

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

CHAIN TECHNOLOGIES RESEARCH,)
d/b/a/ "PLASMA,")

Plaintiff,)

v.)

Case No. _____

MERCURY FUND IV, L.P.; MERCURY)
FUND AFFILIATES IV, L.P.; MERCURY)
FUND V, L.P.; MERCURY FUND)
AFFILIATES V, L.P.; and MERCURY FUND)
EXECUTIVES V, L.P.,)

Defendants.)

COMPLAINT

Plaintiff Chain Technologies Research, d/b/a "Plasma," brings this action against Defendants Mercury Fund IV, L.P. ("Mercury Fund IV"), Mercury Fund Affiliates IV, L.P. ("Mercury Fund Affiliates IV") (together, "the Mercury IV Funds"), Mercury Fund V, L.P. ("Mercury Fund V"), Mercury Fund Affiliates V, L.P. ("Mercury Fund Affiliates V"), and Mercury Fund Executives V, L.P. ("Mercury Fund Executives V") (together, "the Mercury V Funds") (together with the Mercury IV Funds, "Defendants") and alleges as follows:

NATURE OF THE ACTION

1. Plasma brings this action for declaratory relief to enforce its contractual rights, and prevent defendants from exploiting an obvious drafting error in an agreement—since corrected by

a valid amendment—to claim a windfall of approximately \$270 million on an investment of \$100,000.¹

2. Plasma is an early-stage digital asset company. On September 26, 2024, the Mercury IV Funds invested a warrant agreement with Plasma (the “Plasma Token Warrant”) that gave each warrant holder the right to purchase digital asset tokens to be minted by Plasma in a “Token Structuring Event” (as defined in the agreement). The number of digital asset tokens each warrant holder could purchase under the warrant agreement was determined by the size of the equity investment in Plasma that the warrant holder made under a separate agreement, a Simple Agreement for Future Equity (a “SAFE”). Each warrant holder, including the Mercury IV Funds, also entered into a SAFE with Plasma around the same time as the warrant agreement, and each SAFE provided that, in return for a capital contribution, the holders would be entitled to future shares in Plasma upon the occurrence of certain events. Through their SAFEs, the Mercury IV Funds invested \$100,000 in Plasma. The Mercury V Funds did not enter into the warrant or a SAFE with Plasma.

3. The SAFE/warrant investment structure is common. Digital asset companies often enter into SAFE agreements with investors and simultaneously enter into token warrants that provide the investor with the right to purchase tokens that may, in the future, be issued by the company. It is common in these arrangements, particularly where early-stage companies like Plasma are concerned, that the number of tokens a warrant holder will receive upon exercising the warrant is linked to how much the investor has contributed to the company through the

¹ Counsel for Plasma in this action was not involved in the transactions described herein.

contemporaneously-executed SAFE. In other words, the larger an investor's SAFE investment, the larger the share of tokens the investor can purchase when exercising its warrant rights.

4. Plasma and its warrant holders intended to enter into this type of arrangement, but their intent was not reflected in the original terms of the Plasma Token Warrant. Because of a drafting error, the Plasma Token Warrant initially provided that each warrant holder would be entitled to purchase Plasma tokens based on their total equity holdings in Plasma, including equity obtained before the SAFE investments, or acquisitions of equity in other transactions. This was not the parties' intention. The parties intended to base each warrant holder's right to purchase tokens only on the size of each warrant holder's investment in Plasma through the contemporaneously-executed SAFE investment, not any other equity holdings the investor may have owned when entering into the warrant, or may have acquired thereafter. This was to incentivize and reward investments in the SAFE, and there was no intent, and no reason, to reward pre-existing Plasma shareholders for shares they already owned.

5. When Plasma identified the mistake, Plasma followed the Plasma Token Warrant's express modification procedures to validly correct the mistake, and clarify that warrant holders' token allocations would be based only on their SAFE investments, not on other holdings of Plasma equity. This amendment was completed on August 1, 2025 when—consistent with the requirements of the Plasma Token Warrant—investors entitled (as of that date) to a majority share of the aggregate amount of tokens awarded pursuant to the Plasma Token Warrant, provided their written consent to the amendment. Notably, the warrant agreement expressly permits the Plasma Token Warrant to be amended “retroactively or prospectively.”

6. On August 6, 2025, Plasma notified holders of the Plasma Token Warrant of a Token Structuring Event, and offered them the right to purchase Plasma's “XPL” tokens based on

the size of their SAFE investments (not their total equity holdings of Plasma). Plasma offered Mercury Fund Affiliates IV the opportunity to purchase 431,198 XPL tokens, and Mercury Fund IV the opportunity to purchase 12,068,707 tokens, *based on each Fund's SAFE investments*—the same metric used by Plasma to offer tokens to approximately 100 other warrant holders.

7. Both Mercury IV Funds accepted this offer and exercised their right to purchase the full amount of XPL tokens offered to them on August 11, 2025. As part of their exercise of these rights, the Mercury IV Funds each signed a waiver and release of all claims relating to or arising out of the Plasma Token Warrant.

8. Despite signing this waiver and release, the Mercury Funds have demanded the right to purchase more tokens, based on their total equity holdings—not just their SAFE investment. The Mercury Funds argue that there was no mistake in the original agreement (even though they are the only one of the several other investors in the Plasma Token Warrant that purport to interpret the agreement this way), and they contest the validity of the amendment of the warrant and the Mercury IV Funds' waiver and release of claims, which no other warrant holder contests.

9. The Mercury IV Funds assert that—based on their total equity holdings in Plasma—they are entitled to purchase an additional approximately *218 million* tokens, *nearly 20 times* their entitlement under the Plasma Token Warrant. Perhaps even more egregiously, the Mercury V Funds assert that they are entitled to purchase an additional approximately 61 million tokens—*even though they are not even holders of the Plasma Token Warrant*—simply because they acquired shares of Plasma stock in certain secondary market transactions in March 2025.

10. The XPL token generally trades in a range between \$.90 and \$1.00. Under the terms of the Plasma Token Warrant, warrant holders are entitled to purchase tokens at a “strike

price” of fractions of a penny. Given their demands and the contract’s strike price, the Defendants are seeking to claim a windfall worth *approximately \$273 million based on their \$100,000 investment*.²

11. The parties have conferred several times, but Defendants have persisted in demanding all 291 million tokens they wrongfully claim. Defendants have threatened to sue Plasma if it does not accede to these wrongful demands. Accordingly, Plasma brings this declaratory judgment action to protect its rights under the amended Plasma Token Warrant, and prevent Defendants from obviously exploiting erroneous (and now inoperative) language to obtain an unjustified windfall. Plasma seeks declaratory relief confirming that: (i) the amendment of the warrant agreement was valid or, in the alternative, the original agreement contained an unenforceable mistake; (ii) the Mercury IV Funds released and waived any claims arising under or relating to the agreement; (iii) Mercury Fund IV is entitled to no more than 12,068,707 XPL tokens under the Plasma Token Warrant; (iv) Mercury Fund Affiliates IV is entitled to no more than 431,198 XPL tokens under the Plasma Token Warrant; and (v) the Mercury V Funds are not entitled to any tokens under the Plasma Token Warrant, because they are not parties to the warrant agreement and are not warrant holders.

12. Plasma’s request for this relief is permissible and appropriate under the Declaratory Judgment Act, and a prompt resolution of this dispute is important and appropriate for several reasons.

² Valuations of XPL tokens in this Complaint are based off a price of approximately \$.98 per XPL token, which is the value at which XPL was trading on the morning of October 7, 2025.

13. *First*, the dispute is fully crystalized and there are no further contingencies that may change the contours of the dispute. As indicated, Defendants insist on receiving an unjustified windfall in violation of the agreement and their waiver and release, and have threatened to sue Plasma if it does not acquiesce.

14. *Second*, Plasma is an early-stage company that has just completed a successful launch of its product—a blockchain designed specifically for “stablecoins”—digital assets designed to maintain a stable value by being pegged to a reference asset, typically the U.S. dollar. The Defendants’ demand creates uncertainty that is manifestly unfair to Plasma, and other similarly situated investors, particularly because Defendants’ position is so clearly contrary to the contractual language as amended and to the Mercury IV Funds’ own waiver and release of claims.

15. *Third*, for future capital planning purposes, Plasma must resolve this dispute promptly. As set forth more fully below, the economics of Plasma’s token would not support a grant of the absurd size claimed by Defendants. Plasma set aside 25% of issued XPL tokens for distribution to its early investors, and all of these tokens have been allocated (including to the Mercury IV funds). If Plasma had to allocate more tokens to the Mercury Funds, Plasma would have to find a capital solution immediately. But this would be manifestly unfair and contrary to the intent of the parties, and the plain terms of the amended warrant agreement. Accordingly, declaratory relief is necessary to avoid this unjust result.

16. *Finally*, this dispute is now a significant distraction for Plasma’s leadership team. Responding to the Mercury Funds’ erroneous demands takes time and resources that Plasma should not be required to waste.

PARTIES

17. Plaintiff Plasma is a Cayman Islands-incorporated exempted company with limited liability, with its principal place of business in the United Kingdom.

18. Defendant Mercury Fund IV, L.P. is a Delaware limited partnership with its principal place of business in Houston, Texas.

19. Defendant Mercury Fund Affiliates IV, L.P. is a Delaware limited partnership with its principal place of business in Houston, Texas.

20. Defendant Mercury Fund V, L.P. is a Delaware limited partnership with its principal place of business in Houston, Texas.

21. Defendant Mercury Fund Affiliates V, L.P. is a Delaware limited partnership with its principal place of business in Houston, Texas.

22. Defendant Mercury Fund Executives V, L.P. is a Delaware limited partnership with its principal place of business in Houston, Texas.

JURISDICTION AND VENUE

23. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332 because the parties are diverse and the amount in controversy exceeds \$75,000.

24. This Court has personal jurisdiction over the Defendants under Federal Rule of Civil Procedure 4(k)(1)(a) because Defendants are each subject to general jurisdiction in Delaware because they were formed in the state.

25. Venue is appropriate in this district under 28 U.S.C. § 1391(b)(1) and 28 U.S.C. § 1391(c)(2) because Defendants “reside” in Delaware, and they are each subject to personal jurisdiction in the state.

26. Plasma brings suit in this Court because Defendants are at home in Delaware. There are no other pending proceedings on the subject matter of this Complaint and Delaware is not an inconvenient place for Defendants to litigate.

FACTUAL ALLEGATIONS

27. The factual allegations set forth below address six key issues. First, Sections A and B provide basic background information regarding blockchain technology, digital assets that use blockchain technology, and Plasma. Second, Section C describes Plasma's acquisition of a portfolio company of the Mercury IV Funds (TopI), which is how the Mercury IV Funds became owners of Plasma equity. Third, Sections D and E detail the Mercury IV Funds' investment in Plasma through SAFE agreements and the Plasma Token Warrant, as well as the key provisions of those agreements. These sections include an explanation of the drafting mistake that the Mercury IV Funds are attempting to exploit to claim an unearned windfall, and the amendment provisions in the warrant that allowed Plasma and other warrant holders to amend the warrant to correct the mistake. Fourth, Section F describes the Defendants' attempts to exploit the drafting error, including the Mercury V Funds' purchases of additional shares of Plasma stock, which evidences bad faith and unclean hands that would preclude them from recovering on any breach of contract claim against Plasma. Fifth, Section G describes how Plasma and a majority of the warrant holders validly amended the Plasma Token Warrant to fix the drafting error. Finally, Sections H and I explain that even though the Plasma Token Warrant has been amended, the Mercury IV Funds waived and released any claims against Plasma when exercising their warrant rights, and the Mercury V Funds do not hold the Plasma Token Warrant, Defendants nonetheless continue to seek approximately **279 million additional tokens** under the Plasma Token Warrant and have threatened to bring claims against Plasma.

A. Blockchain Technology and Digital Assets

28. A blockchain is a distributed ledger, *i.e.*, a database maintained by many computers that can record and verify data across the entire network. Innovators have adopted blockchain technology for various uses, including non-financial applications such as identity verification, community governance, supply chain management, and records and data storage.

29. One common application of blockchain technology is digital assets. These assets, including those known as “tokens,” “cryptocurrencies,” and “crypto assets,” are essentially computer code entries on a ledger maintained using blockchain technology. These code entries document important information related to a digital asset, including an asset’s owner and the transaction history of the asset.

30. Bitcoin, the world’s first decentralized cryptocurrency, was launched in 2009. Today, Bitcoin is only one of countless digital assets, and the digital asset industry has grown exponentially since Bitcoin’s launch. Approximately one in seven American adults now own digital assets.³ More and more U.S. businesses now accept Bitcoin and other digital assets as payment for a wide range of goods and services, from groceries to airline tickets to real estate. As of October 2025, the total cryptocurrency market capitalization exceeds \$4.1 trillion, with daily trading volumes reaching hundreds of billions of dollars.⁴

31. Digital assets are often designed with different purposes in mind. Many supply a means to transfer funds or pay for products and services without an intermediary like a bank. Payment tokens, for example, help provide access to financial services for those who have no or

³ Jeffrey M. Jones and Lydia Saad, *Cryptocurrency Still Has Limited Main Street Appeal*, GALLUP (July 22, 2025), <https://news.gallup.com/poll/692777/cryptocurrency-limited-main-street-appeal.aspx>.

⁴ *Crypto Market Overview*, COINMARKETCAP, <https://coinmarketcap.com/charts/#market-cap> (last visited Oct. 2, 2025).

very limited access to banking. Some digital assets also offer those with dependents living abroad a way to send cross-border remittance payments at a significantly reduced cost.

32. One important category of digital assets is “stablecoins.” A stablecoin is a digital asset designed to maintain a stable value by being pegged to a reference asset, typically the U.S. dollar. Prominent examples of stablecoins include “USDT” and “USDC,” both of which maintain their value at approximately one dollar through various mechanisms, including holding reserve assets. Because stablecoins are able to combine the benefits of blockchain technology—such as fast settlement and low transaction costs—with price stability, they have become the digital assets most commonly used for everyday transactions and cross-border payments.

B. Plasma Has Created a Revolutionary Stablecoin Blockchain

33. Plasma was founded in 2024. Plasma operates under the founding principle that “Stablecoins are Money 2.0.” Consistent with this guiding ethos, Plasma is working to bring these currencies of the future “into the hands of everyone.”⁵

34. Several legacy blockchains, which were designed before stablecoins became commonly used digital assets, gained significant traction even though they had high transaction costs and significant centralization issues. Plasma recognized that these features would be material obstacles to high rates of stablecoin adoption in the market. Plasma set out to solve these fundamental challenges by developing a high-performance blockchain purpose-built for stablecoins.

35. Plasma’s revolutionary blockchain is specifically coded to rapidly process and confirm global stablecoin transactions. This blockchain offers zero-fee transfers involving USDT,

⁵ *Plasma Mainnet Beta and XPL*, PLASMA (Sept. 18, 2025), <https://www.plasma.to/insights/plasma-mainnet-beta-and-xpl>.

bridging to promote Bitcoin-funded transactions, confidential transactions, and custom tokens to pay gas fees (fees paid to process transactions on blockchain networks).⁶ Such features demonstrate Plasma's focus on convenience and access for everyday digital-asset users.

36. Plasma's steadfast emphasis on frictionless exchange and ease of entry has generated significant excitement within digital-asset and blockchain-based communities, as well as significant early-user support for Plasma's platform.

37. The first public release of Plasma's blockchain protocol, called a "testnet," took place on July 15, 2025. The testnet launch gave developers the ability to begin testing deployments, running infrastructure, and exploring the foundation of Plasma's architecture

38. Around the time of the "testnet" launch, Plasma launched an early access campaign in which potential users could make liquidity commitments to Plasma's new blockchain. These liquidity commitments entailed potential users moving their digital assets from other blockchains to Plasma's new chain. In return, these users were granted an early right to purchase Plasma's native token, XPL.

39. In roughly 30 minutes, Plasma received more than \$1 billion in liquidity commitments.⁷ These commitments are being deployed into popular decentralized finance (DeFi) protocols.⁸

⁶ Omkar Godbole, *Stablecoin-Focused Plasma's XPL Token Debuts With Over \$2.4B Market Cap*, COINDESK (Sept. 25, 2025, 8:06 AM), <https://www.coindesk.com/markets/2025/09/25/stablecoin-focused-plasma-s-xpl-token-debuts-with-over-usd2-4b-market-cap>; *What is Plasma (XPL)?*, BINANCE ACAD. (Sept. 25, 2025), <https://academy.binance.com/en/articles/what-is-plasma-xpl>.

⁷ *Plasma Mainnet Beta and XPL*, PLASMA (Sept. 18, 2025), <https://www.plasma.to/insights/plasma-mainnet-beta-and-xpl>; Naga Avan-Nomayo, *Stablecoin-focused Layer 1 Plasma goes live introducing XPL token and DeFi integrations*, THE BLOCK (Sept. 25, 2025, 8:00 AM), <https://www.theblock.co/post/372300/stablecoin-layer-1-plasma-goes-live-introducing-xpl-token-and-defi-integrations>.

⁸ *Plasma Mainnet Beta and XPL*, PLASMA (Sept. 18, 2025), <https://www.plasma.to/insights/plasma-mainnet-beta-and-xpl>.

40. The corresponding public sale of XPL resulted in approximately \$373 million of token-purchasing pledges, over seven times the \$50 million worth of XPL Plasma planned to sell.⁹

41. These early signals of support and enthusiasm increased market interest in Plasma.

42. On September 25, 2025, Plasma launched its “mainnet,” the live public version of the Plasma blockchain where real transactions occur. Consistent with the liquidity commitments it had secured in the prior months, the Plasma blockchain instantly featured \$2 billion in stablecoin liquidity. Only seven blockchains globally had more stablecoin liquidity than Plasma had on its very first day.

43. Following the launch of the Plasma mainnet, trading in the XPL token quickly flared. In less than one week after launch, XPL achieved a trading volume of greater than \$2 billion and a market cap of approximately \$2.4 billion.¹⁰

C. Plasma Acquires Topl, a Struggling Company in the Mercury IV Funds’ Portfolio

44. Plasma’s introduction to the Mercury IV Funds was more happenstance than an intentional solicitation of the Funds’ investment. Specifically, the Mercury IV Funds became holders of Plasma equity through Plasma’s acquisition of a company called Topl, d/b/a “Apparatus,” of which the Mercury IV Funds were equity holders.

45. Topl created a purpose-built blockchain that empowered businesses and individuals to unlock their full value by providing them an affordable, user-friendly, and tangible way to track,

⁹ Naga Avan-Nomayo, *Stablecoin-focused Layer 1 Plasma goes live introducing XPL token and DeFi integrations*, THE BLOCK (Sept. 25, 2025, 8:00 AM), <https://www.theblock.co/post/372300/stablecoin-layer-1-plasma-goes-live-introducing-xpl-token-and-defi-integrations>.

¹⁰ Omkar Godbole, *Stablecoin-Focused Plasma’s XPL Token Debuts With Over \$2.4B Market Cap*, COINDESK (Sept. 25, 2025, 8:06 AM), <https://www.coindesk.com/markets/2025/09/25/stablecoin-focused-plasma-s-xpl-token-debuts-with-over-usd2-4b-market-cap>; *Plasma XPL*, COINMARKETCAP, <https://coinmarketcap.com/currencies/plasma-xpl/> (last visited Oct. 2, 2025).

tokenize, and transact the positive impact those users are making on the world.¹¹ For example, Topl worked to track and monetize a variety of products, including conflict free diamonds, ethically sourced coffee, and fair-wage cocoa.¹²

46. Plasma's CEO and Topl's CEO (a highly experienced figure in the digital asset space) began discussions about their respective companies in June 2024. At the time, Topl was cash-strapped and needed a prompt injection of capital or a strategic partner if it wanted to survive.

47. Throughout the negotiations between Plasma and Topl, the Mercury IV Funds played only a passive role.

48. Plasma recognized that Topl had several talented individuals with skillsets that could help Plasma to bring its product to market quickly. Plasma concluded that the most expeditious way to bring these individuals on board would be to acquire Topl.

49. On July 1, 2024, Plasma and Topl settled on the basic terms of a transaction by which Plasma would acquire Topl in exchange for 20% of Plasma's shares.

50. On July 18, 2024, Plasma, Topl, and Samara Asset Group PLC ("Samara," an early backer in Plasma that also was a shareholder in Topl) signed a term sheet setting forth the principal terms of Plasma's acquisition of Topl.

51. Under the final term sheet, Plasma agreed to purchase all of Topl's assets in exchange for up to 15% of all of Plasma's fully diluted share capitalization. These shares in Plasma would be distributed to Topl's equity holders.

¹¹ *Topl Raises \$15M Series A Funding Led by Mercury, Republic Asia and Cryptology*, BUSINESSWIRE (July 26, 2022, 9:30 AM), <https://www.businesswire.com/news/home/20220726005715/en/Topl-Raises-%2415M-Series-A-Funding-Led-by-Mercury-Republic-Asia-and-Cryptology>.

¹² *Id.*

52. The Mercury IV Funds held equity in Topl at this time, entitling them to receive some of these Plasma shares.

53. The parties further agreed that closing the acquisition would be conditioned on Plasma completing a seed financing with gross proceeds greater than \$3,000,000, led by a top-tier investor as determined by Plasma and Topl. Samara Asset Group PLC agreed that, if the conditional financing did not occur, it would invest \$1,000,000 in Topl.

54. Plasma raised the seed funding necessary to close the Topl acquisition through the sale of rights to tokens.

55. Although Topl pushed for a larger percentage share and additional board seats for its investors, Topl, and by extension its investors, received neither.

56. On September 6, 2024, Plasma and Topl executed an Asset Purchase Agreement (the “APA”), which largely adhered to the structure previously agreed to by the parties.

57. Pursuant to Sections 2.1 and 2.2 of the APA, Plasma acquired all assets of Topl in exchange for a distribution of Plasma shares to each Topl equity holder as set forth in Annex I to the APA. Under Annex I to the APA, Mercury Fund IV and Mercury Fund Affiliates IV were allocated 791,188 and 28,270 Plasma shares, respectively.

58. Notwithstanding the experience Topl investors and personnel had with respect to token warrants and transactional deals in the digital-asset space, nothing in the APA purported to provide Topl or its investors, including the Mercury IV Funds, with any rights to Plasma’s tokens. This arrangement was consistent with the understanding of the parties, who only intended to distribute Plasma’s equity to Topl stakeholders, not any future token rights.

D. The Mercury IV Funds Invest in Plasma Via SAFE Agreements and Token Warrants

59. As an early-stage company, Plasma periodically engaged in additional capital raises to propel the enterprise forward and bring in new strategic investors. Two types of agreements that Plasma uses as part of its efforts to raise capital are relevant to this dispute: sales of equity interests through SAFE agreements, and sales of warrants to purchase tokens.

60. While the specific features of any given SAFE vary from deal to deal, generally speaking, a SAFE transaction involves an investor delivering money to a company in exchange for future delivery of shares of the company's stock upon the occurrence of contractually-agreed upon triggers.

61. The valuation of the stock investors receive upon the occurrence of one of these triggers is often not expressly set in the SAFE agreement. Instead, SAFE agreements will generally provide a method to calculate the amount and price of shares an investor receives once a triggering event occurs.

62. There are many reasons a SAFE might be preferable to a direct sale of equity, for both the company and the investor. For instance, SAFE agreements are generally much easier and less expensive for the parties to reach than a sale of equity.

63. In the digital asset space, SAFE investments and token warrants are often paired together, with the idea that the token warrants help to incentivize equity investment in the company, and that the potential benefits from the tokens should be proportional to the size of investors' investments through the SAFE instruments. In other words, the number of tokens an investor is allowed to purchase under a warrant is often directly linked to the size of their equity investment through the SAFE (and only the SAFE). As the size of an investor's SAFE investment increases, they generally receive the right to purchase more tokens when the digital asset company launches its token.

64. Following Plasma's purchase of Topl, Plasma sought to raise additional funds through this type of a pairing of SAFE investments and token warrants.

65. Plasma sought to incentivize the SAFE investments by offering the Plasma Token Warrant to parties to the SAFE agreements.

66. The SAFE agreements provided the investors with the right to future equity in Plasma in exchange for a direct investment in Plasma.

67. Plasma's intention—and the intention of investors who ultimately participated in this round of investment—was that SAFE investors be rewarded with rights to purchase tokens based on the size of their SAFE investment (not any other equity holdings in Plasma they may have held or have acquired in the future).

68. Plasma—and other investors through the SAFE agreements and token warrant—did not intend to grant the right to purchase tokens based on any previously held equity. This would have amounted to a windfall for prior investments and would not have served the purpose of incentivizing valuable further additional investment through the SAFE agreements.

69. Plasma discussed the possibility of participating in this capital raise with several different investors, and the Mercury IV Funds were keen to participate.

70. Both Mercury IV Funds entered into SAFE agreements (collectively, "the Mercury SAFE Agreements"), dated September 26, 2024, with Plasma. Mercury Fund IV's SAFE agreement is attached as Exhibit 1 to this Complaint. Mercury Fund Affiliates IV's SAFE agreement is attached as Exhibit 2 to this Complaint.

71. The Mercury V Funds did not invest in Plasma through SAFE agreements.

72. In all material respects, the Mercury SAFE Agreements are identical to the SAFE agreements Plasma entered into with approximately 100 other investors.¹³

73. Through the Mercury SAFE Agreements, the Mercury IV Funds invested a total of \$100,000 in Plasma. Mercury Fund IV invested \$96,500 in Plasma. Ex. 1 at 1. Mercury Fund Affiliates IV invested \$3,450 in Plasma. Ex. 2 at 1.

74. On the same date the Mercury IV Funds invested in Plasma pursuant to the SAFE Agreements, the Mercury IV Funds each signed the Plasma Token Warrant and agreed to pay Plasma \$500 each in exchange for the rights granted therein.

75. The Mercury IV Funds each signed the Plasma Token Warrant in the same month the Topl APA was executed, but never suggested during negotiations of the APA that the Plasma shares they would receive for their stake in Topl would entitle them to Plasma tokens.

76. Other holders of Plasma equity who received Plasma shares through the APA expressed interest in providing further investment in Plasma as a means of receiving tokens. Consistent with the intention of the APA that the Topl acquisition not be a basis for investors to obtain token rights, Plasma turned down these overtures.

77. The Mercury V Funds did not enter into, and do not hold, the Plasma Token Warrant.

E. Key Provisions of the Plasma Token Warrant

78. The Plasma Token Warrant is attached as Exhibit 3 to this Complaint.

79. Section 8.3 of the Plasma Token Warrant provides that it “shall be governed by and construed under the laws of the Cayman Islands, regardless of the laws that might otherwise govern

¹³ Because of the material similarities between the SAFE agreements, this Complaint cites to Mercury Fund IV’s SAFE agreement unless otherwise specified.

under applicable principles of conflicts of laws.” Ex. 3 at 8. At the appropriate time, Plasma will submit an affidavit from a qualified expert to assist the Court in applying Cayman Islands law.

80. Two sets of provisions in the Plasma Token Warrant are critical to this dispute: (i) the provisions setting forth how many tokens each holder was entitled to purchase under the warrant—which contained a significant drafting error; and (ii) an amendment provision, providing that the warrant could be amended, prospectively or retroactively, by holders of a majority of the tokens that would be received under the Plasma Token Warrant.

i. Pro Rata Portion

81. An interlocking set of provisions in the Plasma Token Warrant speaks to the mechanics of how holders exercise their warrant rights, and what holders are entitled to upon such an exercise.

82. Section 2.1 (“Method of Exercise”) of the Plasma Token Warrant sets forth each warrant holder’s rights to purchase tokens. After a “Token Structuring Event,” the warrant holders (each a “Holder” under the agreement) may exercise the warrant to purchase up to the Holder’s “Portion” of Tokens.

83. The Plasma Token Warrant defines a “Token Structuring Event” as “with respect to any Token, the date such Tokens are minted, generated or created, if ever, and available for issuance.” Ex. 3 at 4.

84. “Portion,” in turn, is defined as the “Holder’s Pro Rata Portion multiplied by the Company Reserve.” *Id.* at 3.

85. As initially drafted, the Plasma Token Warrant defined “Pro Rata Portion” to mean:

[W]ith respect to Holder, the ratio (i) that the number of ordinary shares of capital of the Company then held by Holder, including any ordinary shares of capital of the Company issued to Holder or issuable to Holder upon conversion of preference shares of the

Company or other outstanding securities of the Company (treating any Simple Agreements for Future Equity or convertible note as having converted at the valuation cap thereof) bears to (ii) the total number of outstanding ordinary shares of capital of the Company after giving effect to the conversion or exercise of all outstanding securities into ordinary shares of capital of the Company (treating any Simple Agreements for Future Equity or convertible note as having converted at the valuation cap thereof), in each case, as of the initial Token Structuring Event of such Token; provided, however, that if Holder has assigned, conveyed or Transferred this Warrant to another Person as permitted by Section 8.2 (a “**Permitted Transferee**”), in no event shall the aggregate Portion of the original Holder and such Permitted Transferees exceed the Portion that would have been attributable to the original Holder if the Warrant had not been assigned, conveyed or Transferred.

Ex. 3 at 3 (bolding in original).¹⁴

86. It was a drafting error for this provision to include “the number of ordinary shares of capital of the Company then held by Holder,” in addition to shares obtained through the conversion of the SAFE. As discussed above, Plasma did not intend to give a token windfall to investors who already held common shares, but rather wanted to incentivize and reward *investors in the SAFE* with the right to purchase tokens. *Supra* ¶ 63.

87. Upon information and belief, other warrant holders similarly understood that their right to purchase tokens would be based on their investment in Plasma via the new SAFE agreements, not any prior holdings of common shares.

88. Given that Topl equity holders—including the Mercury IV Funds—acquired Plasma common stock by way of a merger wholly separate from the bargained-for exchange in the Plasma Token Warrant, it is obvious that Plasma did not intend the “Pro Rata Portion” definition

¹⁴ The Plasma Token Warrant defined “Company Reserve” as, “with respect to any Token, the aggregate number of such Tokens distributed, reserved for distribution, or otherwise Transferred, in a single transaction or series of related transactions, to the Company and any Insiders, which amount shall be no less than 50% of the [total number of Tokens ever minted, generated or created over the lifetime of the applicable protocol].” Ex. 3 at 2, 4. Use of the phrase “the Company” in the Plasma Token Warrant refers to Plasma.

in the warrants to include the Mercury IV Funds' prior equity holdings. If it did, the Mercury IV Funds could claim a massive windfall of tokens, commensurate to the Plasma equity acquired from the Mercury SAFE Agreements *and the Topl APA, despite only having paid for equity under the SAFE agreements.*

89. Indeed, the economics of the Mercury transaction are powerful evidence that the definition of Pro Rata Portion was a drafting error.

90. The Mercury IV Funds invested \$100,000 in Plasma through the Mercury SAFE Agreements. If the definition of "Pro Rata Portion" had entitled them to purchase tokens based on their total equity holdings—including the equity holdings that they received as part of Plasma's acquisition of Topl—the warrant would have granted them the right to purchase approximately 2.6% of Plasma's future token issuances.

91. Payment of \$100,000—a nominal amount—in exchange for the right to purchase 2.6% of all future tokens simply is not a viable commercial transaction that Plasma ever would have agreed to, and this was not what the parties intended.

92. Under Cayman Islands law, which reflects the common law of England and Wales in these respects, courts will not enforce provisions containing a common or unilateral mistake like this and will rectify the contract to reflect the original intention of the parties. *See, e.g., Prowting 1968 Trustee One Ltd v. Amos-Yeo* [2015] EWHC 2480 (Ch) (attached as Exhibit 4 to this Complaint); *Thomas Bates & Son Ltd v. Wyndhams Ltd* [1981] 1 W.L.R. 505, at 516 (Buckley LJ) (when one party ("A") believes a contract contains a particular term, the other party ("B") is aware the contract does not contain such term and knows that A would have intended for the term to be included, B does not inform A of this discrepancy, and the failure to include the term in

question benefits B, then A is entitled to a rectification of the contract to account for the missing term) (attached as Exhibit 5 to this Complaint).

ii. Amendments of the Warrant

93. Section 8.6 of the Plasma Token Warrant (the “Amendment Provision”) permits a majority of warrant holders to amend the warrant. In its entirety, Section 8.6 reads:

This Warrant may be amended and provisions may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of (i) [Plasma;] and (ii) either (A) the Holder, or (B) the Majority Holders, provided that such amendment or waiver applies to all Holders in the same fashion.

Ex. 3 at 9.

94. The Plasma Token Warrant defines “Majority Holders” as meaning “with respect to any Token, the Holders of a majority of the respective aggregate Portion of such Tokens (excluding, for the avoidance of doubt, [Plasma and its subsidiaries and affiliates]), which must include BFX Ventures Limited.” Ex. 3 at 3.

95. In other words, Plasma and a majority of holders of the Plasma Token Warrant can amend the warrant, *retroactively* or moving forward, with a majority vote so long as the amendment applies to all warrant holders in the same fashion, and so long as BFX Ventures Limited (“BFX”)—one of the warrant holders—endorses the amendment. BFX’s veto right was bargained for as part of BFX’s negotiations with Plasma while Plasma was raising funds in the SAFE agreement and token warrant process.

96. The Amendment Provision does not require that notice of a potential amendment be provided to all warrant holders or that each warrant holder experience the same economic effect from the amendment.

97. The definition of “Majority Holders” in the Plasma Token warrant codifies BFX’s right to veto any proposed amendments.

98. The Mercury IV Funds did not negotiate any veto protections like those obtained by BFX, and, upon information and belief, representatives of the Mercury IV Funds read the Plasma Token Warrant and understood that—unlike BFX—the consent of the Mercury IV Funds was not required to amend the warrant, including retroactively.

99. Under Cayman Islands law, which reflects the common law of England and Wales in these respects, these types of amendment provisions—including the ability to amend a contract retrospectively or prospectively without notice to all parties—are generally enforceable. Specifically, provisions granting the majority of holders of a particular instrument the power to amend that instrument in such a way as to bind all holders are common, and amendments made pursuant to such provisions are valid so long as they comply with the express and any implied limitations on the power. *See, e.g., Assenagon Asset Managment SA v Irish Bank Resolution Corpn Ltd* [2013] 1 All E.R. 495, at [41]-[49] (attached as Exhibit 6 to this Complaint).

100. The Amendment Provision—which grants broad powers for the Majority Holders to amend the Plasma Token Warrant—differs in significant respects from the amendment provision in the SAFE agreements that the Mercury IV Funds entered into with Plasma.

101. Section 5(a) of the Mercury SAFE Agreements explains how that contract can be amended. That provision provides that—with four limitations (summarized below)—“[a]ny provision” of the SAFE agreement may be “amended, waived or modified by written consent of [Plasma] and . . . the majority-in-interest of all then-outstanding Safes with the same ‘Post-Money Valuation Cap’ as this Safe. Ex. 1 at 5. “Majority-in-interest” is defined as “the holders of the

applicable group of Safes whose Safes have a total [amount of money invested] greater than 50% of the total [amount of money invested] of all of such applicable Safes.” *Id.*

102. The four limitations on the majority-in-interest’s authority to amend SAFE agreements are:

- a. The majority-in-interest may not amend how much a particular investor is required to invest;
- b. Even if all investors and Safe holders do not sign off on an amendment, their consent “must be solicited”;
- c. Any amendment must “treat[] all . . . holders in the same manner”; and
- d. One investor, BFX Ventures Limited, must provide consent to any amendment.

Ex. 1 at 5.

103. The Mercury SAFE Agreements’ inclusion of a requirement to seek consent from *all* SAFE investors before an amendment could be enacted demonstrates that the parties knew how to include such a requirement if they were so inclined.

104. The absence of a similar requirement to solicit all warrant holders from Section 8.6 of the Plasma Token Warrant reflects the parties’ intention to *not* require such universal solicitation before that agreement can be amended.

105. Another material difference between Section 5(a) of the Mercury SAFE Agreements and Section 8.6 of the Plasma Token Warrant is that only the latter expressly authorizes that it “may be amended and [its] provisions may be waived . . . retroactively.” Ex. 3 at 9. This language underscores that the parties to the Plasma Token Warrant specifically intended to allow amendments to apply both going forward and with respect to events that had already taken place.

F. Defendants Attempt to Exploit the Plasma Token Warrant’s Drafting Error

106. The Mercury Funds appear to have discovered, and attempted to exploit, the drafting error in the Plasma Token Warrant as far back as January 2025.

107. On January 19, 2025, a representative of the Mercury Funds emailed Plasma’s CEO, a Plasma Board member, and other Plasma employees, requesting certain documents to help her “buy up a lot of the legacy investors from the Apparatus days to tighten the cap table.” The “cap table” Mercury mentioned was Plasma’s capitalization table, a document which listed all of Plasma’s equity owners. According to the Mercury Funds’ representative, Mercury entities wanted to purchase the equity shares of holders that received Plasma stock in the acquisition of Top1 to reduce the total number of investors listed on the cap table.

108. Upon information and belief, this was not Mercury’s true intention at the time.

109. Upon information and belief, the Mercury entities sought to increase the number of Plasma tokens such entities would be entitled to under the erroneous language in the Plasma Token Warrant that they incorrectly interpret as providing that warrant holders could purchase tokens based on their total equity in Plasma (rather than just the equity acquired through their SAFE investments made contemporaneously with entering into the warrant).

110. The Mercury Funds’ representative did not explain this true intention to Plasma, but instead concealed Mercury’s true intentions and intentionally avoided explaining those intentions to Plasma.

111. Communications from February 2025 confirm that “tightening the cap table” was not Mercury’s true motivation, and reveal the Mercury Fund representative’s attempts to conceal Mercury’s genuine motivations from Plasma’s CEO.

112. On February 7, 2025, the same Mercury Fund representative emailed Plasma’s CEO, the same Board member, Plasma employees, and Plasma’s outside counsel, requesting documents to be used in “[her] calculations for secondary share purchases.” On February 8, the Mercury Funds representative removed nearly all participants—including Plasma’s CEO—from the email chain and asked Plasma’s external counsel for an individual call to discuss “a few of the mechanics of the token mapping, common share price, etc.”

113. Upon information and belief, during this call the Mercury Funds’ representative asked Plasma’s external counsel about the mechanics of the Plasma Token Warrant and whether later-acquired equity could increase the number of tokens a warrant holder could be entitled to purchase.

114. In a later response after the conversation, Plasma’s external counsel stated—incorrectly—that the definition of “Pro Rata Portion” in the Plasma Token Warrant “would include all shares that would be acquired by Mercury in these secondaries and the shares issuable upon conversion of the SAFE.”

115. The Mercury Funds representative’s request to speak with Plasma’s external counsel instead of its CEO or another responsible Plasma employee was an underhanded way to avoid discussing the issue directly with Plasma. If the Mercury Funds representative had explained to Plasma’s CEO (or a responsible employee) that she was attempting to increase the tokens owed to the Defendants under the Plasma Token Warrant, the CEO—who had a better understanding of the economics of Plasma’s tokens—would have immediately explained that Plasma never intended to base its token warrants on total equity, and found a solution to address the erroneous language.

116. Only after this did the Mercury Funds representative re-add the original email participants and vaguely refer to her conversation with external counsel. She did not seek to

confirm external counsel's understanding of the Plasma Token Warrant, nor confirm that Plasma endorsed this interpretation (which it did not).

117. Upon information and belief, the Mercury Funds representative understood that Plasma's CEO and other employees removed and then re-added to the chain were unlikely to see external counsel's erroneous interpretation of the Plasma Token Warrant, particularly given the volume of email Plasma's CEO receives. Indeed, avoiding overburdening the CEO's inbox was the Mercury Funds representative's original justification for cutting him out of the email chain.

118. In a series of transactions in or around early March 2025, the Mercury V Funds, cumulatively, obtained approximately 166,000 shares of Plasma stock through a series of secondary purchases. Unlike the Mercury IV Funds, however, these entities never obtained a Plasma Token Warrant. Therefore—even under the original language of the Plasma Token Warrant—the Mercury V Funds' purchases had no effect on the Mercury IV Funds' rights to purchase tokens under the Plasma Token Warrant, and did not entitle the Mercury V Funds to any tokens.

G. A Majority of Holders of the Plasma Token Warrant Amend the Token Warrant

119. By July 2025, Plasma had discovered the drafting mistake in the Plasma Token Warrants.

120. On July 14, 2025, Plasma's Board of Directors authorized an amendment to the Plasma Token Warrant to correct the clear error in the definition of "Pro Rata Portion."

121. On August 1, Plasma and entities constituting a majority of the warrant holders as of that date (including BFX) voted pursuant to Paragraph 8.6 of the Token Warrant to update the

definition of “Pro Rata Portion” (the “Amendment”). An excerpt of this Amendment is attached as Exhibit 7 to this Complaint.

122. The Amendment struck the definition of “Portion” in Section 1 of the Plasma Token Warrant and restates it as follows:

“Portion” means, with respect to Holder and any Token, such amount of Tokens as shall equal (without double counting) Holder’s Pro Rata Portion multiplied by the Company Reserve. The “Pro Rata Portion” means, with respect to Holder, the ratio (i) that the number of ordinary shares of capital of the Company issuable to Holder upon conversion of any Simple Agreements for Future Equity (assuming conversion at the valuation cap) bears to (ii) the total number of outstanding ordinary shares of capital of the Company after giving effect to the conversion or exercise of all outstanding securities into ordinary shares of capital of the Company (treating any Simple Agreements for Future Equity or convertible note as having converted at the valuation cap thereof), in each case, as of the initial Token Structuring Event of such Token; provided, however, that if Holder has assigned, conveyed or Transferred this Warrant to another Person as permitted by Section 8.2 (a “Permitted Transferee”), in no event shall the aggregate Portion of the original Holder and such Permitted Transferees exceed the Portion that would have been attributable to the original Holder if the Warrant had not been assigned, conveyed or Transferred.

123. This amendment fixed the error in the original Plasma Token Warrant’s language and correctly states the parties’ original intent, namely that each warrant holder would receive a right to purchase tokens based on their equity holdings in Plasma through any SAFE investments.¹⁵

124. The amendment is enforceable under Cayman Islands law.

H. The Mercury IV Funds Exercised Their Rights Under the Plasma Token Warrant and Waived and Released any Claims Relating to any Breaches of the Warrant

125. On August 6 and 7, 2025, Plasma sent notices (the “Token Notice”) to all warrant holders—including the Mercury IV Funds—that it consummated a “Token Structuring Event” in

¹⁵ The August 1 amendment of the Plasma Token Warrant also revised certain notice provisions that are not germane to this dispute.

May 2025, and that each holder would have 60 days to exercise its rights under the Plasma Token Warrant.

126. As part of the notice process, Plasma explained to the Mercury Fund team that, pursuant to the terms of the Plasma Token Warrant, Mercury Fund Affiliates IV would be entitled to a portion of 431,198 tokens at an exercise price of \$14.96, and Mercury Fund IV would be entitled to 12,068,707 tokens at an exercise price of \$418.78. This email is attached as Exhibit 8 to this Complaint.

127. These figures reflected the amended definition of “Portion” in the Plasma Token Warrant and showed that the Mercury IV Funds were entitled to purchase tokens based on the Mercury SAFE Agreements, not their total equity holdings in Plasma.

128. On August 11, 2025, the Mercury IV Funds each executed their token warrant rights. In exercising these rights they also signed waivers of notice and waivers and releases of claims against Plasma. The Execution Version of the Token Notice Plasma sent to Mercury Fund IV is attached as Exhibit 9 to this Complaint. The Execution Version of the Token Notice Plasma sent to Mercury Fund Affiliates IV is attached as Exhibit 10 to this Complaint.

129. As set forth in these exhibits, the Mercury IV Funds agreed to a waiver and release of all claims (including unknown claims) against Plasma, its affiliates, and other related parties related to the Token Structuring Event that generated the warrant holders’ opportunities to purchase tokens, the token launch, the Plasma Token Warrant, or any related notice obligations.

The executed agreement provides that:

In consideration of the receipt of the Tokens, the Holders on behalf of themselves, their successors, assigns, affiliates, and representatives, hereby irrevocably and unconditionally release, acquit, and forever discharge the Company, its Affiliates, and their respective officers, directors, employees, agents, successors, and assigns (the “Released Parties”) from any and all claims, demands, rights, liabilities, obligations, actions, causes of action,

or suits of any kind or nature, whether known or unknown, suspected or unsuspected, in law or equity, arising out of or relating to the Token Structuring Event, Token Launch, the Warrants, or the Notice Obligations (the “Released Claims”).

Ex. 9 at 3-5; Ex. 10 at 3-5.

130. Several holders of the Plasma Token Warrant negotiated to have the language of the release narrowed or removed entirely. Defendants, sophisticated investors, did not do so.

131. Under governing Cayman Islands law, which again reflects the common law of England and Wales in these respects, parties are free to compromise, settle and release any claims, including unknown claims, in the form contained in the waiver and release signed by the Mercury IV Funds. *See, e.g., Bank of Credit and Commerce International SA v Ali* [2002] 1 AC 251, at [9] (Lord Bingham) (“A party may, at any rate in a compromise agreement supported by valid consideration, agree to release claims or rights of which he is unaware and of which he could not be aware, even claims which could not on the facts known to the parties have been imagined, if appropriate language is used to make plain that that is his intention.”) (attached as Exhibit 11 to this Complaint).

I. The Mercury Funds Nonetheless Maintain That They Are Entitled to Tens of Millions of Additional Tokens

132. Despite accepting the terms of the warrant exercise offered to them and agreeing to waive and release any and all claims (including unknown claims) relating to the Plasma Token Warrant, the Mercury IV Funds maintain that they are entitled to approximately **218 million** additional XPL tokens.

133. Despite not being parties to the Plasma Token Warrant, the Mercury V Funds maintain that they are entitled to approximately **61 million** additional XPL tokens.

134. For several weeks, Plasma tried to work with Defendants to reach a mutually agreeable solution. On October 5, Defendants' representative stated that although she wished "to resolve this amicably among business parties, there are a lot of people with vested interests here," and "at some point their patience will be out of [her] hands."

135. As of this filing, Plasma has explained to Defendants the initial mistake in the contract, the amendment that corrected the mistake, the legal effect of the Mercury IV Funds' waiver and release of all claims arising out of or relating to the Token Structuring Event and Plasma Token Warrant, and the fact that the Mercury V Funds were not owed any tokens because none of them held the Plasma Token Warrant.

136. However, it is clear at this point that Defendants are not willing to accept any outcome other than the 291 million tokens they wrongfully claim. Accordingly, Plasma brings this action to protect its rights and enforce the parties' agreements.

COUNT ONE

28 U.S.C. § 2201 – Declaratory Judgment (Against the Mercury IV Funds)

137. Plasma repeats and realleges the foregoing allegations as though they were fully set forth here.

138. An actual and justiciable controversy exists between Plasma and the Mercury IV Funds concerning the interpretation of key terms of the contract. The parties have adopted conflicting positions and the Mercury IV Funds are falsely claiming entitlement to over 200 million XPL tokens they have no basis to claim. Given the material divergence in contractual interpretations and the threat that the Mercury IV Funds will bring claims against Plasma to impose

their flawed interpretation of the Plasma Token Warrant, judicial intervention is appropriate at this stage to resolve the dispute.

139. This dispute is ripe as nothing is contingent on future events, and both parties have clearly expressed their positions and intention to act according to their opposing interpretations of the contract.

140. Additionally, delay in adjudicating the parties' rights under the Plasma Token Warrant risks significant harm to Plasma. Such risks include: fundamentally undermining the economics of the XPL token, damage to Plasma's credibility, distraction to Plasma's leadership team, and the general uncertainty surrounding whether Plasma will owe over 200 million XPL tokens to the Mercury IV Funds beyond what the terms of the Plasma Token Warrant provide.

141. Declaratory relief is particularly appropriate here because there are currently no other proceedings pending in which the parties' rights under the Plasma Token Warrant may be resolved.

142. Based on the share of total SAFE investments made by Mercury Fund IV, the Plasma Token Warrant entitles Mercury Fund IV to 12,068,707 tokens.

143. Based on the share of total SAFE investments made by Mercury Fund Affiliates IV, the Plasma Token Warrant entitles Mercury Fund Affiliates IV to 431,198 tokens.

144. For at least three reasons, Plasma is entitled to a declaration that Mercury Fund IV is entitled to no more than 12,068,707 tokens and Mercury Fund Affiliates IV is entitled to no more than 431,198 tokens.

145. *First*, the Plasma Token Warrant has been validly and effectively amended, such that the operative definition of "Pro Rata Portion" in the Plasma Token Warrant is the definition enacted in the August 2025 Amendment. Under that definition, the only equity relevant to a token

allocation under the Plasma Token Warrant is an investor's equity holdings in Plasma through any SAFE investments.

146. *Second*, the original definition of "Pro Rata Portion" in the Plasma Token Warrant was inconsistent with the parties' intention and understanding that an investor's allocation of tokens under the Plasma Token Warrant would depend only on an investor's equity holdings in Plasma obtained through the SAFE investments.

147. *Third*, the Mercury IV Funds have waived and released any claims arising out of the Plasma Token Warrant, including any claims that Plasma is not providing either of the Mercury IV Funds with a sufficient allocation of tokens.

COUNT TWO

28 U.S.C. § 2201 – Declaratory Judgment (Against the Mercury V Funds)

148. Plasma repeats and realleges the foregoing allegations as though they were fully set forth here.

149. An actual and justiciable controversy exists between Plasma and the Mercury V Funds concerning the interpretation of key terms of the contract. The parties have adopted conflicting positions and the Mercury V Funds are falsely claiming entitlement to approximately 61 million XPL tokens they have no basis to claim. None of the Mercury V Funds invested any money in Plasma through a SAFE Agreement and none of the Mercury V Funds entered into or hold the Plasma Token Warrant. As such, the Mercury V Funds are entitled to no XPL tokens. Given the material divergence in contractual interpretations and the threat that the Mercury V Funds will bring claims against Plasma to impose their flawed interpretation of the Plasma Token Warrant, judicial intervention is appropriate at this stage to resolve the dispute.

150. This dispute is ripe as nothing is contingent on future events, and both parties have clearly expressed their positions and intention to act according to their opposing interpretations of the contract.

151. Additionally, delay in adjudicating the parties' rights under the Plasma Token Warrant risks significant harm to Plasma. Such risks include: fundamentally undermining the economics of the XPL token, damage to Plasma's credibility, distraction to Plasma's leadership team, and the general uncertainty surrounding whether Plasma will owe approximately 61 million XPL tokens to the Mercury V Funds despite the fact that they are not holders of the Plasma Token Warrant.

152. Declaratory relief is particularly appropriate here because there are currently no other proceedings pending in which the parties' rights under the Plasma Token Warrant may be resolved.

153. For at least three reasons, Plasma is entitled to a declaration that the Mercury V Funds do not have any rights to purchase XPL tokens under the Plasma Token Warrant.

154. *First*, none of the Mercury V Funds have executed or hold the Plasma Token Warrant. As such, they cannot claim any entitlement to tokens under that agreement.

155. *Second*, the Plasma Token Warrant has been validly and effectively amended, such that the operative definition of "Pro Rata Portion" in the Plasma Token Warrant is the definition enacted in the August 2025 Amendment. Under that definition, the only relevant equity to a token allocation under the Plasma Token Warrant is an investor's equity holdings in Plasma through any SAFE investments.

156. *Third*, the original definition of "Pro Rata Portion" in the Plasma Token Warrant was inconsistent with the parties' intention and understanding that an investor's allocation of

tokens under the Plasma Token Warrant would depend only on an investor's equity holdings in Plasma obtained through SAFE investments.

PRAYER FOR RELIEF

157. WHEREFORE, Plasma respectfully requests that the Court enter judgment in its favor and grant the following relief:

158. A declaratory judgment pursuant to 28 U.S.C. § 2201, declaring the parties' respective rights and obligations under the contract, including that (1) the August 1, 2025 amendment of the Plasma Token Warrant is valid, or, in the alternative, that the disputed term prior to amendment is void or unenforceable under the doctrine of mistake; (2) the Mercury IV Funds have released and/or waived any claims against Plasma that they may have had arising under the Plasma Token Warrant; (3) Mercury Fund IV is entitled to no more than 12,068,707 XPL tokens under the Plasma Token Warrant; and (4) Mercury Fund Affiliates IV is entitled to no more than 431,198 XPL tokens under the Plasma Token Warrant.

159. A declaratory judgment pursuant to 28 U.S.C. § 2201 declaring the parties' respective rights and obligations under the contract, including that the Mercury V Funds do not have any rights to purchase tokens under the Plasma Token Warrant because they are not parties to the agreement and are not warrant holders.

160. Costs of suit and reasonable attorneys' fees; and

161. Such other and further relief as the Court deems just and proper.

Dated: October 8, 2025
Wilmington, Delaware

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