

IN THE CHANCERY COURT FOR DAVIDSON COUNTY, TENNESSEE
AT NASHVILLE

CARTER LAWRENCE, solely in his capacity
as Commissioner of the Tennessee Department
of Commerce and Insurance,

and

STATE OF TENNESSEE, ex rel.
JONATHAN SKRMETTI, ATTORNEY
GENERAL and REPORTER

Plaintiffs,

V.

STAR CREDIT HOLDINGS, LLC, SATORI
CREDIT SOLUTIONS, LLC, NUMISME,
LLC, ALI RAZA GALANI, MISAM ABIDI,
and ANISHA ABIDI, and BANK OF
AMERICA NATIONAL ASSOCIATION and
COINBASE INC.

Defendants.

Case No. 23-1555-I

**AGREED TEMPORARY INJUNCTION AND
~~ORDER ESTABLISHING RECEIVERSHIP~~ PHM**

Pursuant to Tennessee Rule of Civil Procedure 65.04, Tenn. Code Ann. §§ 48-1-108, and 47-18-108(a)(5), and stipulation of the parties, this Court enters a temporary injunction that shall continue during the pendency of these proceedings until the entry of a final order disposing of this matter. The Court additionally establishes a receivership that shall be in effect until further order of the Court.

FINDINGS OF FACT¹

Plaintiffs, Carter Lawrence, in his official capacity as the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”), and the State of Tennessee, by and through the Tennessee Attorney General and Reporter (“State”) (collectively “Plaintiffs”), and Defendants Star Credit Holdings, LLC (“STAR”), Satori Credit Solutions, LLC (“SATORI”), NumisMe, LLC (“NumisMe”), Ali Raza Galani, Misam Abidi, and Anisha Abidi (collectively “Defendants”), are proper parties to this litigation.

1. For purposes of establishing and maintaining an asset freeze on any of Defendants’ assets within their control and for the establishment of a receivership, Coinbase, Inc. (“Coinbase”) is a proper party to this litigation.

2. For purposes of establishing and maintaining an asset freeze on any of Defendants’ assets within their control and for the establishment of a receivership, Bank of America, N.A. is a proper party to this litigation.

3. After the Commissioner obtained an *ex parte* restraining order against Defendants, Plaintiffs filed this action pursuant to Tenn. Code Ann. §§ 48-1-119 and 47-18-108(a)(4), alleging Defendants violated various provisions of the Tennessee Securities Act of 1980 (“TSA”) and the Tennessee Consumer Protection Act (“TCPA”).

4. This Court issued a Temporary Restraining Order on December 11, 2023, at 7:00 p.m. (“TRO”) freezing numerous bank accounts associated with Defendants and restraining Defendants from taking certain actions relating to the sale of securities in the State of Tennessee.

5. This Court has since extended the TRO by consent of the Defendants and Coinbase and the TRO remains in effect as of the date of this Order.

¹ By agreeing to this Agreed Temporary Injunction and Order, Plaintiffs do not waive any allegations in the Amended Verified Complaint and Defendants do not waive any defense.

6. On January 3, 2024, this Court granted the Commissioner's Motion for Temporary Injunction as to Defendant Bank of America, N.A., which remains in full force and effect.

7. The parties have conferred and Defendants and Coinbase consent to the entry of this Temporary Injunction Order that will (1) enjoin Defendants from engaging in the sale of any security (registered or unregistered) in or from the State of Tennessee, (2) preclude Defendants NumisMe, STAR, and SATORI from conducting any business within the State of Tennessee for the duration of this litigation, (3) leave in place the asset freeze against any of Defendants' assets that are fairly traceable to investor funds as detailed in the TRO and as applied to additional bank accounts identified through discovery, (4) leave in place the current asset freeze on Defendants' bank accounts and crypto currency exchange accounts containing assets fairly traceable to investor funds—wherever they may be found, (5) leave in place the current asset freeze as it relates to all accounts maintained by Coinbase as detailed in the TRO, and (6) establish a receivership over all of Defendants' assets fairly traceable to investor funds and over the corporate assets of STAR, SATORI, and NumisMe.

8. For the purpose of this Temporary Injunction Defendants stipulate to the following facts and consent to a finding by the Court as follows:

- a. Defendants Misam Abidi and NumisMe offered to sell and sold to investors a cryptocurrency known as the "NUME Token" and derivative products and services, through a private sale.
- b. NumisMe is wholly owned and controlled by Misam Abidi. Misam Abidi and Ali Raza Galani were the sole signatories on the business bank accounts for NumisMe held with Bank3 in Memphis, TN and with Bank of America, N.A.

- c. Defendants made representations to investors that the NUME Token and its derivative products and services would produce for them returns or other benefits upon purchase of the tokens or use of the derivative products or services.
- d. Defendants stipulate to the accuracy and authenticity of Exhibit A to the Affidavit of Winnie Forrester.
- e. Investors in the NUME Token and its derivative products and services did not receive any return by virtue of owning, holding, or staking the NUME Token.
- f. Investors who purchased NUME Tokens did not have any operational or other control of NumisMe, the NUME Token, the NUME token liquidity pool, or how their investment funds were utilized.
- g. Defendants stipulate to the accuracy and authenticity of Exhibit F to the Affidavit of Winnifred Forrester.
- h. The NUME Token and its derivative products and services have never been registered as securities with the Tennessee Department of Commerce and Insurance as contemplated by Tenn. Code Ann. § 48-1-104.
- i. Defendants Misam Abidi and Ali Raza Galani, and STAR offered to sell and sold memberships in the STAR investment club (“Investment Club”) to investors by making certain assurances and representations regarding the performance of the Investment Club. Defendant Anisha Abidi was present, and participated in discussions, on at least one occasion where Misam Abidi met with an investor. In addition, Anisha Abidi was a signatory for all SATORI bank accounts and shared a joint account with her husband, Misam Abidi.

- j. Defendants stipulate to the accuracy and authenticity of Exhibit D to the Affidavit of Winnie Forrester.
- k. STAR is owned 50% by Misam Abidi and 50% by Ali Raza Galani. Misam Abidi and Ali Raza Galani were the only signatories on the business bank accounts for STAR held with Bank3 in Memphis, TN and with Bank of America, N.A.
- l. Investment Club members did not have any control over their investments after transferring investment funds to Defendants. No investor meetings were held, and no votes by investors were taken to direct the investments of the Investment Club.
- m. Defendants did not register the Investment Club as a security with the Tennessee Department of Commerce and Insurance.
- n. Defendants have never registered as broker-dealers, agents, investment advisers, or investment adviser representatives with the Tennessee Department of Commerce and Insurance as contemplated under Tenn. Code Ann. § 48-1-109.
- o. Through Defendants' solicitations of investors for the purchase of NUME Tokens and its derivative products and services and for membership in and investments through the STAR Investment Club, Defendants received funds from investors.
- p. Defendants comingled and transferred investor funds from business bank accounts of Defendants NumisMe and STAR, comingling them through the bank accounts of Defendant SATORI, then transferring them to the personal bank account of Defendants Misam Abidi and Anisha Abidi, and to the personal Coinbase account of Defendant Misam Abidi.

- q. Defendants Misam Abidi and Anisha Abidi made personal expenditures from their personal accounts which contained transfers from the bank accounts of Defendant SATORI.
- r. Defendants made personal expenses from the SATORI bank accounts.
- s. SATORI is owned 100% by Misam Abidi. Misam Abidi and Anisha Abidi were the sole signatories on the business bank accounts for SATORI and on their joint personal bank account held with Bank of America, N.A.
- t. Funds in Defendants Misam Abidi and Anisha Abidi's personal bank account and Misam Abidi's personal Coinbase account were transferred from the SATORI account, which included investor funds.
- u. Defendants comingled personal funds with investor funds for the NUME Token and the Star Investment Club.
- v. Defendants used investor funds for personal expenses.
- w. Defendants purported to pay investment returns to investors, a majority of which were not the result of investment activity.
- x. Funds identified by Plaintiffs that are currently frozen in various Bank of America bank accounts and in Coinbase exchange accounts constitute a portion of the investor funds solicited by Defendants from investors in the NUME Token and its derivative products and services, and for membership in and investments through the Investment Club as identified and described above.
- y. The Parties agree that an asset freeze is necessary to protect investor funds.
- z. Investors who purchased NUME Tokens or participated in the Star Investment Club lost the majority of their investments.

CONCLUSIONS OF LAW

Defendants and the other parties have conferred and hereby consent to the Court making the following conclusions of law based on the above stipulated facts and the evidence in the record:

1. This Court has subject matter jurisdiction over this matter pursuant to Tenn. Code Ann. §§ 48-1-119, 47-18-108(a)(5) and -114.

2. The Court may lawfully exercise *in personam* jurisdiction over all the Defendants pursuant to Tennessee's Long Arm Statutes, Tenn. Code Ann. §§ 20-2-222(1) and -223(a)(1), (2), and (7).

3. Venue of this action is proper in Davidson County pursuant to Tenn. Code Ann. §§ 48-1-119 and 47-18-108(a)(4).

4. This Court is authorized to issue temporary injunctions pursuant to Tenn. R. Civ. P. 65.04 and Tenn. Code Ann. § 47-18-108(a)(4).

5. In entering an order for an agreed temporary injunction, this Court may consider as evidence "matters that have been stipulated by the parties." Tenn. R. Civ. P. 43.04. "[F]ormal stipulations of fact entered into by the parties" may be considered by this Court in issuing a temporary injunction. *Local 1235 Amalgamated Transit Union, AFL-CIO v. Metro Transit Auth.*, 787 S.W. 2d 911, 914 (Tenn. 1990).

6. The NUME Token, its associated products and services, and membership in the Investment Club are securities as defined by Tenn. Code Ann. § 48-1-102(21)(A).

7. Defendants did not register the NUME Token, its associated products and services, or its memberships in the Investment Club with the Tennessee Department of Commerce and Insurance.

8. Defendants acted as broker-dealers, agents, investment advisers, investment firms, or investment adviser representatives, of the same as defined by Tenn. Code Ann. § 48-1-102(3), (4), (13), or (14).

9. Defendants did not register with the Tennessee Department of Commerce and Insurance as broker-dealers, agents, investment advisers, investment adviser representatives as contemplated by Tenn. Code Ann. § 48-1-109.

10. Plaintiffs have shown that they are likely to prevail on the merits of their claims that Defendants violated Tenn. Code Ann. § 48-1-104 by selling unregistered securities.

11. Plaintiffs have shown that they are likely to prevail on the merits of their claims that Defendants violated Tenn. Code Ann. § 48-1-109 by acting as unregistered broker-dealers and investment advisers.

12. Plaintiffs have shown that they are likely to prevail on the merits of their claims that Defendants violated Tenn. Code Ann. § 48-1-121.

13. Plaintiffs have shown that they are likely to prevail on the merits of their claims under Tenn. Code Ann. § 47-18-104(b)(27). The individual defendants Misam Abidi, Ali Raza Galani, and Anisha Abidi participated directly in and/or had knowledge of the practices of STAR.

14. The individual defendants Misam Abidi and Ali Raza Galani participated directly in and had knowledge of the practices of SATORI and NumisMe.

15. Plaintiffs have shown that they are likely to prevail on the merits of their claims that Defendants violated Tenn. Code Ann. § 47-18-104(b)(12).

16. The individual defendants Misam Abidi, Ali Raza Galani, and Anisha Abidi participated directly in and/or had knowledge of the representations made related to the STAR Investment Club.

17. The individual defendants Misam Abidi and Ali Raza Galani participated directly in and had knowledge of the representations of SATORI and NumisMe. The balance of harm between enjoining the Defendants and protecting investors and consumers weighs in favor of issuing a temporary injunction.

18. The public interest is in favor of a temporary injunction, to prevent potential harm to investors and consumers.^{PHM} immediate and ^{PHM}

19. There is a significant threat of/irreparable harm if a temporary injunction is not granted, consisting of potential harm to investors and consumers.^{PHM}

20. The parties also stipulate to the freeze of the Defendants' bank accounts and assets identified in the First Amended Complaint, as well as additional accounts uncovered during discovery including but not limited to the following accounts, as well as all accounts associated with Defendants:

- a. Bank of America – Account # [REDACTED];
- b. Bank of America – Account # [REDACTED];
- c. Bank of America – Account # [REDACTED];
- d. Bank of America – Account # [REDACTED];
- e. Bank of America – Account # [REDACTED];
- f. Bank of America – Account # [REDACTED];
- g. Bank of America – Safe Deposit Box # [REDACTED];
- h. Bank of America Credit Card – [REDACTED];
- i. Coinbase Inc. – ID # [REDACTED];
- j. Coinbase Inc. – ID # [REDACTED];
- k. Coinbase Inc. – ID # [REDACTED];

1. Coinbase Inc. – ID # [REDACTED] ²

21. Based on the foregoing stipulated facts, the parties' stipulations to the entry of this agreed temporary injunction and joint motion for entry of the same, and the evidence in the record, the Court holds that grounds exist for this Court to issue the agreed temporary injunction in this matter.

IT IS THEREFORE ORDERED that, during the pendency of these proceedings:

1. Defendants shall not engage in the sale of any financial products, securities, or unregistered securities in the State of Tennessee during the pendency of this proceeding;

2. NumisMe, STAR, and SATORI shall not operate or otherwise be involved in any business activities;

3. Defendants' bank accounts which were frozen pursuant to this Court's Temporary Restraining Order issued on December 11, 2023, shall remain frozen;

4. Defendants' Coinbase accounts which were frozen pursuant to this Court's Temporary Restraining Order issued on December 11, 2023, shall remain frozen;

5. Defendants shall not transfer, liquidate, convert, encumber, pledge, loan, sell, conceal, dissipate, disburse, assign, spend, withdraw, grant a lien or security interest or other interest in, or otherwise dispose of any funds, real or personal property, accounts, contracts, consumer or investor lists, shares of stock, or other assets, or any interest therein; and

6. This injunction shall ~~expire~~ ^{continue in effect until modified, dissolved or ^{PHM}} upon the entry of a permanent injunction or upon further order of the Court.

² Plaintiffs voluntarily dismissed Bank3 as a defendant in this action, without prejudice, on February 13, 2024. In response to the Commissioner's discovery requests, Bank3 provided documents which confirm that accounts formerly held at Bank3 for Defendants NumisMe, SATORI, and Ali Raza Galani were closed by Bank3 and that the accounts had no remaining funds.

Upon agreement of the parties, it is further ORDERED that the Commissioner's request for a receivership (as set forth in the Amended Verified Complaint) ^{PHM} is hereby GRANTED and a receivership estate ^{PHM} is hereby established that includes, but is not limited to, Defendants' currently frozen bank accounts and Coinbase accounts and all assets traceable to investor funds, ^{PHM} and a receiver ^{PHM} shall be appointed ^{PHM} upon motion made and pursuant to further order of the Court establishing and outlining the receiver's powers, duties, and authority.

Pursuant to Tenn. Code Ann. § 48-1-119(c), Plaintiffs are not required to post an injunction bond. ^{PHM}
So Ordered, this _____ date of _____, 2024. ^{PHM}

/s/ Patricia Head Moskal
Chancellor Patricia Head Moskal

ISSUED this the 22nd day of March, 2024 at 12:55 ^{PHM} a.m./p.m.

Christy Smith
Deputy Clerk & Master

JOINTLY APPROVED AND SUBMITTED FOR ENTRY BY:

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this document was served upon the following by email and/or U.S. mail on this the 21st day of March 2024 :

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