

ATTACHMENT C
EXTERNAL COMPLIANCE CONSULTANT FRAMEWORK

1. **Compliance Consultant Commitment.** In order to ensure that PEKEN GLOBAL LIMITED, d/b/a KUCOIN (the “Defendant”) completely exits the United States market for a period of at least two years after entry of the judgment by the Court (the “Term”), the Defendant, on behalf of itself and its subsidiaries and affiliates, or any successor in interest thereto involved in the operation of the KuCoin cryptocurrency exchange, agrees to conduct reviews of its existing compliance programs, policies, procedures, codes of conduct, systems, and internal controls to identify and block U.S. Users (collectively, the “Compliance Controls”) and to hire a qualified external compliance consultant to perform testing of those Compliance Controls. Where necessary and appropriate, KuCoin agrees to adopt new, or to enhance existing, Compliance Controls in order to ensure that KuCoin is not operating wholly or in substantial part in the United States, including, but not limited to, that no “U.S. Users,” as defined below, are able to trade, transfer, convert, buy, sell, deposit, or withdraw, from, on, by, at, through, or in connection with the KuCoin cryptocurrency exchange platform, either directly or indirectly (except that any U.S. User that had a balance in the user’s account as of the date of the Agreement, and who has provided identifying documentation consistent with KuCoin’s know-your-customer processes, as further discussed below, may request from KuCoin the return of those balances).

2. **Definitions.**

- For purposes of this agreement, “KuCoin” is defined as the cryptocurrency exchange that accepts orders for spot trading in cryptocurrencies and derivative products based on cryptocurrencies, including futures contracts, through the website www.kucoin.com, or any successor website operated by the Defendant, its subsidiaries, affiliates, or any

successor in interest thereto (as discussed in paragraph 9 of the Plea Agreement), or any associated application for mobile phones.

- A “U.S. User” is (i) any individual or entity that has provided KuCoin, through KuCoin’s know your customer (“KYC”) or know your business (“KYB”) processes, documentation (*e.g.*, identification documents for retail users and corporate documents for institutional users) that the user is a resident of the United States, or that KuCoin has determined, through its Compliance Controls or otherwise, is a resident of the United States or is conducting transactions utilizing KuCoin from a location within the United States; or (ii) any individual or entity that KuCoin has identified through its Compliance Controls or otherwise, as potentially being a resident of the United States or as potentially otherwise conducting transactions utilizing KuCoin from a location within the United States, who refuses or is unable to provide documentation demonstrating that the user is, in fact, not a resident of the United States or is not otherwise conducting transactions utilizing KuCoin from a location within the United States.
- An “active U.S. user” is a user who has permission to engage in any KuCoin service other than closing out an open position in, or withdrawing assets from, the user’s account, but shall not include users who have only de minimis log-ins from a VPN while temporarily located in the U.S.

3. **Compliance Controls.** KuCoin will as needed enhance and promulgate clearly articulated and visible corporate policies and practices that ensure that KuCoin has adequate know-your-customer policies and procedures to identify and block U.S. Users. The Compliance Controls shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of KuCoin, including but not limited to, agents and

intermediaries, consultants, representatives, distributors, licensees, contractors, and suppliers, and joint business partners. KuCoin shall notify all employees that compliance with the Compliance Controls is the duty of individuals at all levels of KuCoin. Such Compliance Controls shall address the following requirements, at a minimum: (a) customer onboarding; (b) know your customer and due diligence procedures; (c) designation of high-risk customers; (d) reviews of high-risk customers; (e) closure of customer accounts; (f) maintenance of customer files, including records of and about each customer's access to and use of the customer's accounts; (g) timely response to law enforcement requests and legal process; (h) audit by KuCoin's independent audit function of the Compliance Controls; and (i) technological controls to prevent circumvention of the Compliance Controls.

4. **Customer Relationships.** As part of the Compliance Controls, in order to ensure that KuCoin has adequate procedures to block and prohibit U.S. Users, KuCoin will institute and/or enhance appropriate, risk-based know your customer, due diligence, and compliance requirements pertaining to the acceptance, retention, and oversight of all customers, including, among others, the following minimum requirements: (a) properly documented know your customer and due diligence reviews for all new customers, including customer identity, citizenship, permanent residency status, location verification, and for customers that are legal persons, formation, structure, jurisdictional presence, nature of business, control, and beneficial ownership verification; (b) properly documented ongoing know your customer and due diligence reviews of existing customers; (c) properly documented procedures for closing customer accounts; and (d) procedures for retaining and sharing information regarding customers and transactions within KuCoin and with third parties to the extent permissible under applicable law.

5. **Anti-Circumvention Controls.** In order to ensure that KuCoin has adequate procedures to block and prohibit U.S. Users, KuCoin will implement and/or enhance effective technological controls to prevent the Compliance Controls from being circumvented. These anti-circumvention controls will achieve, among others, the following minimum requirements: (a) prevent potential U.S. Users from accessing or using KuCoin's services in an unauthorized or illicit manner, including by misleading KuCoin regarding the true location from which the customer uses or accesses KuCoin's services; (b) prevent U.S. Users from accessing or using customer accounts who are not the customer registered with KuCoin as the account owner or an authorized trader; (c) prevent U.S. Users from conducting transactions in a manner designed to circumvent know your customer policies, procedures, and controls; and (d) prevent U.S. Users from accessing or using KuCoin's services and otherwise prevent individuals and entities from utilizing KuCoin's services when they are present in the United States.

6. **Periodic Review.** In order to ensure that its procedures are adequate to block and prohibit U.S. Users, KuCoin shall review its Compliance Controls no less than annually and update them as appropriate to ensure their continued effectiveness and risk-tailored resource allocation, taking into account lessons learned, relevant developments in the field, and evolving industry standards.

7. **Training and Guidance.** KuCoin will implement and/or enhance mechanisms designed to ensure that its Compliance Controls are effectively communicated to all directors, officers, employees, and, where necessary and appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (*e.g.*, internal audit, sales, legal, compliance, finance, customer service, product engineering and development), and, where

necessary and appropriate, agents and business partners; and (b) corresponding certifications by all such directors, officers, employees, agents, and business partners, certifying compliance with the training requirements.

8. Within sixty (60) days of the of sentencing, KuCoin will hire at its own cost a qualified external compliance consultant (the “Consultant”), which KuCoin will identify but which will be subject to approval by the United States Attorney’s Office for the Southern District of New York (the “Office”).

9. The Consultant will conduct two annual reviews (on a schedule and under the terms defined below). Each of the two annual reviews conducted by the Consultant shall include testing of the Compliance Controls to confirm that no U.S. Users are able to trade, transfer, convert, buy, sell, deposit, or withdraw, from, on, by, at, through, or in connection with the KuCoin cryptocurrency exchange platform (except that any U.S. User that had a balance in the user’s account as of the date of the Agreement, and who has provided identifying documentation consistent with KuCoin’s know-your-customer processes, may request from KuCoin the return of those balances, as described in paragraph 1 above), either directly or indirectly, including that:

- a. KuCoin has no “active U.S. Users”;
- b. KuCoin is not making purchases from or sales to U.S. Users, either directly or indirectly;
- c. KuCoin has blocked and prohibited any individual or entity that refuses to comply with KuCoin’s KYC or KYB process from conducting any transactions on the KuCoin platform and that KuCoin is undertaking steps to close any such accounts;

- d. KuCoin has not onboarded any U.S. User during the period in question;
- e. KuCoin has successfully blocked all users (whether or not a U.S. User) from registering for, logging into, or effecting transactions in a KuCoin account from any known U.S. IP address (as identified at the time of the review by an established IP library provider) during the period in question; and
- f. KuCoin has made clear on its website, mobile cellphone application, blog, terms and conditions of use, and account opening materials, that U.S. Users are prohibited.

10. Within ninety (90) days after the date of the Consultant's retention (defined as the date of the retention agreement), the Consultant, with cooperation from KuCoin, will draft a methodology for conducting the required annual reviews.

11. The Consultant will conduct two annual reviews on the following schedule:
- a. First review period: from the date of entry of judgment by the Court to one year after the date of entry of judgment by the Court; and
 - b. Second review period: from one year after the date of entry of judgment by the Court to two years after the date of entry of judgment by the Court.

12. The Consultant will submit a report to KuCoin and the Office documenting its findings within thirty (30) days after the end of each review period. Each report shall describe:

- a. The review performed, including the review period, the scope covered, the methodology used, and testing that the Consultant conducted;
- b. Any findings as to the categories described above in paragraph 9(a)-(f);
- c. Recommendations, if any, to address any instances that fall within any of the

three categories described in paragraph 9(a)-(f) above and to ensure that, going forward, there are no additional such instances; and

- d. Whether KuCoin has any U.S. offices, U.S.-based employees or authorized agents, or solicitation or marketing programs or materials (“U.S. solicitation and marketing”) specifically and intentionally aimed at or directed to users located in the United States (for clarity, this does not include general solicitation or marketing content simply because it is in the English language and appears on KuCoin’s website, social media accounts, or a third-party venue with a global audience such as X or YouTube). The review to identify any U.S. solicitation and marketing will be limited to a review of external content authored by KuCoin or by a KuCoin authorized agent working at KuCoin’s direction and appearing on KuCoin’s website, social media accounts, or a third-party venue with the specific purpose of soliciting U.S. Users. This does not, however, require the Consultant to report on or describe any KuCoin business dealings or operations involving third-party vendors who operate wholly or partially in the United States unless the third-party vendors are providing services relating to U.S. solicitation and marketing.

13. To the extent that the Consultant identifies in the course of its work any instance in which (a) KuCoin continues to have any active U.S. User; (b) KuCoin has not blocked or closed the account of any user who has refused to comply with KuCoin’s KYC or KYB processes; (c) KuCoin has onboarded a U.S. User; (d) any KuCoin user has registered for, logged into, or effected transactions in a KuCoin account from any U.S. IP address; and/or (e) KuCoin has not made clear that U.S. Users are prohibited, as set forth in paragraph 9(f) above, KuCoin

will—within thirty (30) days of the date that the Consultant informs KuCoin of its identification of any such instance—remediate the issue and report the details of the remediation to the Consultant and the Office. KuCoin may request, and the Office may grant in its sole discretion, an extension of an additional thirty (30) days in order to complete the required remediation. KuCoin shall provide further evidence of the remediation to the Office upon the Office’s request. In addition, the Office may reasonably request to consult with and/or obtain supporting documentation from the Consultant regarding its identification of any such instance, and/or to obtain supporting documentation from KuCoin regarding its remediation of any such instance.

14. For each of the Consultant’s reports, upon consideration of the report, the Consultant’s findings, any remediation by KuCoin, supporting information, and other relevant facts and circumstances, if the Office, in its sole discretion, determines that U.S. Users are able to trade, transfer, convert, buy, sell, deposit, or withdraw, from, on, by, at, through, or in connection with the KuCoin cryptocurrency exchange platform, either directly or indirectly, the Office may, in its discretion, determine that such findings constitute a breach of the plea agreement. Such a breach of the plea agreement may trigger the consequences of breach set forth in paragraph 25 of the Plea Agreement.

ATTACHMENT D
CERTIFICATION

To: United States Attorney's Office
Southern District of New York
Attention: Co-Chiefs, Illicit Finance and Money Laundering Unit

Re: Plea Agreement Disclosure Certification

The undersigned certify, pursuant to Paragraph 11 of the Plea Agreement ("Agreement") filed on January 27, 2025 in the United States District Court for the Southern District of New York, by and between the United States Attorney's Office for the Southern District of New York (the "Office") and PEKEN GLOBAL LIMITED, d/b/a KUCOIN (the "Defendant" or "KuCoin"), that undersigned are aware of the Defendant's disclosure obligations under Paragraph 11 of the Agreement and that the Defendant has, to the best of the undersigned's knowledge and belief (including belief based on representations from others), KuCoin has complied with its disclosure obligations, as described in Paragraph 11 of the Agreement, which includes disclosure of evidence or allegations that may constitute a violation of federal money laundering laws, the federal laws governing operation of money transmitting businesses, the Bank Secrecy Act, or United States sanctions laws ("Disclosable Information"). This obligation to disclose information extends to any and all Disclosable Information that has been identified through the Defendant's anti-money laundering compliance program, whistleblower channel, internal audit reports, due diligence procedures, investigation process, or other processes. The undersigned further acknowledge and agree that the reporting requirement contained in Paragraph 11 and the representations contained in this Certification constitute a significant and important component of the Agreement and the Office's determination of whether the Defendant has satisfied its obligations under the Agreement.

The undersigned hereby certify that they are respectively the Chief Executive Officer of

the Defendant and Head of Compliance of the Defendant and that each has been duly authorized by the Defendant to sign this Certification on behalf of the Defendant.

This Certification shall constitute a material statement and representation by the undersigned and by, on behalf of, and for the benefit of, the Defendant to the executive branch of the United States for purposes of 18 U.S.C. § 1001, and such material statement and representation shall be deemed to have been made in the Southern District of New York. This Certification shall also constitute a record, document, or tangible object in connection with a matter within the jurisdiction of a department and agency of the United States for purposes of 18 U.S.C. § 1519, and such record, document, or tangible object shall be deemed to have been made in the Southern District of New York.

By: _____
Chief Executive Officer
Peken Global Limited,
d/b/a KuCoin

Dated: _____

Signature

By: _____
Head of Compliance
Peken Global Limited,
d/b/a KuCoin

Dated: _____

Signature

ATTACHMENT A
STATEMENT OF
FACTS

1. The following Statement of Facts is incorporated by reference as part of the plea agreement (the “Agreement”) between the United States Attorney’s Office for the Southern District of New York (the “Office”) and PEKEN GLOBAL LIMITED d/b/a KUCOIN (the “Defendant” or “KuCoin”).

2. The parties agree and stipulate that the information contained in this Statement of Facts is true and accurate. Certain of the facts herein are based on information obtained from third parties by the United States through its investigation and described to the Defendant. Had the matter proceeded to trial, the Defendant acknowledges that the United States would have proven beyond a reasonable doubt, by admissible evidence, the facts alleged below and set forth in Criminal Indictment, 24 Cr. 168.

OVERVIEW

3. Peken Global Limited is a business entity incorporated in the Republic of Seychelles that, since in or about September 2019, has operated an online cryptocurrency exchange and trading platform through the website www.kucoin.com and an application available for download on mobile phones (“KuCoin”). The Defendant is a successor in interest to other entities that operated KuCoin between in or about September 2017 and in or about September 2019.

4. Since its founding in or about September 2017, KuCoin has become one of the largest global cryptocurrency exchange platforms. As of in or about March 2024, KuCoin had over 30 million registered users located in at least 207 countries and territories.

5. KuCoin accepts orders for spot trades in cryptocurrencies, including Bitcoin,

Ethereum, and others, and derivative products tied to the value of Bitcoin and other cryptocurrencies, including futures contracts. KuCoin registered users are required to deposit cryptocurrency in a KuCoin account prior to engaging in any trading activity, including spot trading. KuCoin accepts cryptocurrencies, including Bitcoin, from its registered users to margin and guarantee derivative products and, as of at least October 2019, offered its registered users up to 100 times leverage.

6. Since its launch in September 2017 through the date of the Indictment, on or about March 21, 2024 (the “Relevant Period”), KuCoin served approximately 1.5 million registered users located in the United States, including registered users located in the Southern District of New York.

7. By engaging in the foregoing actions, among other things, KuCoin has at all relevant times during the Relevant Period been a money transmitting business required to register with the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”). As such, during those times KuCoin was required to comply with the provisions of the Bank Secrecy Act, 31 U.S.C. § 5311 *et seq.* (the “BSA”), applicable to money transmitting businesses.

8. KuCoin violated United States law by failing to register with FinCEN as a money transmitting business. During the Relevant Period, with respect to its U.S. registered users, KuCoin also failed to establish, implement, and maintain an adequate and effective anti-money laundering (“AML”) program as required by the BSA, including an adequate customer verification program, more commonly referred to as a know-your-customer (“KYC”) program.

9. In part because of the failure of KuCoin to implement effective AML and KYC programs, during the Relevant Period, third parties used KuCoin to engage in suspicious

transactions involving substantial sums of U.S. dollars. KuCoin, however, has never filed any Suspicious Activity Reports with FinCEN.

THE BANK SECRECY ACT'S REQUIREMENTS

10. Cryptocurrency exchanges that accept and transmit cryptocurrencies are money transmitting businesses. The BSA, which is designed to “prevent the laundering of money and the financing of terrorism” and “protect the financial system of the United States from criminal abuse,” 31 U.S.C. § 5311, requires money transmitting businesses to register with FinCEN. *See* 31 U.S.C. § 5330.

11. Because KuCoin was a money transmitting business, it was required to register with FinCEN. Title 18, United States Code, Section 1960 prohibits knowingly conducting, controlling, managing or owning an unlicensed money transmitting business, which includes a money transmitting business that has not been properly registered with FinCEN.

12. As a money transmitting business, KuCoin was also required to comply with other relevant provisions of the BSA. The BSA imposes reporting, recordkeeping, and controls requirements on financial institutions, which includes money transmitting businesses. 31 U.S.C. § 5312.

13. Under the BSA and its implementing regulations, money transmitting businesses must “develop, implement, and maintain an effective anti-money laundering program,” *i.e.*, “one that is reasonably designed to prevent the money services business from being used to facilitate money laundering and the financing of terrorist activities.” 31 C.F.R. § 1022.210. At a minimum, an effective AML program must include procedures to verify customer identification, a compliance officer, training and education of appropriate personnel in the AML program, and provide for independent review to monitor and maintain an adequate program. *See id.* Money

transmitting businesses must also identify and report suspicious transactions relevant to a possible violation of law or regulations. *See* 31 C.F.R. § 1022.320.

**KUCOIN’S FAILURE TO REGISTER OR IMPLEMENT
AN ADEQUATE AML AND KYC PROGRAM**

KuCoin Serviced Substantial Numbers of Users Located in the U.S.

14. At all relevant times, KuCoin accepted offers on its spot trading and derivatives trading platform from registered users located in the United States, including individual retail registered users. As of in or about May 2018, for example, KuCoin, in materials sent to a potential investor, represented that approximately 17% of its customer basis was located in the United States. Consistent with this representation, as of in or about November 2022, a third-party analysis of digital traffic showed the approximately 19% of visits to KuCoin’s website, www.kucoin.com, were from individuals in the United States.

15. During its operation from in or about September 2017 through on or about March 21, 2024, KuCoin unlawfully obtained at least \$184,500,000 in fees and approximately \$125,460,000 in profits from its approximately 1,540,000 U.S. registered users.

16. KuCoin was aware that substantial numbers of U.S.-based persons were using KuCoin. At all relevant times, KuCoin collected registered users’ location information, including internet protocol (“IP”) address information, from registered users’ electronic devices, which indicated the location from which the devices accessed KuCoin’s platform. The IP address information collected by KuCoin demonstrated that some KuCoin registered users were accessing KuCoin using U.S.- based IP addresses. Moreover, KuCoin maintained login history for its registered users, which included associated location information.

17. This location information collected by KuCoin included U.S. locations for registered users in the United States. KuCoin also included location information in certain

automated emails it sent to registered users. For example, KuCoin included registered user IP address information, including U.S.-based IP addresses, in emails sent to KuCoin registered users for verification purposes in connection with registered user withdrawals.

KuCoin Failed to Register with FinCEN

18. Because KuCoin accepted and transmitted cryptocurrencies to retail and institutional registered users in the United States, it was required to register with FinCEN as a money transmitting business. KuCoin nevertheless failed to register with FinCEN as a money transmitting business.

KuCoin Failed to Implement Adequate AML and KYC Programs

19. KuCoin accepted registered users in the United States without complying with U.S. AML and KYC requirements applicable to money transmitting businesses.

20. Among other things, KuCoin allowed some registered users, including individual retail registered users in the United States, to register and trade without providing sufficient identifying information or documents to allow KuCoin to form a reasonable belief that it knew the true identity of its customers. Prior to on or about July 15, 2023, registered users could register to trade on KuCoin anonymously, by providing only an email address and without providing any identifying information or documentation.

21. Indeed, KuCoin employees stated on public social media sites that KYC was not mandatory on KuCoin, including in response to posts from customers who had identified themselves as being in the United States.

22. As a result, some KuCoin registered users who were located in the United States opened KuCoin accounts and conducted spot and futures trades without providing any personal identifying information or identity documents.

23. KuCoin did not have a mandatory KYC program until at least in or about July 2023, and KuCoin did not implement an effective AML program during the Relevant Period while it operated in the United States as required by the BSA.

24. Prior to July 2023, KuCoin recommended, but did not require, that registered users complete an optional identity verification process that, once completed, granted customers access to additional features such as the ability to make larger daily withdrawals. But despite knowing that many of its registered users were located in the United States, KuCoin did not include the United States as a possible country for selection by customers in this optional verification process. By excluding the United States from the drop-down menu provided to registered users utilizing the optional identity verification process, KuCoin prevented U.S. registered users who had not gone through KuCoin's KYC process from being able to identify themselves as such.

25. In or about June 2023, KuCoin announced that, as of August 31, 2023, it was introducing a mandatory KYC process. That mandatory KYC process initially applied only to new registered users and existing registered users who had not previously been through KuCoin's KYC process and who wanted to continue to actively participate in KuCoin's services. According to KuCoin's announcement, existing registered users who had not been through KuCoin's KYC process would continue to be able to use KuCoin's services on a limited basis to withdraw, sell, and close positions, but would not be allowed to deposit new funds. Thus, for a period of time after making these changes, KuCoin did not maintain a KYC process with respect to U.S. registered users that fully complied with the requirements imposed by the BSA.

26. In or about September 2023, KuCoin instituted changes to its website so that, when a user or potential user with a U.S. IP address visited the website's homepage, a pop-up

banner was displayed notifying the user that “[b]ased on our IP address, we currently do not provides services in your country or region due to local laws, regulations, or policies.” However, the pop-up banner did not prevent registered users in the United States, and using U.S. IP addresses, from logging in to their KuCoin accounts on the KuCoin website.

27. On or about December 8, 2023, KuCoin, through its current operating entity Peken Global Limited, the defendant, entered into a publicly filed consent order with the Attorney General of the State of New York. In that consent order, KuCoin acknowledged that it was acting as an unregistered securities broker or dealer in New York State and that, as of November 29, 2023, KuCoin held approximately \$16,766,742 in assets for New York registered users. New York registered users were identified based on a New York address, phone number, or IP address or GPS location in KuCoin’s records. As part of its consent order, KuCoin agreed to terminate access to its services for New York registered users within 120 days.

28. In August 2024, KuCoin announced that all U.S. registered users would be blocked from using the platform.

ATTACHMENT B
CERTIFICATE OF CORPORATE RESOLUTIONS

WHEREAS, PEKEN GLOBAL LIMITED, d/b/a KUCOIN (the “Defendant” or “KuCoin”) has been engaged in discussions with the United States Attorney’s Office for the Southern District of New York (the “Office”) regarding resolution of the charges contained in a four-count Indictment, 24 Cr. 168 (ALC) (the “Indictment”), which charges PEKEN GLOBAL LIMITED, d/b/a KUCOIN, with one count of conspiring to violate the Bank Secrecy Act, in violation of 18 U.S.C. § 371 (Count One); one count of conspiring to operate as an unlicensed money transmitting business, in violation of 18 U.S.C. § 371 (Count Two); one count of violating the Bank Secrecy Act, in violation of 31 U.S.C. §§ 5318(h)(1) and (l), 5322(b) and (c), 31 C.F.R. §§ 1026.210 and 1026.220, and 18 U.S.C. § 2 (Count Three); and one count of operating an unlicensed money transmitting business, in violation of 18 U.S.C. §§ 1960 and 2 (Count Four);

WHEREAS, in order to resolve the pending charges, it is proposed that the Defendant enter into the Plea Agreement with the Office (the “Agreement”) and that the Defendant acknowledge and admit the Statement of Facts accompanying the Agreement;

WHEREAS, the Defendant’s Chief Executive Officer, Bochong Wang, together with outside counsel for the Defendant, have advised the Defendant’s Director of Defendant’s rights, possible defenses, the Sentencing Guidelines’ provisions, and the consequences of entering into such agreement with the Office;

Therefore, the Director has RESOLVED that:

1. The Defendant (a) acknowledges the filing of the Indictment 24 Cr. 168 (ALC) charging the Defendant with, among other offenses, a felony violation of operation of an unlicensed money transmitting business, in violation of Title 18, United States Code, Sections

1960 and 2 (“Count Four”); (b) enters into the Agreement with the Office; (c) agrees to pay a Criminal Forfeiture Payment of \$179,200,000 (the “Criminal Forfeiture Payment”) and a Criminal Fine Payment of \$67,914,000 (the “Criminal Fine Payment”) under the Agreement with respect to the conduct described in Count Four of the Indictment; and (d) admits the Court’s jurisdiction over the Defendant and the subject matter of such action and consents to the judgment therein;

2. The Defendant accepts the terms and conditions of the Agreement, including, but not limited to: (a) a knowing waiver of its rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b); (b) a knowing waiver, for purposes of the Agreement and any charges by the United States arising out of the conduct described in the Statement of Facts attached to the Agreement, of any objection with respect to venue in the United States District Court for the Southern District of New York; and (c) a knowing waiver of any defenses based on the statute of limitations for any prosecution relating to the conduct described in the Statement of Facts attached to the Agreement and Indictment or relating to conduct known to the Office prior to the date on which the Agreement is signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement;

3. The Defendant acknowledges and admits the Statement of Facts accompanying the Agreement and acknowledges that the Court-ordered Criminal Forfeiture Payment and Criminal Fine Payment may be recovered from the Defendant;

4. The Defendant’s Chief Executive Officer, Bochong Wang, is hereby authorized, empowered, and directed, on behalf of the Defendant, to execute the Agreement substantially in such form as reviewed by this Director with such changes as the Defendant’s Chief Executive Officer, Bochong Wang, may approve;

5. The Defendant’s Chief Executive Officer, Bochong Wang, is hereby authorized, empowered, and directed, on behalf of the Defendant, to execute the Agreement substantially in such form as reviewed by this Director with such changes as the Defendant’s Chief Executive Officer, Bochong Wang, may approve;

6. The Defendant’s Chief Executive Officer, Bochong Wang, is hereby authorized, empowered, and directed to take any and all actions as may be necessary or appropriate and to approve the forms, terms, or provisions of any agreement or other documents as may be necessary or appropriate to carry out and effectuate the purpose and intent of the foregoing resolutions; and

7. All of the actions of the Defendant’s Chief Executive Officer, Bochong Wang, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as actions on behalf of the Defendant.

Date: _____ By: _____
PEKEN GLOBAL LIMITED d/b/a KUCOIN

Date: _____ By: _____
PEKEN GLOBAL LIMITED d/b/a KUCOIN

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
UNITED STATES OF AMERICA	:	
	:	CONSENT PRELIMINARY ORDER
- v. -	:	OF FORFEITURE/
	:	<u>MONEY JUDGMENT</u>
PEKEN GLOBAL LIMITED,	:	
d/b/a KuCoin,	:	24 Cr. 168 (ALC)
	:	
Defendant.	:	
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WHEREAS, on or about March 21, 2024, PEKEN GLOBAL LIMITED d/b/a KUCOIN (the “Defendant”), among others, was charged in a four-count Indictment, 24 Cr. 168 (ALC) (the “Indictment”), with conspiracy to violate the Bank Secrecy Act, in violation of Title 18, United States Code, Section 371 (Count One); conspiracy to operate an unlicensed money transmitting business, in violation of Title 18, United States Code, Section 371 (Count Two); violation of the Bank Secrecy Act, in violation of Title 31, United States Code, Sections 5318(h)(1) and (l), 5322(b) and (c), Title 31, Code of Federal Regulations, Sections 1026.210 and 1026.220, and Title 18, United States Code, Section 2 (Count Three); and operation of an unlicensed money transmitting business, in violation of Title 18, United States Code, Sections 1960 and 2 (Count Four);

WHEREAS, the Indictment included a forfeiture allegation as to Counts Two and Four of the Indictment, seeking forfeiture to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), of any and all property, real and personal, involved in the commission of the offenses charged in Counts Two and Four of the Indictment including but not limited to a sum of money in United States currency representing the amount of property involved in the offenses charged in Counts Two and Four of the Indictment;

WHEREAS, on or about January 27, 2025, the Defendant pleaded guilty to Count Four of the Indictment, pursuant to a plea agreement with the Government, wherein the Defendant admitted the forfeiture allegation with respect to Count Four of the Indictment and agreed to forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), a sum of money equal to \$184,500,000 in United States currency, representing property involved in the offense charged in Count Four of the Indictment;

WHEREAS, the Defendant consents to the entry of a money judgment in the amount of \$184,500,000 in United States currency, representing the property involved in the offense charged in Count Four of the Indictment;

WHEREAS, the Defendant intends to enter into a parallel resolution with the Commodity Futures Trading Commission (“CFTC”);

WHEREAS, the U.S. Attorney’s Office for the Southern District of New York (“USAO-SDNY”) agrees that, if the Defendant agrees to payment of a disgorgement amount in connection with a parallel resolution with the CFTC that the CFTC does not agree to fully credit against the money judgment, the USAO-SDNY shall confer with the CFTC and agree to credit an amount against the money judgment so that the total of the combined civil disgorgement and criminal forfeiture payments shall be no more than \$184,500,000 (the “CFTC Disgorgement Credit”);

WHEREAS, the Defendant agrees to make payment to the Government in the amount of \$179,200,000 less the CFTC Disgorgement Credit in full satisfaction of the Money Judgment (the “Criminal Forfeiture Payment”); and

WHEREAS, the Defendant admits that, as a result of acts and/or omissions of the Defendant, the property involved in the offense charged in Count Four of the Indictment cannot be located upon the exercise of due diligence.

IT IS HEREBY STIPULATED AND AGREED, by and between the United States of America, by its attorney Danielle R. Sassoon, United States Attorney, Assistant United States Attorneys David R. Felton and Emily Deininger, of counsel, and the Defendant, and its counsel, John Nathanson, Esq., Christopher LaVigne, Esq., and Katherine J. Stoller, Esq., that:

1. As a result of the offense charged in Count Four of the Indictment, to which the Defendant pleaded guilty, a money judgment in the amount of \$184,500,000.00 in United States currency (the “Money Judgment”), representing the amount of property involved in the offense charged in Count Four of the Indictment, shall be entered against the Defendant.

2. Defendant shall make the Criminal Forfeiture Payment by wire transfer pursuant to instructions provided by the United States Attorney’s Office as follows: no later than forty-five (45) days after the Defendant’s sentencing, payment of \$24,840,000; no later than four (4) months after the Defendant’s sentencing, payment of \$49,680,000; no later than eight (8) months after the Defendant’s sentencing, payment of \$49,680,000; and payment of any remaining amount of the Criminal Forfeiture Payment no later than ten (10) months after the Defendant’s sentencing (the “Time Period”).

3. Upon receipt of the Criminal Forfeiture Payment within the Time Period, the Government shall accept the Criminal Forfeiture Payment in full satisfaction of the Money Judgment.

4. Pursuant to Rule 32.2(b)(4) of the Federal Rules of Criminal Procedure, this Consent Preliminary Order of Forfeiture/Money Judgment is final as to the Defendant, PEKEN GLOBAL LIMITED, d/b/a KUCCOIN, and shall be deemed part of the sentence of the Defendant, and shall be included in the judgment of conviction therewith.

5. Upon entry of this Consent Preliminary Order of Forfeiture/Money Judgment, and pursuant to Title 21, United States Code, Section 853, United States Customs and

Border Protection, or its designee the Office of Fines, Penalties, and Forfeiture shall be authorized to deposit the Criminal Forfeiture Payment on the Money Judgment into the Treasury Assets Forfeiture Fund, and the United States shall have clear title to such forfeited property.

6. Pursuant to Title 21, United States Code, Section 853(p), the United States is authorized to seek forfeiture of substitute assets of the Defendant up to the uncollected amount of the Money Judgment following the expiration of the Time Period if the Defendant has not made the Criminal Forfeiture Payment.

7. Pursuant to Rule 32.2(b)(3) of the Federal Rules of Criminal Procedure, the United States Attorney's Office is authorized to conduct any discovery needed to identify, locate or dispose of forfeitable property, including depositions, interrogatories, requests for production of documents, and the issuance of subpoenas.

8. The Court shall retain jurisdiction to enforce this Consent Preliminary Order of Forfeiture/Money Judgment, and to amend it as necessary, pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure.

9. The signature page of this Consent Preliminary Order of Forfeiture/Money Judgment may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

AGREED AND CONSENTED TO:

DANIELLE R. SASSOON
United States Attorney
Southern District of New York

By: _____ DATE _____
DAVID R. FELTON
EMILY DEININGER
Assistant United States Attorney
26 Federal Plaza, 37th Floor
New York, NY 10278
(212) 637-2299/-2472

PEKEN GLOBAL LIMITED, D/B/A KUCOIN

By: _____ DATE _____
PEKEN GLOBAL LIMITED,
D/B/A KUCOIN

By: _____ DATE _____
JOHN NATHANSON, ESQ.
CHRISTOPHER LAVIGNE, ESQ.
KATHERINE J. STOLLER, ESQ.
Attorneys for Defendant
A&O Shearman
599 Lexington Avenue
New York, NY 10022

SO ORDERED:

HONORABLE ANDREW L. CARTER, JR.
UNITED STATES DISTRICT JUDGE
DATE _____



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Jacob K. Javits Federal Building
26 Federal Plaza
New York, New York 10278*

January 25, 2025

VIA EMAIL

John Nathanson, Esq.
Christopher LaVigne, Esq.
Katherine J. Stoller, Esq.
A&O Shearman
599 Lexington Avenue
New York, New York 10022

Re: *United States v. Peken Global Limited, d/b/a KuCoin, 24 Cr. 168 (ALC)*

PLEA AGREEMENT

Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the United States of America, by and through the United States Attorney's Office for the Southern District of New York (the "Office"), and the Defendant, PEKEN GLOBAL LIMITED d/b/a KUCOIN (the "Defendant" or "KuCoin"), by and through its undersigned attorneys, and through its authorized representative, pursuant to authority granted by the Defendant's Director, hereby submit and enter into this plea agreement (the "Agreement"). The terms and conditions of this Agreement are as follows:

Term of the Defendant's Obligations Under the Agreement

1. Except (a) with respect to the permanent removal of indicted individuals Chun Gan, a/k/a "Michael," and Ke Tang, a/k/a "Eric," from management and operations of the Defendant, and (b) as otherwise provided in Paragraph 10 below in connection with the Defendant's

cooperation obligations, the Defendant's obligations under the Agreement shall last and be effective for a period beginning on the date of sentencing and ending two years after entry of the judgment by the Court (the "Term"). The Defendant agrees, however, that in the event the Office determines, in its sole discretion, that the Defendant has knowingly violated any provision of this Agreement or failed to completely perform or fulfill each of the Defendant's obligations under this Agreement, the Office, in its sole discretion, may impose an extension or extensions of the Term for up to a total additional time period of one year . Any extension of the Term extends all terms of this Agreement, including any self-reporting described in Attachment D, for an equivalent period.

The Defendant's Agreement

2. Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the Defendant agrees to plead guilty to Count Four of the above-referenced Indictment (the "Indictment") charging the Defendant with operation of an unlicensed money transmitting business, from at least in or about September 2017 through at least in or about December 2023, in violation of Title 18, United States Code, Sections 1960 and 2. The Defendant further agrees to persist in that plea through sentencing and, as set forth below, to acknowledge and accept the Statement of Facts attached hereto as Attachment A ("Statement of Facts").

3. The Defendant understands that, to be guilty of the offense charged in Count Four of the Indictment, the following essential elements of the offense must be satisfied:

- a. First, the Defendant knowingly conducted, controlled, managed, supervised, directed, or owned all or part of an unlicensed money transmitting business;
- b. Second, the business affected interstate or foreign commerce in some manner or degree; and

c. Third, the business was unlicensed, that is, it failed to comply with the money transmitting business registration requirements under Title 31, United States Code, Section 5330, and the regulations prescribed thereunder.

4. The Defendant understands and agrees that this Agreement is between the Office and the Defendant and does not bind any other division or section of the Department of Justice or any other federal, state, local, or foreign prosecuting, administrative, or regulatory authority. Nevertheless, the Office will bring this Agreement and the nature and quality of the conduct, cooperation, and remediation of the Defendant, its direct or indirect affiliates, subsidiaries, branches, and joint ventures, to the attention of other law enforcement, regulatory, and debarment authorities, if requested by the Defendant.

5. The Defendant agrees that this Agreement will be executed by an authorized corporate representative. The Defendant further agrees that a resolution duly adopted by the Defendant's Director in the form attached to this Agreement as Attachment B ("Certificate of Corporate Resolutions") authorizes the Defendant to enter into this Agreement and take all necessary steps to effectuate this Agreement, and that the signatures on this Agreement by the Defendant and its counsel are authorized by the Defendant's Director, on behalf of the Defendant.

6. The Defendant agrees that it has the full legal right, power, and authority to enter into and perform all of its obligations under this Agreement.

7. The Office enters into this Agreement based on the individual facts and circumstances presented by this case, including:

a. The nature, seriousness, and pervasiveness of the offense conduct, as described in the Statement of Facts, including the Defendant's operation over several years of an unlicensed money transmitting business in the United States, *i.e.*, KuCoin, a cryptocurrency

exchange and trading platform operated through the website www.kucoin.com and an application available for download on mobile phones, which accepted and transmitted funds and value that substitutes for currency, in the form of Bitcoin and other cryptocurrencies, including on behalf of United States registered users, without registering with the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN");

b. The Defendant did not receive voluntary disclosure credit pursuant to the United States Sentencing Guidelines ("U.S.S.G." or "Sentencing Guidelines"), because it did not voluntarily and timely disclose to the Office the conduct described in the Statement of Facts;

c. The Defendant received credit for cooperation under U.S.S.G. § 8C2.5(g)(2), because, immediately after it was indicted, it provided cooperation with the investigation and demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct by, among other things, providing information obtained through its internal investigation, making factual presentations to the Office, and collecting, organizing, and producing records and information to the Office, including records regarding transactions completed on behalf of, and fees generated from, United States registered users;

d. The Defendant engaged in significant remedial measures both before and after the indictment, including measures focused on enhancing its compliance program, including: (i) contracting with a transaction monitoring vendor; (ii) engaging a third party to conduct sanctions and politically exposed persons screening; (iii) using third-parties and manual review for Know Your Customer ("KYC") verification; (iv) updating its KYC policy to require KYC for all customers and that no U.S. users, as defined in Attachment C, are able to pass KYC with a U.S. identification document; (v) enhancing sanctions screening with batch, daily screening of all new and active accounts against sanctions lists; (vi) making compliance enhancements, including an

annual risk assessment, an internal law enforcement request system, a revamped internal compliance system, a new requirement for internal audit to conduct annual audits, blacklist consolidation and management, hiring a new Head of Compliance, and redesigning and expanding customer due diligence, enhanced due diligence, and anti-money laundering (“AML”) rules; (vii) expanding its compliance team under the new Head of Compliance; and (viii) engaging in a process of identifying and offboarding individuals identified as U.S. registered users;

e. Although the Defendant had inadequate compliance programs, policies, procedures, and controls, including an inadequate and ineffective KYC, AML, and sanctions compliance program (the “Compliance Program”), during the period of the conduct described in the Statement of Facts, as shown above, both before and after the indictment the Defendant has taken significant steps to remediate its Compliance Program and agrees to continue to so remediate;

f. The Defendant has agreed to completely exit the United States market during the Term;

g. The Defendant has agreed to permanently remove indicted individuals, Chun Gan, a/k/a “Michael,” and Ke Tang, a/k/a “Eric,” from management and operations of the Defendant, not subject to the Term limitations otherwise set forth in this Agreement;

h. The Defendant has agreed to retain a qualified external compliance consultant (the “Consultant”) to conduct two annual reviews, as further described in Attachment C to this Agreement;

i. The Defendant has no prior criminal history, but it has previously been subject to regulatory enforcement actions related to its unlawful operations, including in New York State, when on or about December 8, 2023, the Defendant entered into a consent order with the Attorney General of the State of New York, wherein the Defendant acknowledged that it was acting as an unregistered securities broker or dealer in New York State and that, as of November

29, 2023, KuCoin held approximately \$16,766,642 in assets for New York customers;

j. The Defendant is intending to enter into a parallel resolution with the Commodity Futures Trading Commission (“CFTC”); and

k. The Defendant has agreed to continue to cooperate with the Office in any ongoing investigation as described in Paragraph 10 below.

l. Accordingly, after considering (a) through (k) above, the Office believes that the appropriate resolution in this case is for the Defendant to plead guilty to Count Four of the Indictment, for operating an unlicensed money transmitting business, pursuant to this Agreement.

8. The Defendant agrees to abide by all terms and obligations of this Agreement as described herein, including, but not limited to, the following:

- a. to plead guilty as set forth in this Agreement;
- b. to abide by all sentencing stipulations contained in this Agreement;
- c. to appear, through its duly appointed representatives, as ordered for all court appearances, and obey any other ongoing court order in this matter, consistent with all applicable United States and foreign laws, procedures, and regulations;
- d. to commit no further crimes;
- e. to be truthful at all times with the Court;
- f. to pay the applicable special assessment;
- g. to consent to and to pay any applicable monetary penalties, including a fine and forfeiture, subject to the terms of this Agreement;
- h. to completely exit the United States market during the Term;
- i. to permanently remove indicted individuals Chun Gan, a/k/a “Michael,” and Ke Tang, a/k/a “Eric,” from management and any of the Defendant’s

operations, not subject to the Term limitations otherwise set forth in this Agreement;

- j. to retain the Consultant, as set forth in Attachment C to this Agreement;
- and
- k. to cooperate fully with the Office as described in Paragraph 10.

9. Except as may otherwise be agreed by the parties in connection with a particular transaction, the Defendant agrees that in the event that, during the Term, the Defendant undertakes any change in corporate form, including if it sells, merges, or transfers business operations that are material to the Defendant's consolidated operations, or to the operations of any subsidiaries, branches, or affiliates involved in the conduct described in the Statement of Facts, as they exist as of the date of this Agreement, whether such sale is structured as a sale, asset sale, merger, transfer, or other change in corporate form, it shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement. The purchaser or successor in interest must also agree in writing that the Office's ability to declare a breach under this Agreement is applicable in full force to that entity. The Defendant agrees that the failure to include these provisions in the transaction will make any such transaction null and void. The Defendant shall provide notice to the Office at least thirty (30) days prior to undertaking any such sale, merger, transfer, or other change in corporate form. The Office shall notify the Defendant prior to such transaction (or series of transactions) if they determine that the transaction(s) will have the effect of circumventing or frustrating the purposes of this Agreement, as determined in the sole discretion of the Office; the Defendant agrees that such transaction(s) will not be consummated. In addition, if at any time during the Term, the Office determines in its sole discretion that the Defendant has engaged in a

transaction(s) that has the effect of circumventing or frustrating the purposes of this Agreement, the Office may deem it a breach of this Agreement. Nothing herein shall restrict the Defendant from indemnifying (or otherwise holding harmless) the purchaser or successor in interest for penalties or other costs arising from any conduct that may have occurred prior to the date of the transaction, so long as such indemnification does not have the effect of circumventing or frustrating the purposes of this Agreement, as determined by the Office.

10. The Defendant shall continue to cooperate fully with the Office in any and all matters relating to the conduct described in this Agreement and the Statement of Facts and any individual or entity referred to therein, as well as any other conduct under investigation by the Office at any time during the Term, until the end of the Term. At the request of the Office, Defendant shall also cooperate fully with other domestic and foreign law enforcement and regulatory authorities and agencies in any other investigation at any time during the Term. For a period of five years from the date of the sentencing, the Defendant shall permanently cooperate fully with the Office in accepting service of and producing responsive materials following receipt of legal process, including subpoenas, search warrants, and seizure warrants. The Defendant's cooperation pursuant to this Paragraph is subject to applicable laws and regulations, including data privacy and national security laws, as well as valid claims of attorney-client privilege or attorney work product doctrine; however, the Defendant must provide to the Office a log of any information or cooperation that is not provided based on an assertion of law, regulation, or privilege, and the Defendant bears the burden of establishing the validity of any such assertion. The Defendant agrees that its cooperation pursuant to this paragraph shall include, but not be limited to, the following, subject to local law and regulations, including relevant data privacy and national security laws and regulations:

- a. The Defendant represents that it has used its best efforts to truthfully

disclose all requested information not protected by a valid claim of attorney-client privilege or work product doctrine with respect to its activities, those of its subsidiaries and affiliates, and those of its present and former directors, officers, employees, agents, and consultants relating to the conduct described in this Agreement and the Statement of Facts. The Defendant further agrees that, until the end of the Term, it shall use its best efforts to timely provide to the Office, upon request, any information, document, record, or other tangible evidence about which the Office may inquire of the Defendant, including evidence that is responsive to any requests made prior to the execution of this Agreement.

b. Upon request of the Office, until the end of the Term, the Defendant shall designate knowledgeable employees, directors, officers, agents, consultants, or attorneys to provide to the Office, on behalf of the Defendant, any requested information and materials as described in Paragraph 10.a. above. It is further understood that the Defendant must at all times use its best efforts to provide complete, truthful, and accurate information.

c. The Defendant shall, until the end of the Term, use its best efforts to make available for interviews or testimony (virtually where possible at the Office's discretion), as requested by the Office, present or former officers, directors, employees, agents, and consultants of the Defendant. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law enforcement and regulatory authorities. Cooperation under this Paragraph shall include identification of witnesses who, to the knowledge of the Defendant, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents, records, or other tangible evidence provided to the Office pursuant to this Agreement, the Defendant consents to

any and all disclosures, subject to applicable law and regulations, to other governmental authorities including United States authorities of such materials as the Office, in their sole discretion, shall deem appropriate.

11. In addition to the obligations provided for in Paragraph 10 of the Agreement, during the Term, should the Defendant learn of any evidence or allegation of conduct that may constitute a violation of federal money laundering laws, the federal laws governing money transmitting businesses, the Bank Secrecy Act, or United States sanctions laws, the Defendant shall promptly report such evidence or allegation to the Office in a manner and form consistent with local law. Thirty (30) days prior to the end of the Term, the Defendant, by the Chief Executive Officer of the Defendant and the Head of Compliance of the Defendant, will certify to the Office, in the form of executing the document attached as Attachment D to this Agreement, that the Defendant has met its disclosure obligations pursuant to this Paragraph. Each certification will be deemed a material statement and representation by the Defendant to the executive branch of the United States for purposes of 18 U.S.C. §§ 1001 and 1519, and it will be deemed to have been made in the judicial district in which this Agreement is filed.

12. The Defendant agrees that any fine or forfeiture imposed by the Court will be due and payable as specified in Paragraph 22 below. The Defendant further agrees to pay the Clerk of the Court for the United States District Court for the Southern District of New York the mandatory special assessment of \$400 within thirty (30) days from the date of sentencing.

13. The Defendant agrees that it will promptly inform the Office if, at any point during the Term, the Defendant has made a determination that it intends to reenter the U.S. market after the Term expires.

The United States' Agreement

14. In exchange for the guilty plea of the Defendant and the complete fulfillment of all of its obligations under this Agreement, the Office agrees it will not file additional criminal charges against the Defendant, any of its direct or indirect affiliates, subsidiaries, or joint ventures relating to the conduct described in the Statement of Facts or the Indictment. In addition, at the time of sentencing, the Government will move to dismiss any open counts against PEKEN GLOBAL LIMITED, the Defendant, and will dismiss all counts against Flashdot Limited, f/k/a “PhoenixFin Limited” and PhoenixFin Private Limited. The Defendant agrees that with respect to any and all dismissed charges the Defendant is not a “prevailing party” within the meaning of the “Hyde Amendment,” Section 617, P.L. 105-119 (Nov. 26, 1997), and will not file any claim under that law. The Office, however, may use any information related to the conduct described in the Statement of Facts against the Defendant: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. This Agreement does not provide any protection against prosecution for any future conduct by the Defendant or any of its direct or indirect affiliates, subsidiaries, officers, directors, employees, agents, or consultants, whether or not disclosed by the Defendant pursuant to the terms of this Agreement. This Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with the Defendant. The Defendant agrees that nothing in this Agreement is intended to release the Defendant from any and all of the Defendant’s tax liabilities and reporting obligations for any and all income not properly reported and/or legally or illegally obtained or derived.

Factual Basis

15. The Defendant is pleading guilty because it is guilty of Count Four of the Indictment. The Defendant admits, agrees, and stipulates that the statutory basis set forth in Count Four of the Indictment and the factual allegations set forth in the Statement of Facts are true and correct, that it is responsible for the acts of its officers, directors, employees, and agents described in the Statement of Facts, and that the Statement of Facts accurately reflects the Defendant's criminal conduct. The Defendant stipulates to the admissibility of the Statement of Facts in any proceeding by the Office, including any trial, guilty plea, or sentencing proceeding, and will not contradict anything in the attached Statement of Facts at any such proceeding.

The Defendant's Waiver of Rights, Including the Right to Appeal

16. Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410 limit the admissibility of statements made in the course of plea proceedings or plea discussions in both civil and criminal proceedings, if the guilty plea is later withdrawn. The Defendant expressly warrants that it has discussed these rules with its counsel and understands them. Solely to the extent set forth below, the Defendant voluntarily waives and gives up the rights enumerated in Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410. The Defendant agrees that, effective as of the date the Defendant signs this Agreement, it will not dispute the Statement of Facts set forth in this Agreement, and that the Statement of Facts shall be admissible against the Defendant in any criminal case involving the Office and the Defendant, as: (a) substantive evidence offered by the government in its case-in-chief and rebuttal case; (b) impeachment evidence offered by the government on cross-examination; and (c) evidence at any sentencing hearing or other hearing. In addition, the Defendant also agrees not to assert any claim under the Federal Rules of Evidence (including Rule 410 of the Federal Rules of Evidence), the Federal Rules of Criminal

Procedure (including Rule 11 of the Federal Rules of Criminal Procedure), or the United States Sentencing Guidelines (including U.S.S.G. § 1B1.1(a)) that the Statement of Facts should be suppressed or is otherwise inadmissible as evidence (in any form). Specifically, the Defendant understands and agrees that any statements that it makes in the course of its guilty plea or in connection with the Agreement are admissible against it for any purpose in any United States federal criminal proceeding if, even though the Office has fulfilled all of its obligations under this Agreement and the Court has imposed the agreed-upon sentence, the Defendant nevertheless withdraws its guilty plea.

17. The Defendant is satisfied that the Defendant's attorneys have rendered effective assistance. The Defendant understands that by entering into this Agreement, the Defendant surrenders certain rights as provided in this Agreement. The Defendant understands that the rights of criminal defendants include the following:

- (a) the right to plead not guilty and to persist in that plea;
- (b) the right to a jury trial;
- (c) the right to be represented by counsel – and if necessary have the court appoint counsel – at trial and at every other stage of the proceedings;
- (d) the right at trial to confront and cross-examine adverse witnesses, to be protected from compelled self-incrimination, to testify and present evidence, and to compel the attendance of witnesses; and
- (e) pursuant to Title 18, United States Code, Section 3742, the right to appeal the sentence imposed.

Nonetheless, the Defendant knowingly waives the right to appeal or collaterally attack the conviction and any sentence at or below the statutory maximum described below (or the manner

in which that sentence was determined) on the grounds set forth in Title 18, United States Code, Section 3742, or on any ground whatsoever except those specifically excluded in this Paragraph, in exchange for the concessions made by the Office in this plea agreement. This Agreement does not affect the rights or obligations of the United States as set forth in Title 18, United States Code, Section 3742(b). The Defendant also knowingly waives the right to bring any collateral challenge challenging either the conviction, or the sentence imposed in this case. The Defendant hereby waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought under the Freedom of Information Act, Title 5, United States Code, Section 552, or the Privacy Act, Title 5, United States Code, Section 552a. The Defendant waives all defenses based on the statute of limitations and venue with respect to any prosecution related to the conduct described in the Statement of Facts or the Indictment, including any prosecution that is not time-barred on the date that this Agreement is signed in the event that: (a) the conviction is later vacated for any reason; (b) the Defendant violates this Agreement; or (c) the plea is later withdrawn, provided such prosecution is brought within one year of any such vacatur of conviction, violation of the Agreement, or withdrawal of plea, plus the remaining time period of the statute of limitations as of the date that this Agreement is signed. The Office is free to take any position on appeal or any other post-judgment matter. The parties agree that any challenge to the Defendant's sentence that is not foreclosed by this Paragraph will be limited to that portion of the sentencing calculation that is inconsistent with (or not addressed by) this waiver. Nothing in the foregoing waiver of appellate and collateral review rights shall preclude the Defendant from raising a claim of ineffective assistance of counsel in an appropriate forum.

Penalty

18. The statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 1960 is: a fine of \$500,000 or twice the gross pecuniary gain or gross pecuniary loss resulting from the offense, whichever is greatest (Title 18, United States Code, Sections 3571(c) and (d)); five years' probation (Title 18, United States Code, Section 3561(c)(1)); and a mandatory special assessment of \$400 (Title 18, United States Code, Section 3013(a)(2)(B)). The Court must also impose forfeiture of any and all property, real and personal, involved in Count Four of the Indictment, or any property traceable to such property, including but not limited to a sum of money in United States currency representing property involved in said offense (Title 18, United States Code, Section 982(a)(1)).

19. In this case, the parties agree that the gross pecuniary gain resulting from the offense is \$125,460,000 and therefore, pursuant to 18 U.S.C. § 3571(d), the maximum fine that may be imposed for Count Four of the Indictment is twice the gross gain, or \$250,920,000. The parties also agree that the Court must order forfeiture of any and all property, real and personal, involved in Count Four of the Indictment, or any property traceable to such property, including but not limited to a sum of money in United States currency representing property involved in said offense (Title 18, United States Code, Section 982(a)(1)). In this case, the parties agree that restitution is inapplicable.

Sentencing Recommendation

20. The parties agree that, pursuant to *United States v. Booker*, 543 U.S. 220 (2005), the Court must determine an advisory sentencing guideline range pursuant to the United States Sentencing Guidelines. The Court will then determine a reasonable sentence within the statutory range after considering the advisory sentencing guideline range and the factors listed in Title 18, United States Code, Section 3553(a). The parties' agreement herein to any guideline sentencing

factors constitutes proof of those factors sufficient to satisfy the applicable burden of proof. The Defendant also understands that if the Court accepts this Agreement, the parties are in agreement that the Court is bound by the sentencing provisions in Paragraphs 18 and 19.

21. The Office and the Defendant agree that a faithful application of the United States Sentencing Guidelines to determine the applicable fine range yields a base offense level of 6 and total offense level of 36 based on U.S.S.G. §§ 2S1.3(a)(2) and 2B1.1(b)(1)(P). The sentence of a fine is calculated as follows:

- a. Base Fine. Based upon U.S.S.G. § 8C2.4(a)(2), the base fine is the pecuniary gain to the organization under the offense, which is \$125,460,000.
- b. Culpability Score. Based upon U.S.S.G. § 8C2.5, the culpability score is 6, calculated as follows:
 - (i) Base Culpability Score of five points, pursuant to U.S.S.G. § 8C2.5(a).
 - (ii) A three-point addition, pursuant to U.S.S.G. § 8C2.5(b)(3), since the organization had 200 or more employees and an individual within high-level personnel of the organization participated in, condoned, or was willfully ignorant of the offense.
 - (iii) A two-point reduction for acceptance of responsibility and cooperation, pursuant to U.S.S.G. § 8C2.5(g)(2).

TOTAL CULPABILITY SCORE: 6

Calculation of Fine Range, Pursuant to U.S.S.G. §§ 8C2.6 and 7:

Base Fine	\$125,460,000
Multipliers	1.2 (min) /2.4 (max)
Fine Range	\$150,552,000 (min)/ \$301,104,000 (max) ¹

¹ However, as noted in Paragraphs 18 and 19, the statutory maximum allowable fine is \$250,920,000.

22. Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the Office and the Defendant agree that the following represents the appropriate disposition of the case:

a. Disposition. Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the Office and the Defendant agree that the appropriate disposition of this case is as set forth below.

b. Criminal Fine. The parties agree, based on the application of the U.S.S.G., that the appropriate total criminal fine is \$112,914,000 (“Total Criminal Fine”). This reflects a 25 percent discount off the bottom of the applicable Sentencing Guidelines fine range for the Defendant’s cooperation and remediation. The Office further agrees that, if the Defendant agrees to payment of any civil monetary penalty in connection with a parallel CFTC resolution and the CFTC does not agree to credit at least \$40 million of that civil monetary penalty against the Total Money Judgment, the Office shall confer with the CFTC and agree to credit an amount against the Total Money Judgment so that the total of the combined civil monetary penalty and criminal fine payments shall be no more than the Total Criminal Fine (the “CFTC Civil Credit”). The Office will accept a payment equal to the Total Criminal Fine less the CFTC Civil Credit, if any (the “Criminal Fine Payment”). The Defendant agrees that it shall make the Criminal Fine Payment by wire transfer pursuant to instructions provided by the Office as follows: (1) no later than forty-five (45) days after the Defendant’s sentencing, payment of \$10,582,800; (2) no later than four (4) months after the Defendant’s sentencing, payment of \$21,165,600; (3) no later than eight (8) months after the Defendant’s sentencing, payment of \$21,165,600; and (4) payment of any remaining amount of the Criminal Forfeiture Payment within ten (10) months of the Defendant’s sentencing.

c. Criminal Forfeiture. The Defendant hereby admits that the facts set forth in the Statement of Facts establish that the sum of at least \$184,500,000 in United States currency

(the “Total Money Judgment”) is forfeitable to the United States pursuant to Title 18, United States Code, Section 982(a)(1). The Office will accept the Total Money Judgment in full satisfaction of criminal forfeiture. The Office agrees that a payment previously made by the Defendant in connection with its settlement of a regulatory action brought by the Attorney General of the State of New York in the amount of \$5,300,000 (the “NYOAG Civil Credit”) shall be credited against the Money Judgment. The Office further agrees that, if the Defendant agrees to payment of any disgorgement amount in connection with a parallel CFTC resolution that the CFTC does not agree to fully credit against the Total Money Judgment, the Office shall confer with the CFTC and agree to credit an amount against the Total Money Judgment so that the total of the combined civil disgorgement and criminal forfeiture payments shall be no more than the Total Money Judgment (the “CFTC Disgorgement Credit”). The Defendant therefore admits the forfeiture allegation with respect to Count Four of the Indictment, agrees that it obtained at least \$184,500,000, and agrees to forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), a sum of money equal to \$184,500,000 in United States currency, representing property involved in said offense (the “Money Judgment”). The Office will accept a payment equal to the Total Money Judgment less the NYOAG Civil Credit to the Attorney General of the State of New York and the CFTC Disgorgement Credit to the CFTC, if any (the “Criminal Forfeiture Payment”). The Defendant agrees that it shall make the Criminal Forfeiture Payment by wire transfer pursuant to instructions provided by the Office as follows: (1) no later than forty-five (45) days after the Defendant’s sentencing, payment of \$24,840,000; (2) no later than four (4) months after the Defendant’s sentencing, payment of \$49,680,000; (3) no later than eight (8) months after the Defendant’s sentencing, payment of an additional \$49,680,000; and (4) payment of any remaining amount of the Criminal Forfeiture Payment within ten (10) months of the Defendant’s sentencing.

It is further understood that any forfeiture of the Defendant's assets shall not be treated as satisfaction of any fine, cost of imprisonment, or any other penalty the Court may impose upon the Defendant in addition to forfeiture. The Defendant consents to the entry of the Consent Preliminary Order of Forfeiture/Money Judgment annexed hereto as Attachment E and agrees that the Consent Preliminary Order of Forfeiture/Money Judgment shall be final as to the Defendant at the time it is ordered by the Court.

d. Mandatory Special Assessment. The Defendant shall pay to the Clerk of the Court for the United States District Court for the Southern District of New York the mandatory special assessment of \$400.

e. The Defendant further agrees that it will pay the entirety of the Criminal Fine Payment, the Criminal Forfeiture Payment, and the mandatory special assessment, in United States currency (*i.e.*, United States fiat currency), pursuant to the terms of the Agreement. The Defendant understands and acknowledges that its failure to pay the entirety of the Criminal Fine Payment, the Criminal Forfeiture Payment, and the mandatory special assessment pursuant to the Agreement will constitute a breach of this Agreement, and the Office, at the Office's sole discretion, may withdraw from this Agreement.

23. This Agreement is presented to the Court pursuant to Fed. R. Crim. P. 11(c)(1)(C). The Defendant understands that, if the Court rejects this Agreement, the Court must: (a) inform the parties that the Court rejects the Agreement; (b) advise the Defendant's counsel that the Court is not required to follow the Agreement and afford the Defendant the opportunity to withdraw its plea; and (c) advise the Defendant that if the plea is not withdrawn, the Court may dispose of the case less favorably toward the Defendant than the Agreement contemplated. The Defendant further understands that if the Court refuses to accept any provision of this Agreement, neither party shall be

bound by the provisions of the Agreement.

24. The Defendant and the Office waive the preparation of a Pre-Sentence Investigation Report (“PSR”) and intend to seek a sentencing by the Court within thirty (30) days of the Rule 11 hearing in the absence of a PSR. The Defendant understands that the decision whether to proceed with the sentencing proceeding without a PSR is exclusively that of the Court. In the event the Court directs the preparation of a PSR, the Office will fully inform the preparer of the PSR and the Court of the facts and law related to the Defendant’s case.

Breach of Agreement

25. If, at any time until the end of the Term, the Defendant (a) commits any felony under United States federal law; (b) provides in connection with this Agreement deliberately false, incomplete, or misleading information; (c) fails to exit the U.S. market for the Term and/or fails to comply with the requirement to hire a qualified external consultant to verify that exit, as set forth in Attachment C; (d) fails to comply with Paragraph 10 of this Agreement; (e) fails to comply with Paragraph 11 of the Agreement; or (f) otherwise fails specifically to perform or to fulfill completely each of the Defendant’s obligations under the Agreement, including payment of the Criminal Fine Payment, the Criminal Forfeiture Payment, and the mandatory special assessment in their entirety pursuant to the Agreement, regardless of whether the Office becomes aware of such conduct during or after the Term, the Defendant shall thereafter be subject to prosecution for any federal criminal violation of which the Office has knowledge, including, but not limited to, the charges in the Indictment, which may be pursued by the Office in the U.S. District Court for the Southern District of New York or any other appropriate venue. Determination of whether the Defendant has breached the Agreement and whether to pursue prosecution of the Defendant shall be in the Office’s sole discretion. Any such prosecution may be premised on information provided by the Defendant or its personnel. Any

such prosecution relating to the conduct described in the Indictment and the attached Statement of Facts or relating to conduct known to the Office prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against the Defendant, notwithstanding the expiration of the statute of limitations, between the signing of this Agreement and the expiration of the Term plus one year. Thus, by signing this Agreement, the Defendant agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term plus one year. The Defendant gives up all defenses based on the statute of limitations, any claim of pre-indictment delay, or any speedy trial claim with respect to any such prosecution or action, except to the extent that such defenses existed as of the date of the signing of this Agreement.

26. In the event the Office determines that the Defendant has breached this Agreement, the Office agrees to provide the Defendant with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, the Defendant shall have the opportunity to respond to the Office in writing to explain the nature and circumstances of such breach, as well as the actions the Defendant has taken to address and remediate the situation, which explanation the Office shall consider in determining whether to pursue prosecution of the Defendant.

27. In the event that the Office determines that the Defendant has breached this Agreement: (a) all statements made by or on behalf of the Defendant to the Office or to the Court, including the Statement of Facts, and any testimony given by the Defendant before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and

all criminal proceedings brought by the Office against the Defendant; and (b) the Defendant shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of the Defendant prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed or are otherwise inadmissible. The decision whether conduct or statements of any current director, officer, employee, or any person acting on behalf of, or at the direction of, the Defendant, will be imputed to the Defendant for the purpose of determining whether the Defendant has violated any provision of this Agreement shall be in the sole discretion of the Office.

28. The Defendant acknowledges that the Office has made no representations, assurances, or promises concerning what sentence may be imposed by the Court if the Defendant breaches this Agreement and this matter proceeds to judgment. The Defendant further acknowledges that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

Public Statements by the Defendant

29. The Defendant expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents, or any other person authorized to speak for the Defendant make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by the Defendant set forth above or the facts described in the Statement of Facts. Any such contradictory statement shall, subject to cure rights of the Defendant described below, constitute a breach of this Agreement, and the Defendant thereafter shall be subject to prosecution as set forth in Paragraphs 25-27. The decision whether any public statement by any such person contradicting a fact contained in the Statement of Facts will be imputed to the Defendant for the purpose of

determining whether it has breached this Agreement shall be at the sole discretion of the Office. If the Office determines that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, the Office shall so notify the Defendant, and the Defendant may avoid a breach of this Agreement by publicly repudiating such statement(s) within five (5) days after notification. The Defendant shall be permitted to raise defenses and to assert affirmative claims in other proceedings relating to the matters set forth in the Statement of Facts provided that such defenses and claims do not contradict, in whole or in part, a statement contained in the Statement of Facts. This Paragraph does not apply to any statement made by any present or former officer, director, employee, or agent of the Defendant in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of the Defendant.

30. The Defendant agrees that if it or any of its direct or indirect subsidiaries or affiliates issues a press release or holds any press conference in connection with this Agreement, the Defendant shall first consult the Office to determine (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters between the Office and the Defendant; and (b) whether the Office has any objection to the release or statement.

Complete Agreement

31. This document, including its attachments, states the full extent of the Agreement between the parties. There are no other promises or agreements, express or implied. Any modification of this Agreement shall be valid only if set forth in writing in a supplemental or revised plea agreement signed by all parties.

AGREED:

FOR PEKEN GLOBAL LIMITED, D/B/A KUCOIN:

Date: _____
Bochong Wang
Peken Global Limited, d/b/a KuCoin

By: _____

Date: _____

By: _____

John Nathanson, Esq.
Christopher LaVigne, Esq.
Katherine J. Stoller, Esq.
A&O Shearman
599 Lexington Avenue
New York, New York 10022

Counsel for Peken Global Limited,
d/b/a KuCoin

FOR THE DEPARTMENT OF JUSTICE:

DANIELLE R. SASSOON
United States Attorney Southern
District of New York
U.S. Department of Justice

Emily Deininger
David R. Felton
Assistant United States Attorneys