

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

JEEUN FRIEL, Individually and on behalf of all
others similarly situated,

Plaintiff,

v.

DAPPER LABS, INC. AND ROHAM
GHAREGOZLOU,

Defendants.

Case No.: 1:21-cv-05837-VM

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

If you purchased or acquired NBA Top Shot Moments (“Moments”) from June 15, 2020 to December 27, 2021, both dates inclusive (“Settlement Class Period”), you could get a payment from a class action settlement (the “Settlement”).

Under law, a federal court has authorized this Notice. This is not attorney advertising.

- If approved by the Court, the Settlement will provide four million dollars (\$4,000,000) (the “Settlement Fund”) gross, plus interest as it accrues, minus attorneys’ fees, costs, administrative expenses, and net of any taxes on interest, to pay claims of those who purchased or acquired Moments during the Settlement Class Period. The Settlement also provides that Dapper Labs, Inc. (“Dapper” or the “Company”) will adopt or will continue Business Changes that address allegations in the Complaint and the Court’s motion to dismiss order entered on February 22, 2023.
- The Settlement represents an estimated average recovery of \$0.12 per Moment for the approximately 33,037,779 Moments purchased or otherwise acquired during the Settlement Class Period. This is not an estimate of the actual recovery per Moment you should expect. Your actual recovery, if any, will depend on the aggregate losses of all Settlement Class Members, the date(s) you purchased and acquired Moments, the purchase and sales prices, and the total number and amount of claims filed.
- Lead Counsel will ask the Court to award attorneys’ fees in an amount not to exceed one-third of the Settlement Fund (\$1,333,333.33), reimbursement of no more than \$40,000 in litigation expenses, and a total case contribution award to Plaintiffs in total not to exceed \$20,000. Collectively, the attorneys’ fees and expenses and Plaintiffs’ award are estimated not to exceed an average of \$0.04 per Moment purchased or acquired during the Settlement Class Period. If approved by the Court, these amounts will be paid from the Settlement Fund.
- The average approximate recovery, after deduction of attorneys’ fees and expenses approved by the Court, is \$0.08 per Moment purchased or acquired during the Settlement Class Period. This estimate is based on the assumptions set forth in the preceding paragraphs. This is not an estimate of the actual recovery per Moment you should expect. Your actual recovery, if any, will depend on the aggregate losses of all Settlement Class Members, the date(s) you purchased or acquired Moments, the purchase and sale prices, and the total number and amount of claims filed.
- The Settlement resolves the Action concerning whether Defendants violated the federal securities laws by promoting, offering, and selling unregistered securities to investors in the form of Moments which are non-fungible tokens (“NFTs”). Defendants have denied and continue to deny all allegations of wrongdoing, fault, liability or damage. Defendants have also denied, among other things, the

allegations that Plaintiffs or the Settlement Class have suffered damages or that Plaintiffs or the Settlement Class were harmed by the conduct alleged in the Action. Defendants continue to believe the claims asserted against it in the Action are without merit.

- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to any recovery. Therefore, you should read this Notice carefully. This notice is intended to provide you with a Summary of the Settlement. For a full description of the Settlement, you may review it at www.FrielyDapperLabsSettlement.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Submit a Claim Form	Fill out the attached Proof of Claim and Release Form and submit it no later than August 30, 2024 . This is the only way to get a payment.
Exclude Yourself from the Class	Submit a request for exclusion no later than August 30, 2024 . This is the only way you can ever be part of any other lawsuit against the Defendants or other Released Parties relating to the legal claims in this case. If you exclude yourself, you will receive no payment and cannot object or speak at the hearing.
Object	Write to the Court no later than August 30, 2024 , about why you do not like the Settlement. You can still submit a Proof of Claim and Release Form. If the Court approves the Settlement, you will be bound by it.
Go to the Hearing	Ask to speak in Court about the fairness of the Settlement at the hearing on September 27, 2024 . You can still submit a Proof of Claim and Release Form. If the Court approves the Settlement, you will be bound by it.
Do Nothing	Get no payment AND give up your right to bring your own individual action relating to the claims asserted in the Action.

INQUIRIES

Please do not contact the Court regarding this Notice. All inquiries concerning this Notice, the Proof of Claim and Release Form, or the Settlement should be directed to:

Claims Administrator Dapper Labs, Inc. Securities Litigation c/o Strategic Claims Services P.O. Box 230 600 N. Jackson St., Ste. 205 Media, PA 19063 Tel.: (833) 279-8069 Fax: (610) 565-7985 info@strategicclaims.net	or	Lead Counsel Phillip Kim THE ROSEN LAW FIRM, P.A. 275 Madison Ave, 40th Floor New York, NY 10016 Tel.: (212) 686-1060 Fax: (212) 202-3827 philkim@rosenlegal.com
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DEFINITIONS

All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation of Settlement, dated June 3, 2024 (the “Settlement Stipulation”).

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You or someone in your family may have purchased or acquired Moments from Dapper during the period from June 15, 2020 to December 27, 2021, both dates inclusive.

2. What is this lawsuit about?

The case is known as *Friel v. Dapper Labs, Inc., et al.*, Case No. 1:21-cv-05837-VM (the “Action”). The Court in charge of the case is the United States District Court for the Southern District of New York.

The Action involves allegations that Defendants sold unregistered securities in the form of Moments in violation of the federal securities laws. Defendants have denied and continue to deny all allegations of wrongdoing, fault, liability or damage whatsoever asserted in the Action. The Settlement shall in no event be construed as, or deemed to be evidence of, liability, fault, wrongdoing, injury or damages, or of any wrongful conduct, acts or omissions on the part of any of the Released Parties, or of any infirmity of any defense, or of any damages to Plaintiffs or any other Settlement Class Member.

3. Why is this a class action?

In a class action, one or more persons and/or entities, called plaintiffs, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to collectively as a class, and these individual persons and/or entities are known as class members. One court resolves all of the issues for all class members, except for those class members who exclude themselves from the class.

4. Why is there a Settlement?

Plaintiffs and Defendants do not agree regarding the merits of Plaintiffs’ allegations and recovery if Plaintiffs were to prevail at trial on each claim. Plaintiffs and Defendants disagree regarding whether any of Defendants’ conduct is actionable under the federal securities laws, the availability of certain defenses to Defendants, and the amount of alleged damages, if any, that could be recovered at trial.

This matter has not gone to trial and the Court has not decided in favor of either Plaintiffs or Defendants. Instead, Plaintiffs and Defendants have agreed to settle the case. Plaintiffs and Lead Counsel believe the Settlement is best for all Settlement Class Members because of the risks associated with continued litigation and the nature of the defenses raised by Defendants. Even if Plaintiffs were to win at trial, and also prevail on any appeal, Plaintiffs might not be able to collect some or any of the judgment they could be awarded.

5. How do I know if I am part of the Settlement?

The Settlement Class consists of all persons and entities who purchased or acquired Moments from June 15, 2020 to December 27, 2021, both dates inclusive, subject to the exclusions in Question 6 below.

6. Are there exceptions to being included?

Yes. Excluded from the Settlement Class are: (1) Defendants; (2) the officers and directors of Dapper at all relevant times; (3) members of immediate families and their legal representatives, heirs, successors or assigns of any excluded Persons; and (4) any entity in which Defendants or any excluded Persons have or had a controlling interest. Also excluded from the Settlement Class are those Persons who submit valid and timely requests for exclusion as described below in the response to Question 11.

7. I am still not sure whether I am included.

If you are still not sure whether you are included in the Settlement Class, you can ask for free help. For more information, you can contact the Claims Administrator, Strategic Claims Services, by phone at (833) 279-8069, by email at info@strategicclaims.net, or by facsimile at (610) 565-7985; visit the website www.FrielvDapperLabsSettlement.com; or fill out and return the Proof of Claim and Release Form described in Question 9, to see if you qualify.

8. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement provides for Defendants and/or their insurers to pay four million dollars (\$4,000,000) into a settlement fund (the “Settlement Fund”) as well as the adoption or continued implementation of the Business Changes. The Settlement is subject to Court approval. Also, subject to the Court’s approval, a portion of the Settlement Fund will be used to pay attorneys’ fees with interest and reasonable litigation expenses to Lead Counsel, and any award to Plaintiffs. A portion of the Settlement Fund also will be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and the costs of the claims administration, including the costs of printing and mailing and/or emailing notices and the costs of publishing notices. After the foregoing deductions from the Settlement Fund have been made, the amount remaining (the “Net Settlement Fund”) will be distributed to Settlement Class Members who submit timely, valid claims, according to the Plan of Allocation to be approved by the Court.

b. What can you expect to receive under the proposed Settlement?

Your share of the Net Settlement Fund will or may depend on: (i) the number of claims filed by all Settlement Class Members; (ii) the dates you purchased, acquired and sold Moments (if applicable); (iii) the prices of your purchases and sales; (iv) the amount of administrative costs, including the costs of notice; and (v) the amount awarded by the Court to Lead Counsel for attorneys’ fees, costs, and expenses and awards to Plaintiffs.

The Net Settlement Fund will be distributed to Settlement Class Members who submit a Proof of Claim and Release Form and whose claims for recovery are allowed by the Claims Administrator (“Authorized Claimants”) pursuant to the terms of the Settlement Stipulation or by order of the Court in accordance with the Proposed Plan of Allocation below. The Proposed Plan of Allocation reflects Plaintiffs’ contention that Defendants promoted, offered, and sold unregistered securities. Defendants denied and continue to deny these allegations and any and all allegations of wrongdoing, fault, liability or damage whatsoever asserted in the Action.

PROPOSED PLAN OF ALLOCATION

The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Court may approve the Plan of Allocation with or without modifications agreed to among the Parties, or another plan of allocation, without further notice to Settlement Class Members. Any orders regarding a modification of the Plan of Allocation will be posted to the Claims Administrator’s website, www.FrielyDapperLabsSettlement.com.

The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s Recognized Claim. **Please Note:** The Recognized Claim formula, set forth below, is not intended to be an estimate of the amount of what a Settlement Class Member might have been able to recover after a trial, nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant’s Recognized Claim and subject to the provisions in the preceding paragraph. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant’s Recognized Claim bears to the total Recognized Claims of all Authorized Claimants and subject to the provisions in the preceding paragraph (*i.e.*, “*pro rata* share”). No distribution will be made on a claim where the potential distribution amount is less than five dollars (\$5.00) in cash.

If any funds remain in the Net Settlement Fund after the initial distribution, then the remaining balance of the Net Settlement Fund six (6) months after the initial distribution shall be used: (i) first, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants who receive at least a \$5.00 payment; (ii) second, to pay any additional Notice and Administration Costs incurred in administering the Settlement; and (iii) finally, to make a second distribution to Authorized Claimants who

would receive at least \$5.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. Six (6) months after such second distribution, if undertaken, or if such second distribution is not undertaken, any funds remaining in the Net Settlement Fund shall be donated to a non-profit charitable organization(s) selected by Lead Counsel.

THE BASIS FOR CALCULATING YOUR RECOGNIZED CLAIM:

Recognized Claim for Dapper Moments purchased during the Settlement Class Period will be calculated as follows:

- 1) For Moments purchased directly from the Company, the Recognized Claim will be the total amount paid to the Company for the Moments purchased.**
- 2) For Moments purchased in the secondary market (“peer to peer purchases”), the Recognized Claim will be 5% of the total amount you paid for the Moments purchased.**

Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Defendants, Defendants’ Counsel, Plaintiffs, Lead Counsel or the Claims Administrator or other agent designated by Lead Counsel based on the distributions made substantially in accordance with the Settlement Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant’s Proof of Claim and Release Form. All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the claims submitted in connection with the Settlement, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund shall be released and discharged from any and all claims arising out of such involvement, and all Settlement Class Members, whether or not they are to receive payment from the Net Settlement Fund, will be barred from making any further claim against the Net Settlement Fund beyond the amount allocated to them as provided in any distribution orders entered by the Court.

9. How can I get a payment?

To qualify for a payment, you must send in a form entitled “Proof of Claim and Release Form.” This Proof of Claim and Release Form is attached to this Notice. You may also obtain a Proof of Claim and Release Form at www.FrielvDapperLabsSettlement.com. Read the instructions carefully, fill out the form, including the identification number the Claims Administrator assigned and provided to you with the emailed Notice (the “Identification Number”), and sign it in the location indicated. The Proof of Claim and Release Form may be completed by submitting it electronically at www.FrielvDapperLabsSettlement.com **by 11:59 p.m. EST on August 30, 2024.**

The Claims Administrator will process your claim and determine whether you are an Authorized Claimant. Please contact the Claims Administrator if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Settlement Class Members and the claims-administration process, to decide the issue by submitting a written request.

10. What am I giving up by receiving a payment and staying in the Class?

Unless you exclude yourself from the Settlement Class by the August 30, 2024, deadline, you will remain a member of the Settlement Class, receive your share of the Net Settlement Fund if you are an Authorized Claimant and submitted a valid Proof of Claim and Release Form, and will be bound by the release of claims against the Defendants and other Released Parties if the Settlement is approved. That means you and all other Settlement Class Members and each of their respective parent entities, associates, affiliates, subsidiaries, predecessors, successors, assigns, attorneys, immediate family members, heirs, representatives, administrators, executors, devisees, legatees, and estates will release (agreeing never to sue, continue to sue, or be part of any other lawsuit) Defendants and all Released Parties from any and all claims which arise out of, are based upon or relate in any way to the purchase or acquisition of Moments during the Settlement Class Period. It means that all of the

Court's orders will apply to you and legally bind you. That means you will accept a share of the Net Settlement Fund as sole compensation for any losses you suffered in the purchase, acquisition, sale or ownership of Moments during the Settlement Class Period. The specific terms of the release are included in the Settlement Stipulation.

11. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue Defendants or other Released Parties on your own, at your own expense, about the claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. To exclude yourself from the Settlement, you must mail a letter that clearly indicates your name, address, phone number, and e-mail address, and the Identification Number, and states that you "request to be excluded from the Settlement Class in *Friel v. Dapper Labs, Inc., et al.*, Case No. 1:21-cv-05837-VM (S.D.N.Y.)." Any such request for exclusion must be signed and submitted by you, as the beneficial owner, under penalty of perjury. You must mail your exclusion request, to be **received no later than August 30, 2024**, to the Claims Administrator at the following address:

Dapper Labs, Inc. Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson St., Ste. 205
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail.

If you properly exclude yourself, you will *not* receive a payment from the Net Settlement Fund, you cannot object to the Settlement, and you will not be legally bound by the judgment in this case.

12. If I do not exclude myself, can I sue Defendants or the other Released Parties for the same thing later?

No. Unless you followed the procedure outlined in the Notice to exclude yourself, you give up any right to sue Defendants or the Released Parties for the claims being released in this Settlement. If you have a pending lawsuit related to any Released Claims, speak to your lawyer in that case immediately, since you must exclude yourself from this Settlement Class to continue your own lawsuit.

13. Do I have a lawyer in this case?

The Court appointed The Rosen Law Firm, P.A. as Lead Counsel to represent you and the other Settlement Class Members. If you want to be represented by your own lawyer, you may hire one at your own expense. Contact information for The Rosen Law Firm, P.A. is provided below.

14. How will the lawyers be paid?

Lead Counsel have expended considerable time litigating this Action on a contingent fee basis and have paid for the expenses of the case themselves. They have not been paid attorneys' fees or reimbursed for their expenses in advance of this Settlement. Lead Counsel have done so with the expectation that, if they are successful in recovering money for the Settlement Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Settlement Fund, as is customary in this type of litigation. Lead Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Settlement Fund. Therefore, Lead Counsel will apply to the Court for an award of attorneys' fees in an amount not to exceed one-third (\$1,333,333.33) of the Settlement Fund plus interest, reimbursement of litigation expenses of no more than \$40,000, and an award to Plaintiffs not to exceed \$20,000 in total. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Settlement Fund.

15. How do I tell the Court that I do not like the Settlement?

You can tell the Court you do not agree with the Settlement, any part of the Settlement, and/or to Lead Counsel's motion for attorneys' fees and expenses and application for an award to Plaintiffs, and/or that you think the Court should not approve the Settlement, by mailing a letter stating that you object to the Settlement in the matter of *Friel v. Dapper Labs, Inc., et al.*, Case No. 1:21-cv-05837-

VM (S.D.N.Y.). Be sure to include: (1) your name, address, e-mail address, telephone number, and Identification Number; (2) all grounds for the objection, including any legal support known to you or your counsel; (3) the name, address, email address and telephone number of all counsel, if any, who represent you, including your former or current counsel; and (4) the number of times you and/or your counsel has filed an objection to a class action settlement in the last five years, the nature of each such objection in each case, the jurisdiction in each case, and the name of the issuer of the security or seller of the product or service at issue in each case. Attendance at the Settlement Fairness Hearing is not necessary. Objectors wishing to be heard orally at the Settlement Fairness Hearing are required to indicate in their written objection (or in a separate writing that is submitted and served on the Parties at least ten (10) calendar days prior the Settlement Fairness Hearing) that they intend to appear at the Settlement Fairness Hearing and identify any witnesses they may call to testify or exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. Be sure to serve copies of any objections, papers and briefs to **each** of the addresses listed below, to be **received no later than August 30, 2024**:

Clerk of the Court United States District Court Southern District of New York 500 Pearl Street New York, NY 10007	Phillip Kim The Rosen Law Firm, P.A. 275 Madison Ave 40th Floor New York, NY 10016 <i>Lead Counsel</i>	Kenneth P. Herzinger Paul Hastings LLP 101 California Street Forty-Eighth Floor San Francisco, CA 94111 <i>Counsel for Defendants</i>
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16. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court you do not like something about the Settlement or some portion thereof. You can object only if you stay in the Settlement Class. Requesting exclusion is telling the Court you do not want to be part of the Settlement Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you. If you stay in the Settlement Class and object, but your objection is overruled, you will not be allowed a second opportunity to exclude yourself.

17. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Settlement Fairness Hearing on **September 27, 2024, at 10:00 a.m.**, at the United States District Court for the Southern District of New York, 500 Pearl Street, Courtroom 15B, New York, NY 10007. The Court reserves the right to hold the Settlement Fairness Hearing telephonically or by other virtual means. In the event the Court decides to hold the Settlement Fairness Hearing telephonically or by other virtual means, Lead Counsel will direct the Claims Administrator to update its website, on the page dedicated to this Settlement, to include the telephone number or other virtual means to access the Settlement Fairness Hearing.

18. Do I have to come to the hearing?

No. Lead Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it.

19. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or the Released Parties about the Released Claims (as defined in the Settlement Stipulation) ever again.

DATED: JUNE 4, 2024

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