance suspended UST sales and froze his 99,550 UST on 9 May 2022, and only returned on 11 May 2022. KuCoin suspended UST withdrawals and sales on 11 May 2022 at 11.47pm UTC. Terra Shuttle was severely congested, making transfers to other blockchains impossible by 12 May 2022 at 12.01am UTC. He says that the earliest he could realistically sell the bulk of his holdings was late on 12 May or 13 May 2022, after he discovered he could sell via Coinbase.

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350 I do not accept Mr Leidner's argument. Mr Leidner's first attempt to sell was on 9 May 2022, when he transferred 99,550 UST to Alice Finance. He accepted in cross-examination that he chose Alice Finance because it was simpler, cheaper, and quicker than KuCoin. He was looking for an opportune moment to sell that portion of his holdings. He had previously carried out a similar test transaction on KuCoin on 2 February 2022 to confirm that he could sell there. This was the same process repeated on a different platform. Alice Finance suspended UST sales and froze his transfer, returning the 99,550 UST to his Terra Wallet only on 11 May 2022 at 1.18pm UTC.

351 His second attempt began when the UST was returned by Alice Finance on 11 May 2022 at 1.18pm UTC. At that point, KuCoin was still operational. There remained approximately ten hours before KuCoin suspended UST trading at 11.47pm UTC that same day, during which Mr Leidner could have sold on KuCoin. He did not do so. This was his own choice. Furthermore, even when Mr Leidner did find a workable route via Coinbase and transferred 313,500 UST there on 12 May 2022, he chose to sell only 100,000 UST, approximately one-third of what he had transferred, while retaining the remaining two-thirds. He explained that he still believed the peg would recover and was selling only out of an abundance of caution. That is the position of an investor making a deliberate holding decision, not an investor locked out of the ability to sell. On the evidence, Mr Leidner could have sold his holdings via KuCoin before the suspension on 11 May. His failure to do so reflected a choice to wait rather than any true impossibility. The default Cut-Off Time applies.

352 Mr Leidner claims aggravated damages for depression and anxiety suffered between May 2022 and 2024. He has no medical or professional evidence to support this claim. His only evidence is a series of Slack messages to a group of close friends from January 2023 in which he described losing

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approximately 70% of his family's net worth, referred to his losses as due to his own stupidity, and asked himself why he had not sold the moment UST broke peg. Mr Leidner explained that he chose not to see a doctor and handled his distress through friends. On the evidence before me, I am of the view that the evidentiary foundation that a claim of this nature requires has not been met. I do not award Mr Leidner aggravated damages.

353 On quantum of damages, a dispute arises in relation to the calculation of Mr Leidner's eligible UST. The issue concerns two transactions, withdrawals of 101,465.694 UST and 37,471.117 UST, where Mr Leidner withdrew UST from staking protocols and treated those withdrawals as purchases in his FBPs. Mr Lim treated these as "DEPOSIT_WITHDRAWAL" transactions, meaning unstaking from a DeFi protocol, and accordingly excluded them as non-profit-and-loss events. The defendants contend that this is correct because Mr Leidner never included the corresponding deposits into those protocols as sales in his FBPs, producing an inflated eligible UST figure on one side of the ledger only. The effect of this exclusion accounts for the substantial discrepancy between Mr Lim's Permutation 2 figure of US$20,350.34 and the claimants' Permutation 2 figure of US$135,222.05.

354 On the evidence before me, I prefer the claimants' figure. Mr Lim accepted in cross-examination that, if staking is treated as a sale, unstaking should correspondingly be treated as a purchase. He sought to caveat that concession on the basis that the staking and unstaking transactions here were not a matched pair, specifically, that the staking transactions he had identified and treated as sales in his working sheets were deposits into Spectrum Protocol involving mVIXY tokens on 6 and 27 October 2021, whereas the two withdrawals that Mr Leidner claimed as purchases came from Mirror Protocol.

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He said the contracts were simply not the same, and that the assets lived in Spectrum, not Mirror.

355 However, during cross-examination, claimants' counsel took Mr Lim to the relevant Terra Finder entry for the staking transaction of 104,734.7751 UST. That entry showed that the sender was providing liquidity in UST, with mVIXY, a Mirror token, specified as the relevant asset, and that the last entry on the Terra Finder page showed a Mirror staking contract. Mr Lim accepted that it was possible to stake on a Mirror contract through Spectrum, and that there was a link between Spectrum and Mirror visible from the contract specified in the Terra Finder entry. I find that the two sides of the transactions are sufficiently connected such that it would be unprincipled to treat one as a sale and refuse to treat the other as a purchase. I accordingly adopt the claimants' Permutation 2 figure of US$135,222.05. I award Mr Leidner that sum in damages for misrepresentation.

Mr Seat Chun Boon

356 Mr Seat claims damages of US$202,811.37. He purchased UST on KuCoin and Kraken between 18 January and 7 April 2022, depositing his holdings into Anchor and earning UST in yield. He never sold his UST. He relies on the First to Sixth Representations. His case is that he was not actively monitoring the price of UST during the depeg period, reading only the first of Mr Kwon's tweets on 10 May 2022 before going to bed, and not reading the remaining tweets until 13 May 2022 when the price had collapsed. He says he observed what appeared to be a sharp V-shaped rebound in the price of UST to approximately 77 cents on 12 May 2022 at around 12.15am UTC, which reinforced his belief that stabilisation measures were working.

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357 On ownership, Mr Seat's Kraken and KuCoin accounts are verified by API keys. His Terra Wallet is verified by a screen recording of him logging in via his Keplr Wallet extension. I accept his evidence that the accounts and wallet belong to him. The defendants did not challenge his evidence on ownership.

358 On reliance, I accept Mr Seat's evidence that he had read the source documents. He states that he accessed the Terra Website in around December 2021 from his company laptop, which has since been replaced, and that he is accordingly unable to retrieve his internet browsing history from that period. I accept that explanation. He also accessed the Terra White Paper before he first purchased UST on 18 January 2022. He also accessed the Anchor Website and read the Anchor White Paper at around December 2021, again from his company laptop. He read the LFG Press Release on or around 24 to 26 February 2022. I accept his evidence that, from reading those source documents, he believed in the representations and those representations were a cause of his decision to purchase and hold UST. I find that Mr Seat relied on the First to Fourth Representations and the Sixth Representation in making his purchases of UST.

359 On the applicable Cut-Off Time, Mr Seat's case is that he is entitled to an extended cut-off date as he was not actively monitoring the depeg, reading only the first of Mr Kwon's tweet on 10 May 2022 before going to bed, and not reading the rest until 13 May 2022 when it was too late to sell meaningfully. I do not accept his argument. By his own evidence, Mr Seat learned of the depeg on 10 May 2022 and read posts on Twitter and Reddit about what was happening to UST and what was going to happen. He accepted that those posts included predictions that UST would recover and predictions that it would not. He was holding approximately US$200,000 worth of UST, a substantial investment, and had access to a live internet connection and social media. He accepted that

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he had briefly checked the price of UST at approximately 12.15am UTC on 12 May 2022 and observed that the price had fallen as low as 30 cents before rebounding to approximately 77 cents.

360 By the default Cut-Off Time, Mr Seat had been aware of the depeg for two days, had read community discussion about UST's uncertain future, and had himself observed the price of UST touching 30 cents. Whether Mr Seat chose not to read the remaining tweets and not to follow market developments more closely was his own decision. If an investor in his position choses to turn a blind eye to the available information while his investment collapses around him, that choice is his own and the losses flowing from it are not attributable to the defendants' fraud. The default Cut-Off Time applies.

361 On quantum, applying the default Cut-Off Time of 12.01am UTC on 12 May 2022 and the Cut-Off Price of US$0.60485, the claimants accept Mr Lim's Permutation 2 figure of US$76,093.16. I award Mr Seat that sum in damages for misrepresentation.

Conclusion

362 Annex A to this judgment sets out the amounts awarded to the claimants considered in this second tranche.

363 The claimants have sought pre-judgment interest on the amounts set out in Annex A. The defendants have submitted that pre-judgment interest should not be granted. The defendants' arguments against pre-judgment interest were only raised by them in their reply written closing submissions in response to the claimants' contention in their first round written closing submission that pre-judgment interest should be awarded. Consequently, the claimants have not had an opportunity to deal with the defendants' submissions against pre-judgment

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interest. I therefore reserve the question of whether there should be pre-judgment interest to a later date.

364 As in the first tranche, not all defendants were involved in all of the Conceded Representations. For the avoidance of doubt, I set out the defendants which are jointly and severally liable in respect of the foregoing awards. Of the Conceded Representations, Terraform and Mr Kwon conceded the First, Second, Third, and Fourth Representations, while LFG admitted to making the Sixth Representation. Accordingly:

(a) Terraform and Mr Kwon are jointly and severally liable for all damages awarded in this judgment to claimants whose awards are based solely on the First to Fourth Representations.

(b) Terraform, Mr Kwon, and LFG are jointly and severally liable for all damages awarded in this judgment to claimants whose awards are based in part on the Sixth Representation, being those claimants who relied on the LFG Press Release of 22 February 2022 in purchasing and holding UST.

365 I also reserve all questions on the incidence and quantification of the costs of the second tranche to a later date.

Anselmo Reyes
International Judge

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Mahesh Rai s/o Vedprakash Rai, Yong Wei Jun Jonathan, Samuel Soo Kuok Heng and Loh Renn Lee, Daniel (Drew & Napier LLC) for the represented claimants;
Tan Chee Meng SC, Paul Loy Chi Syann, Samuel Navindran, Yii Li-Huei, Adelle and Lee Jiayi (WongPartnership LLP) for the first and third defendants;
Han Guangyuan, Keith and Teo Jin Yun, Germaine (Oon & Bazul LLP) for the second defendant.

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Annex A: Amounts Awarded to Claimants in the Second Tranche

No.	Claimant	Amount Awarded (US$)
1	Mr Liam Spagnol	64,822.12
2	Mr Mark Eric Burrell	108,053.11
3	Mr Cocosatu Mihai	302,858.85
4	Dr Tiffany Laura Gourley	44,655.16
5	Mr Lam Chung Fan	To be determined
6	Mr Tan E-Wen Timothy	102,811.41
7	Ms Karen Soo Kyung Moon	35,833.99
8	Mr Yuji Hoshi	24,479.18
9	Mr Matthew James Mezger	80,200.22
10	Dr Tobias Speerschneider	56,363.34
11	Mr Owen Vernon Henry	56,409.61
12	Mr Neo Ming Feng	101,436.87
13	Mr Bernhard Alexander Friedrich Frey	343,582.57
14	Ms Ren Qingwen	65,301.25
15	Mr Peter Mrekaj	70,611.66
16	Mr Piotr Augustynowicz	24,091.72
17	Mr Clarence Khoo Boo Hock	26,087.71
18	Mr Cameron Thomas Windross	47,344.57
19	Mr Jeremy Chi-Mun Lau	11,337.57
20	Mr Foo Wei Qiang, Desmond	29,338.76
21	Mr Surachai Poopisit	42,585.48

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No.	Claimant	Amount Awarded (US$)
22	Dr Yanni Lin	23,527.87
23	Mr Ekow Eshun	43,343.89
24	Dr Aidan Lindsay Fenner Rich	26,665.46
25	Mr Brian Patrick Cavers	54,757.69
26	Mr Lim Xianlong, Kevin	471,044.15
27	Mr Charles Lee Teague	62,718.93
28	Mr Aaron Quigley-Clarke	44,741.01
29	Mr Alberto Grimaudo	70,903.77
30	Mr Fredrick William Phillips	15,481.87
31	Mr Trent Cooper	33,558.56
32	Mr Chung Ee Yen Ian	23,607.65
33	Mr Thor Robert Kiessling	To be determined
34	Mr Gary Koh Boon Thong	To be determined
35	Mr Dennis Thoft	31,065.18
36	Mr Bharat Nathubhai Patel	69,498.69
37	Ms Ximena Andrea Besnier Galvez	220,556.98
38	Mr Adam Walshe	25,220.61
39	Mr Michael Eli Leidner	135,222.05
40	Mr Seat Chun Boon	76,093.16

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