

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	:	18cv2933 (DLC)
IN RE LONGFIN CORP. SECURITIES CLASS	:	
ACTION LITIGATION	:	<u>ORDER</u>
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	:	
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DENISE COTE, District Judge:

On January 3, 2020, Lead Plaintiff Mohammad A. Malik ("Lead Plaintiff") moved for class certification and default judgment against defendants Longfin Corp., Venkata S. Meenavalli, Vivek K. Ratakonda, and Suresh Tammineedi (the "Defaulting Defendants"). On May 14, the Court granted the motion for class certification, and appointed Lead Plaintiff as Class Representative and Levi & Korsinsky, LLP as Class Counsel. The Court also dismissed without prejudice defendants Dorababu Penumarthi and Andy Altahawi. Accordingly, it is hereby

ORDERED that a final version of Lead Plaintiff's proposed Class Notice, which includes revisions by the Court, is attached to this Order.

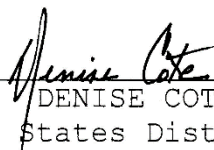
IT IS FURTHER ORDERED that plaintiff's April 24, 2020 proposed schedule and plan for disseminating class notice is approved. The Summary Notice filed with this Court as Exhibit B to Lead Plaintiff's April 24, 2020 filing, Dkt. No. 200, shall be sent to all class members with the Notice of Settlement that will be disseminated by the Securities and Exchange Commission

("SEC") in connection with Securities and Exchange Commission v. Longfin Corp., No. 18cv2977 (DLC) (S.D.N.Y. April 4, 2018), with Securities and Exchange Commission v. Longfin Corp., No. 19cv5296 (DLC) (S.D.N.Y. June 5, 2019). At that time, the Class Notice shall be published by Epiq Systems and Levi and Korsinsky, as well as published on a national wire service.

IT IS FURTHER ORDERED that the opt-out period for class members shall close on 90 days from the mailing of the Summary Notice.

IT IS FURTHER ORDERED that, by an accompanying Order of Reference, the claims against the Defaulting Defendants are referred to Magistrate Judge Lehrburger for an inquest on damages.

Dated: New York, New York
May 14, 2020



DENISE COTE
United States District Judge

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

NOTICE OF CLASS CERTIFICATION

**If You Bought Longfin Class A Common Stock,
You May Be A Member of a Certified Class**

A court authorized this Notice. This is not a solicitation from a lawyer. You are not being sued.

- A class action lawsuit is pending in the United States District Court for the Southern District of New York (the “Court”) against Longfin Corp., Venkat S. Meenavalli, Vivek Kumar Ratakonda, and Suresh Tammineedi (together, the “Defendants”). The lawsuit alleges that Defendants violated U.S. securities laws in two ways: by soliciting the sale of and trading unregistered shares of Longfin Class A common stock (“Longfin Stock”), and by artificially inflating the trading price of Longfin Stock by making false statements.
- The Court decided that this lawsuit should proceed as a class action on behalf of a group of people and entities that may include you. The Class consists of all persons or entities who purchased or otherwise acquired Longfin Stock during the period from December 13, 2017 through April 6, 2018, inclusive (the “Class Period”), and were injured thereby.
- This Class consists of two subclasses. The first subclass includes all who purchased Longfin Stock either directly from Defendants or on the open market as a result of Defendants soliciting their purchases (the “Securities Act Subclass”). The second subclass includes all who purchased Longfin Stock on the open market contemporaneously with Defendants’ sales of Longfin Stock (the “20A Subclass”).

<u>YOUR RIGHTS AND OPTIONS IN THIS LAWSUIT</u>	
<i>Do Nothing</i>	<p>Stay in the lawsuit. Await the Outcome. Share in possible benefits. Give up certain rights.</p> <p>By doing nothing, you are choosing to stay in the Class. You will be permitted to share in any recovery that may result from this Class Action, but you will give up your rights to sue the Defendants in a separate lawsuit for the claims made in this class action. In addition, you will be bound by past and any future court rulings on, or settlement of, the claims against the Defendants.</p>
<i>Ask to be Excluded</i>	<p>Get out of this lawsuit. Get no benefits. Keep your rights.</p> <p>If you opt out of the Class (meaning you state in writing that you do not want to be included in this lawsuit), you will not be entitled to any recovery that may result from this Class Action and you will</p>

	not be bound by any past or future rulings in this lawsuit. You will be free to pursue your own claims against the Defendants on your own or as part of a different lawsuit.
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THESE RIGHTS AND OPTIONS
– AND THE DEADLINES TO EXERCISE THEM –
ARE EXPLAINED IN THIS NOTICE

BASIC INFORMATION ABOUT THE LAWSUIT
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1. Why did I get this Notice?

Records indicate that you may have purchased Longfin Stock between December 17, 2017 and April 6, 2018. You have legal rights and options that you may exercise. Judge Denise Cote of the United States District Court for the Southern District of New York is overseeing this class action. The case is known as *In Re Longfin Corp. Securities Class Action Litigation*, Lead Case No.: 1:18-cv-2933-DLC (the “Action”).

2. What is this Action about?

This Action alleges that the Defendants perpetrated a securities fraud that included false statements and insider trading. The alleged scheme included (1) the Defendants improperly obtaining a listing for Longfin Stock on the NASDAQ stock exchange, (2) the Defendants manipulating the price of Longfin Stock after that listing by making false and misleading statements about Longfin’s acquisition of Ziddu.com, and after the Longfin Stock price rose in response to this news, (3) the Defendants wrongfully profiting from that inflated stock price by illegally selling their own Longfin Stock between December 13, 2017 and March 22, 2018. The price of Longfin Stock dropped precipitously when the Securities and Exchange Commission (“SEC”) announced that it was investigating Longfin.

3. What is a class action?

In a class action lawsuit, a “Class Representative” (in this case, Mohammad A. Malik (“Malik”)), sues defendants on behalf of himself and others who have similar claims. These people and entities together are called a “Class” or “Class Members.” One court resolves the issues for all Class Members except for those who choose to exclude themselves.

4. What has happened in the Action?

The SEC has filed two actions against several of the defendants in the Action. In one action, known as *Securities and Exchange Commission v. Longfin Corp.*, No. 18-cv-2977-DLC, the SEC sued Longfin Corp., Venkat S. Meenavalli, Andy Altafawi, Suresh Tammineedi, and Dorababu Penumarthi. Final judgments that require the defendants collectively to pay \$26,445,319.20 in disgorgement and civil penalties to the SEC have been entered in that case. In a second action, known as *Securities and Exchange Commission v. Longfin Corp.*, No. 19-cv-5296-DLC, the SEC sued Longfin Corp. and Venkat S. Meenavalli. Final judgments that require the defendants collectively to pay \$7,155,848 in disgorgement and civil penalties to the SEC have been entered in that case.

Your ability to receive any of the money collected by the SEC will not be affected by your participation in this Action. Whether you opt out of this Action or choose to do nothing and remain in this Action, you will have the same right to participate in any distribution of the funds the SEC has recovered.

This Action was filed on April 3, 2018. The complaint was amended on July 27, 2018 and again on June 28, 2019. Among the defendants named in the complaints in this Action, although not in the two SEC actions, was the underwriter for the issuance of the Longfin Stock, whose name is Network I. The Court dismissed the claims against Network 1 on July 29, 2019. On [DATE], the Court certified the class, which is defined above.

5. What is the current status of the lawsuit?

Default has been entered against defendants Longfin Corp., Venkat S. Meenavalli, Vivek Kumar Ratakonda, and Suresh Tammineedi. The Court has ordered that a hearing on Plaintiff's Motion for Default Judgment will be on [DATE]. As to defendants Andy Altahawi and Dorababu Penumarthy, Plaintiff and Defendants have stipulated to their dismissal without prejudice from this Action on the basis that they have no assets from which to recover. The Court granted dismissal as to Altahawi and Penumarthy on [DATE]. Dismissal without prejudice means that the dismissal is not binding on the Class, and claims against Altahawi and Penumarthy may still be brought by individual Class members, or re-raised by the Class, subject to time limitations provided by law.

6. What are the Class Representatives asking for?

The Class Representative is asking for money to compensate Class Members for damages caused by Defendants' conduct, as well as pre-judgment and post-judgment interest and their reasonable attorneys' fees and costs. The Class Representative is also asking this Court to declare that Defendants offered and sold unregistered securities in violation of federal securities laws.

7. Is there any money available now?

No.

8. When will there be any money available?

If the Class receives any money, whether from a settlement with a defendant or because of a determination by the Court or at trial, you will receive a notice. The Class Representative will attempt to recover funds from the individual defaulting defendants in India and Singapore. Both the SEC and the Class will attempt to recover as well from Longfin Corp. in an assignment proceeding in New Jersey, *Longfin Corp., to Anthony Sodono III, Esq.*, Dkt. No. p-0007-19. The Class Representative is also contemplating an appeal of the Network 1 dismissal, which might yield a recovery for the Class. There is no assurance that any of these efforts will be successful or that any funds will be recovered by the Class.

DETERMINING IF YOU ARE A MEMBER OF THE CLASS

9. How do I know if I am a Class Member?

You are a member of the class if you purchased or otherwise acquired Longfin Stock during the period from December 13, 2017 through April 6, 2018, inclusive.

10. Are there exceptions to being included in the Class?

Yes. You are **NOT** a Class Member if you are: (i) a Defendant in this Action; (ii) a Defendant's immediate family member; (iii) any person who was an officer or director of Longfin during the Class Period; (iv) any firm, trust, corporation, or other entity in which a Defendant has or had a controlling interest; or if you are (v) the legal representatives, affiliates, heirs, successors in-interest, or assigns of any such excluded person or entity.

11. Are you still not sure if you're included?

If you are still not sure whether you are included in the Class, you can get free help by calling or writing to the Plaintiff's lawyers in this case at the phone numbers or addresses listed in response to question 17.

YOUR OPTIONS AS A CLASS MEMBER

12. What are my options as a Class Member?

You must decide whether to stay in the Class or opt out of the Class.

13. What happens if I choose to stay in the Class?

If you stay in the Class, you will be permitted to share in a recovery, if any, that may occur in this Action. But you give up any rights to sue the Defendants separately about the same legal claims in this lawsuit. You also will be legally bound by all of the Orders the Court issues and Judgments the Court makes in this class action, even if there is no recovery.

14. How do I stay in the Class?

You do not have to do anything at this time to stay in the Class.

15. What happens if I opt out of the Class?

If you opt out of the Class (by stating in writing that you do not want to be included in the Class in this Action), you will give up the right to participate in any recovery that may occur. But you will keep any rights you may currently have to sue the Defendants regarding the legal claims at issue in this lawsuit. You also will not be bound by the Orders the Court issues and Judgments the Court makes in this class action.

16. How do I opt out of the Class?

If you do not want to remain a member of the Class, **you must send** a written "Request to Opt Out" to the Notice Administrator so it is received no later than [DATE] 2020. Your written request must include:

- Your name, address, and telephone number;
- A statement confirming that you want to opt out of the Class;
- The number of Longfin shares you purchased and sold during the Class Period; and
- The case name and number, "*In Re Longfin Corp. Securities Class Action Litigation*, Lead Case No.: 1:18-cv-2933-DLC."

Your request to Opt Out must be sent to the following address:

[NOTICE ADMINISTRATOR ADDRESS INFORMATION]

17. What happens if I do not do anything?

By doing nothing, you are choosing to stay in the Class. You don't have to do anything now if you want to stay in the Class. If you stay in the Class and the Class Representative obtains money or benefits, you will be notified about how to apply for a share. Regardless of whether the plaintiff wins or loses at trial, you will not be able to sue, or continue to sue the Defendants—as part of any other lawsuit—about the same legal claims that are the subject of this Action. You will also be legally bound by all of the Orders the Court issues and Judgments the Court makes in this Action.

THE LAWYERS REPRESENTING YOU

18. As a Class member, do I have a lawyer representing my interests in this Class Action?

Yes. The Court has appointed lawyers to represent you and other Class members. These lawyers are called Class Counsel. The following lawyers are representing the Class:

<p>Donald J. Enright, Esq. Elizabeth K. Tripodi, Esq. LEVI & KORSINSKY, LLP 1101 30th Street, N.W., Suite 115 Washington, DC 20007 Telephone: (202) 524-4290 www.zlk.com</p>	<p>Eduard Korsinsky, Esq. LEVI & KORSINSKY, LLP 55 Broadway, 10th Floor New York, NY 10006 Telephone: (212) 363-7500 www.zlk.com</p>
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19. How will the lawyers be compensated, and will the Class Representatives receive compensation?

If recovery is obtained for the Class, Class Counsel will request from the Court an award for attorneys' fees and expenses. Class Counsel may also ask the Court to approve reasonable incentive awards for the Class Representative. If approved, these fees and expenses and incentive award will either be paid from the recovery obtained for the Class or separately by the Defendants.

20. Should I get my own lawyer?

You do not need to hire your own lawyer. However, you are welcome to hire your own lawyer at your own expense. If you hire a lawyer to speak for you or to appear in Court, your lawyer must file a Notice of Appearance.

GETTING MORE INFORMATION

21. Where do I get more information?

Complete copies of the Court filings and rulings are available at [WEBSITE WITH LITIGATION DETAILS], or by writing to [NOTICE ADMINISTRATOR ADDRESS].

Please do not contact the Court or Judge Cote.

Dated: [DATE]

BY ORDER OF THE UNITED STATES DISTRICT COURT
 SOUTHERN DISTRICT OF NEW YORK