

# **EXHIBIT A**

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**IN THE THIRD JUDICIAL DISTRICT COURT**  
**SALT LAKE COUNTY, STATE OF UTAH**

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SORENSEN IMPACT FOUNDATION, and  
JAMES LEE SORENSON FAMILY  
FOUNDATION,

Plaintiffs,

v.

CONTINENTAL STOCK TRANSFER &  
TRUST, TASSEL PARENT, INC, and  
HOLLAND & KNIGHT, LLP,

Defendants.

**COMPLAINT**

Case No. \_\_\_\_\_

Judge \_\_\_\_\_

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Plaintiffs Sorenson Impact Foundation and James Lee Sorenson Family Foundation (both jointly hereinafter referred to as “Plaintiffs”), by and through counsel Cameron Hancock and Thad Seegmiller, complains against Defendants Holland & Knight, LLP, Continental Stock Transfer & Trust, and Tassel Parent, Inc. (all jointly hereinafter referred to as “Defendants”) as follows:

**PARTIES, JURISDICTION AND VENUE**

1. Plaintiff Sorenson Impact Foundation is a Utah corporation with its principal place of business in Salt Lake County, Utah.

2. Plaintiff James Lee Sorenson Family Foundation is a non-profit trust organized in the State of Utah.

3. Defendant Holland & Knight, LLP (“H&K”) is a Florida limited liability partnership doing business in the State of Utah.

4. Defendant Continental Stock Transfer & Trust Company is a New York corporation (“Continental”) doing business in the State of Utah.

5. Defendant Tassel Parent, Inc. is a Delaware Corporation doing business in the State of Utah.

6. This Court has subject matter jurisdiction over this action pursuant to Utah Code Ann. § 78A-5-102.

7. Venue properly lies in this Court pursuant to Utah Code Ann. § 78B-3-307.

8. This case falls under Tier 3 for standard discovery purposes as this Complaint seeks more than \$300,000.

**GENERAL ALLEGATIONS**

9. Plaintiffs were stockholders and owners of certain shares of Series D preferred stock (hereinafter “Plaintiffs’ Stock”) in Graduation Alliance, Inc.

10. Plaintiff Sorenson Impact was a stockholder and held a convertible note from Graduation Alliance, Inc.

11. On or about December 20, 2019, an Agreement and Plan of Merger (“Merger Agreement”) was executed and a merger plan was agreed to whereby Plaintiffs’ Stock and note would be conveyed in exchange for payment from Tassel Parent, Inc.

12. Pursuant to the Merger Agreement Plaintiffs’ convertible note would be paid-out by Tassel Parent, Inc. as part of the merger transaction.

13. According to the Merger Agreement and merger plan, Plaintiffs would convey approximately 4,957,632 shares of Series D Preferred Shares in Graduation Alliance, Inc.

14. According to the Merger Agreement and merger plan, in exchange for Plaintiffs’ Stock Conveyance and note conversion, Tassel Parent, Inc. agreed to pay Plaintiffs approximately \$3,124,940.26 for Plaintiffs’ shares and for the cash-out of notes held by Plaintiffs.

15. Upon information and belief, H&K were hired as lead legal counsel over to effectuate the Merger Agreement and document the acquisition and purchase of Plaintiff’s stock pursuant to the terms of the Merger Agreement.

16. Article 1.1 of the Merger Agreement defined the term “Law Firm” as “Holland & Knight, LLP.”

17. During its performance as lead legal counsel over the transaction that resulted from the Merger Agreement and merger plan, Defendant H&K employed Zachery Pechter and Hassan Shah as attorneys, among others to act as the Law Firm under the terms of the Merger Agreement.

18. Upon information and belief, Pechter and Shah were the attorneys that acted and corresponded on behalf of H&K for correspondence, compliance, and documentation of and required under the terms of the Merger Agreement.

19. Pursuant to the terms of the Merger Agreement, Defendant Continental was the transfer agent and performed an escrow-type service for the transactions detailed in the Merger Agreement whereby Continental acted to receive and transact Plaintiffs stock and convertible note and to receive and to verify the conditions for the transfer of the conditions were met for the funds to be paid to Plaintiffs in exchange for Plaintiffs' Shares conveyance.

20. Article 1.1 of the Merger Agreement defined the term "Paying Agent" as "shall mean Continental Stock Transfer & Trust Company."

21. Section 3.1(e) of the Merger Agreement provided Tassel Parent, Inc. upon Closing under the Merger Agreement would pay the Plaintiffs for their stock and for their Note by wire transfer of immediately available to their bank accounts by wire transfer.

22. Pursuant to Section 3.3(i) of the Merger Agreement, Continental as the Paying Agent provided the Plaintiffs with the following documents that would govern the transfer of their stock and payment: (a) Stockholder Letter of Transmittal; (b) instructions for use in effecting the surrender of the Certificates in exchange for the payment to the Plaintiffs from Tassel Parent, Inc.

23. Pursuant to Section 3.3(i), Plaintiffs were required to deliver an executed Stockholder Letter of Transmittal and surrender their stock certificates to H&K and the Continental.

24. The Final form of the Letter of Transmittal and Instructions were attached to the Merger Agreement as Exhibit D.

25. Pursuant to the terms of the Merger Agreement, the Plaintiffs entered into a Written Consent and Agreement of Stockholders that provided the terms and conditions for the purchase of Plaintiff's stock in Graduation Alliance, Inc.

26. Pursuant to Section 1 of the Written Consent, Plaintiffs consented to, adopted and ratified in all respect the Merger Agreement in exchange for the purchase of their stock pursuant to the terms of the Merger Agreement.

27. The Letter of Transmittal that governed the transfer of Plaintiffs' stock in exchange for the payment required under the Merger Agreement provides in pertinent part as follows:

In order to receive delivery of the check or wire transfer for the cash to which you are entitled under the Merger Agreement, you **[Plaintiffs]** must execute this Letter of Transmittal in Box D below (and have the signature guaranteed if required by Instruction 4) and complete the (i) attached IRS Form W-9 . . . (emphasis added).

28. Paragraph 4 in Instructions identified in Section 3.3(i) of the Merger Agreement, attached to the Merger Agreement in Exhibit D, provides in pertinent part as follows regarding when a signature guarantee is required before a wire transfer can take place:

4. **Issuance of Check or Wire Transfer in a Different Name.** If the check or wire transfer for cash to be received by the Securityholder with respect to the Merger is to be issued in a name different from the name of the record holder as inscribed on the certificate(s), please follow these instructions:

(a) *Endorsements and Guarantee.* The certificate(s) surrendered must be properly endorsed on the back of the certificate or accompanied by appropriate equity power(s) properly executed by the record holder of such certificate(s) to the person who is to receive the check or wire transfer. The signature of the record holder on the endorsement(s) or equity power(s) must correspond with the name that appears on the fact of the certificate(s) in every particular and must be a **medallion guaranteed by a**

**bank or trust company** in the United States of by a member of any registered national securities exchange or the National Association of Securities Dealers, Inc. (a “Qualified Guarantor”). Notaries Public cannot execute acceptable guarantees of signature.

29. Upon information and belief, H&K claims that it relied upon Continental to verify that the funds that were being transferred under the Merger Agreement in exchange for Plaintiff’s stock were delivered to the actual bank account owned by the Plaintiffs.

30. Upon information and believe, Continental relied upon H&K to verify that instructions received were authenticated and accurate.

31. Plaintiffs’ Shares were delivered to Defendant Continental and Continental received Plaintiffs’ Shares and the associated share certificates.

32. Continental received the funds that it was instructed were to be conveyed to Plaintiffs in exchange for its shares for the conveyance and note conversion.

33. Continental communicated with attorneys employed with H&K regarding the conveyance of funds to Plaintiffs per terms of the Merger Agreement.

34. Continental communicated with attorneys employed with H&K regarding the Plaintiffs’ bank account information for the transfer of the funds.

35. Upon information and belief, Plaintiffs emailed Defendant H&K the Plaintiffs’ wire instructions for the conveyance of the funds for their stock to their bank accounts with Zions Bank.

36. Upon information and belief, at some point after Defendants received the Plaintiffs’ wire instructions to Plaintiffs’ bank account with Zions Bank, a malicious third-party accessed the emails between the parties and caused falsified emails and documents to be

delivered between the various parties, including to Continental Transfer & Trust Company and Holland & Knight, LLP.

37. On or about January 31, 2020, the malicious third party fraudulently sent an email to H&K asking if the “pay out account” for the Plaintiffs “could be changed to an International account in Hong Kong”.

38. Upon information and belief, Continental and H&K knew or should have known that an email request to change wire instructions to a foreign bank in Hong Kong indicated a heightened risk of fraud.

39. Upon information and belief, in response to the email request from the malicious third party posing at the Plaintiffs to change wire instructions, H&K and Continental had communications about issues related to wire transfers to Hong Kong.

40. Upon information and belief, on January 31, 2020, H&K sent an email to Plaintiff’s stating that H&K would need to clear the request to wire the funds to a Hong Kong account with Continental.

41. Upon information and belief, H&K’s January 31, 2020 email to Plaintiffs was intercepted by the malicious third party. This email was never received by the Plaintiffs.

42. Upon information and belief, in response to the January 31, 2020 email from H&K, the malicious third party fraudulently sent an email to H&K identifying the name of the Hong Kong bank account as “Wemakos Furniture Co. Limited”. This email was fraudulent and not authorized by Plaintiffs.

43. H&K responded in an email addressed to the Plaintiffs on February 3, 2020 stating its compliance folks needed to verify the account based on the name “Wemakos Furniture Co. Limited.”

44. Upon information and belief, this email was intercepted by the malicious third party. This email was never received by the Plaintiffs.

45. On February 3, 2020, H&K sent an email to Plaintiffs stating “we are all clear on the compliance side for the HK account.”

46. Upon information and belief, this email was intercepted by the malicious third party. This email was never received by the Plaintiffs.

47. In response to the fraudulent emails the malicious third party sent, H&K did not require the note purchase agreement and other documents required under the Merger Agreement to be executed again by the Plaintiffs to verify the change of the account from Zions Bank to the fraudulent Hong Kong account.

48. On or about February 7, 2020, the malicious third party fraudulently sent an email to H&K enclosing a Letter of Transmittal, Stock Certificates, and authorization letter with the “updated” account information for the Hong Kong account.

49. The Letter of Authorisation (sp) now fraudulently listed the Plaintiffs bank as “Bank of China HK LTD, with the owner/beneficiary as “Hongkong Wemakos Furniture Trading Co. Limited.”

50. The Letter of Transmittal contained fraudulent and forged handwritten instructions on a document entitled “Description of Shares/Tendered that contained wire

instructions of the Bank of China HK LTD, Account Name “Hong Kong Wemakos Furniture Trading Co LTD.”

51. The name of record for the certificate holder in Box A to the fraudulent Letter of Transmittal received by H&K and Continental was different from the name of the account holder in Box E for the person receiving the payment.

52. Pursuant to the Letter of Transmittal and paragraph 4 of the Instructions, H&K and Continental were required to contact Plaintiffs and have them provide a **Medallion Guarantee** by a Bank or Trust Company in the United States or by a member of any registered national securities exchange or of the National Association of Securities Dealers.

53. H&K and Continental did not contact the Plaintiffs and request the required Medallion Guarantee.

54. The Letter of Authorisation (sp) and Letter of Transmittal fraudulently identified a new bank account under the name of “HongKong Wemakos Furniture Trading Co. Limited” instead of the prior fraudulent account of “Wemakos Furniture Co. Limited” that had been provided on February 3, 2020.

55. Upon information and belief, H&K’s attorneys working on the Merger and H&K’s compliance team did not verify or investigate whether the bank account of “HongKong Wemakos Furniture Trading Co. Limited” was actually an account owned by the Plaintiffs.

56. Upon information and belief, H&K and Continental, based on their experience and training as transactional attorneys, were on notice that the accounts under the names “Wemakos Furniture Co. Limited” and “HongKong Wemakos Furniture Trading Co. Limited” may not be legitimate based upon the inconsistencies in the documents they received.

57. H&K and Continental failed to contact the Plaintiffs via telephone call to confirm whether the emails and fraudulent request to change the wire instructions and fraudulently signed Letter of Authorisation (sp) and Letter of Transmittal actually came from the Plaintiffs.

58. H&K and Continental failed to contact Plaintiffs and request the Plaintiffs provide the Medallion Guarantee as required by the Letter of Transmittal and Instructions.

59. Upon information and belief, Continental and H&K were aware that international wires to China are more likely to be problematic and more susceptible to malicious email hacking and fraud.

60. Upon information and belief, Continental and H&K were aware that wires going to China require heightened scrutiny.

61. Upon information and belief, Continental and H&K were aware that best practices for international wires to China include the assumption that such wire instructions have a risk of being fraudulent due to the interception of emails and email hacking.

62. Upon information and belief, Continental and H&K were aware that malicious email fraud attempts are much more likely to occur with emails and email addresses than with phone numbers and in-person verifications.

63. On February 21, 2020, based on the terms of the Transmittal Letter and Instructions, in response to the Fraudulent Letter of Transmittal, Continental informed H&K “if the bank account information is different then it is considered a transfer and a Medallion Signature Guarantee is needed.”

64. Upon information and belief, H&K and Continental subsequently had communications regarding the requirement of a Medallion Signature Guarantee under Section 4 of the Instructions and Letter of Transmittal.

65. Based on these communications, on February 21, 200, Continental informed H&K that it had four options to resolve the issue concerning the “Hongkong Wemakos Furniture Trading Co. LTD” bank account at the Bank of China being different than the Plaintiffs’ names on the stock certificates: (a) Affix a Signature Medallion Guarantee to the Letter of Transmittal with banking instructions; (b) provide a letter of instruction from the authorized signatories provided in the Paying Agent agreement that will instruct to process the account and accept instructions without a Signature Medallion Guarantee. Note, the hold harmless language attached would need to be included in the instruction letter; (c) Modification of the payment schedule to change the name of the Sorenson accounts to be “Hongkong Wemakos Furniture Trading Co. LTD” as listed in the banking instructions. We would look to receive new IRS forms and complete tax reporting to this entity if this is completed; (d) Otherwise, we would look to make payment as the shares are registered.

66. Upon information and belief, H&K and Continental did not consult with the Plaintiffs concerning these four options.

67. Plaintiffs never agreed to modify or amend the requirements of the Letter of Transmittal and Instructions.

68. Plaintiffs relied upon the terms of the Letter of Transmittal and Instructions when they conveyed their stock certificates to H&K and Continental in exchange for the payment required under the Merger Agreement.

69. Upon information and belief, H&K elected the third option and merely modified the payment schedule to change the name of the Sorenson accounts to the “Hongkong Wemakos Furniture Trading Co., LTD.”

70. Plaintiffs never agreed to allow H&K and Continental to proceed with the transaction without the Medallion Guarantee.

71. Upon information and belief, Continental and H&K have company policies that require multi-factor verification of wire instructions. Continental and H&K multi factor verification policies require wire instructions be verified verbally over the telephone with the appropriate owner or owner representative.

72. Despite Continental and H&K’s knowledge of the above alleged facts, and their respective company policies and the requirement of a Medallion Guarantee in Paragraph 4 of the Instructions, the Defendants did not contact the Plaintiffs by telephone or email to request the Medallion Guarantee or contact the Plaintiffs by telephone to confirm the wire instructions for the Hong Kong bank.

73. Continental and H&K failed to contact any person affiliated with Plaintiffs in person to make a verbal confirmation of the changed wire instructions.

74. Plaintiffs were not aware that a malicious third party had intercepted emails with H&K and was not aware of any facts to put them on notice of the possibility of a malicious third party intercepting emails.

75. Plaintiffs and Defendants would have discovered the fraudulent Letter of Transmittal and Letter of Authorisation (sp), and fraudulent emails, if H&K and Continental had requested the Medallion Guarantee required under Paragraph 4 of the Letter of Instructions.

76. Plaintiffs and Defendants would have discovered the fraudulent emails, fraudulent Letter of Transmittal and Letter of Authorisation (sp) if H&K and Continental had contacted Plaintiffs in person over the phone to confirm the fraudulent wire instructions.

77. H&K and Continental unilaterally disregarded the requirement of a Medallion Guarantee in paragraph 4 of the Instructions and Letter of Transmittal.

78. Despite being put on notice of a possible fraudulent emails and known risks related to wire transfer information being provided via email to a bank in China and, including the failure to follow their own policies, and intentionally failing to comply with the Letter of Transmittal and Instructions, the funds that Plaintiffs expected and were entitled to receive under the Merger Agreement were transferred by Continental and deposited to a malicious third-party bank account in China. To date, none of the funds wired by Continental to the bank account in China have been recovered.

79. As a result of Defendants' failures, Plaintiffs have not received the agreed consideration under the Merger Agreement in at least the sum of \$3,124,940.26

80. As a result of Defendants' failures and intentional failure to comply with the terms of the Letter of Transmittal and Instructions, Tassel Parent, Inc. has been unjustly enriched at Plaintiffs' expense by receiving Plaintiffs' shares without delivering payment to Plaintiffs as agreed.

**FIRST CAUSE OF ACTION**  
**(Unjust Enrichment)**

81. Plaintiffs incorporate by this reference all other allegations contained in this Complaint as if fully set forth herein.

82. Plaintiffs conferred a benefit on Tassel Parent, Inc. by conveying Plaintiffs' Shares in reliance upon the terms of the Merger Agreement.

83. Defendants had knowledge and appreciation of the fact that Plaintiffs' Shares were conveyed by Plaintiffs in reliance upon the terms of the Merger Agreement and with the Plaintiffs' expectation to receive payment.

84. When Tassel Parent's Inc.'s agents H&K and Continental failed to comply with the unambiguous terms of the Letter of Transmittal and Instructions, and their respective basic duties and policies regarding multi factor confirmation for wire transfers to China, Defendants caused Plaintiffs' consideration to be deposited in an unauthorized malicious third-party account and thereby Tassel Parent, Inc. received and retained the benefit of Plaintiffs' Shares without Plaintiffs receiving the agreed and expected payment.

85. It is inequitable for Tassel Parent, Inc. to retain the benefit of receipt of conveyance of Plaintiffs' Shares when Plaintiffs have not been paid the agreed value in exchange for the conveyance.

86. Defendants were aware and had knowledge that Plaintiffs' Shares were conveyed with the expectation of payment.

87. Defendants were aware and had knowledge that the Merger Agreement and associated documents called for Plaintiffs' to receive payment for its shares and note conversion.

88. Defendants were aware and had knowledge that Plaintiffs expected to receive the benefits detailed in the Merger Agreement and associated documents.

89. As a result of Defendants' failures, Plaintiffs have conferred benefits on Tassel Parent, Inc. which benefits have been retained under circumstances as to create the inequity

wherein Plaintiffs conveyed value without receiving the documented and agreed consideration in return for the conveyance.

90. As a result of Defendants' actions, Plaintiffs have been inequitably separated from their money and property without receipt of due consideration.

91. As a result of Defendants' actions, Tassel Parent, Inc. has been unjustly enriched at the expense of Plaintiffs.

92. As a result of Defendants' actions, Plaintiffs have been damaged in in at least the sum of \$3,124,940.26 and such other sums as they may be proved at trial.

**SECOND CAUSE OF ACTION**  
**(Breach of Fiduciary Duties)**

93. Plaintiffs incorporate by this reference all other allegations contained in this Complaint as if fully set forth herein.

94. Defendant Continental was retained to perform the role of transfer agent and escrow officer regarding the transactions contemplated under the Merger Agreement.

95. Defendant Continental was named in the Merger Agreement as the Paying Agent.

96. Defendant Continental received compensation in exchange for its performance as transfer agent and escrow officer regarding the transactions contemplated under the Merger Agreement.

97. In its role as transfer agent for the transactions contemplated under the Merger Agreement, Defendant Continental had fiduciary duties to various parties, including to Plaintiffs.

98. Defendant H&K was retained to provide legal services and advice and close the transactions contemplated under the Merger Agreement.

99. The Merger Agreement terms expressly identify and indicate the retention of Defendants Continental and H&K in a special relationship that includes duties of escrow and legal duties of confidence, trust, and competence.

100. Defendants Continental and H&K owe a fiduciary duty to Plaintiffs to adequately protect Plaintiffs' interests under the Merger Agreement.

101. Defendants Continental and H&K owe a fiduciary duty to Plaintiffs to safeguard Plaintiffs' interests in the same manner that they would treat and safeguard their own interests.

102. Defendants Continental and H&K breached their fiduciary duty when they ignored and intentionally failed to obtain the required Medallion Guarantee for the transfer of Plaintiffs stock with a payment to an account holder at the Bank of China with a different name on the Plaintiffs stock certificates.

103. Defendants Continental and H&K would have treated a change in wire transfer instructions of their own funds with heightened scrutiny.

104. Defendants Continental and H&K would have treated a change in wire transfer instructions to a bank in China with heightened scrutiny.

105. Defendants Continental and H&K would have required multi factor authentication for a wire transfer of their own funds to a bank in China.

106. Defendants Continental H&K would have required telephone call-back verification of changed wire instructions for a wire transfer of their own funds to a bank in China.

107. Defendants Continental and H&K have adopted policies and procedures that require multi factor verification for wire transfer instructions.

108. Defendants Continental and H&K have adopted policies and procedures that require telephone call-back verification for wire instructions on wire transfers to banks in China.

109. Defendants Continental and H&K failed to use multi-factor authentication and call-back verification to authenticate and verify the wire instructions for Plaintiffs' funds.

110. Defendants Continental and H&K's failure to use multi-factor authentication and call-back verification to authenticate and verify the wire instructions for Plaintiffs' funds is a breach of fiduciary duties owed to Plaintiffs.

111. As a result of Defendants Continental and H&K's breaches of their fiduciary duty, Plaintiffs did not receive the negotiated funds.

112. As a result of Defendants Continental and H&K's breaches of their fiduciary duty, funds intended for Plaintiffs and for which Plaintiffs provided good and valuable consideration were incorrectly wired to a malicious third-party.

113. As a result of Defendants Continental and H&K's breaches of their fiduciary duty, Plaintiffs have been damaged in at least the sum of \$3,124,940.26 and such other sums as they may be proved at trial.

**THIRD CAUSE OF ACTION**  
**(Breach of Contract)**

114. Plaintiffs incorporate by this reference all other allegations contained in this Complaint as if fully set forth herein.

115. Defendant Continental was named in the Merger Agreement as the Paying Agent.

116. Defendant H&K was named in the Merger Agreement as the Law Firm.

117. Defendant Tassel Parent, Inc. was named in the Merger Agreement as the Parent.

118. Article 3.1(c)(v) of the Merger Agreement states that the Merger Consideration was to be remitted by Parent to the Paying Agent for further distribution to the holders of the Company Shares...pursuant to each such holder's Letter of Transmittal.

119. Article 3.3(i) of the Merger Agreement states, among other things, that the holder of Company Shares represented by certificates is entitled to be paid Per Share Merger Consideration amounts paid by the Parent to the Paying Agent.

120. Pursuant to the various provisions of the Merger Agreement, Plaintiffs tendered share certificates in Graduation Alliance, Inc. to Paying Agent.

121. Pursuant to the various provisions of the Merger Agreement, Defendant Tassel Parent, Inc. tendered Per Share Merger Consideration funds to Paying Agent in amounts in respect and relation to Plaintiffs tendered shares.

122. Defendants H&K and Continental, in their respective defined roles under the Merger Agreement received malicious and false documents and wire instructions.

123. Defendants H&K and Continental, in their respective defined roles under the Merger Agreement failed to call Plaintiffs and make verbal, in-person verification of the documents and instructions received.

124. Upon information and belief, Defendants H&K and Continental did not follow their policies requiring a verbal in person verification from the Plaintiffs of the wire instructions they received.

125. Defendants H&K and Continental, in their respective defined roles under the Merger Agreement either didn't notice or didn't care that the names on the share certificates did not match the account name in the instructions received.

126. Defendants H&K and Continental, in their respective defined roles under the Merger Agreement did not properly follow the Instructions to the Letter of Transmittal requiring a Medallion Guarantee, referenced and incorporated into the Merger Agreement.

127. Defendants H&K and Continental, in their respective defined roles under the Merger Agreement intentionally and negligently failed to follow the Instructions to the Letter of Transmittal by failing to comply with and complete the provisions of Instruction #4: Issuance of Check or Wire Transfer in a Different Name that mandated a Medallion Guarantee.

128. Defendants H&K and Continental, in their respective defined roles under the Merger Agreement intentionally and negligently failed to follow the Instructions to the Letter of Transmittal by failing to obtain the mandated Medallion Guarantee as required in Instruction #4(a) of the Instructions.

129. The purpose of the Medallion Guarantee is to protect Plaintiffs interests in receiving the funds for their stock.

130. Defendants H&K and Continental, in their respective defined roles under the Merger Agreement breached their various duties under the Merger Agreement.

131. If Defendants H&K and Continental, in their respective defined roles under the Merger Agreement had complied with the Instructions to the Letter of Transmittal, the malicious third-party emails, different names between share owner and wire instructions bank, and misspellings and irregularities in documentation would have been detected.

132. If Defendants H&K and Continental, in their respective defined roles under the Merger Agreement had obtained a medallion guarantee of signatures or made verbal

confirmation of instructions via telephone call with Plaintiff, the malicious third-party's hack would have been detected.

133. If Defendants H&K and Continental, in their respective defined roles under the Merger Agreement had performed their defined duties under the Merger Agreement, Plaintiffs would have received the Per Share Merger Consideration that Plaintiffs expected to receive.

134. Defendants H&K and Continental, in their respective defined roles under the Merger Agreement were the parties with duties and roles situation to identify, detect, and avoid malicious third-party hack attempts.

135. Defendants H&K and Continental, in their respective defined roles under the Merger Agreement would have identified, detected and avoided the hack attempt if they had performed their defined roles under the Merger Agreement.

136. Defendants failures have caused Tassel Parent, Inc. to fail to pay the negotiated consideration to Plaintiffs.

137. Defendants failures caused Plaintiffs to convey shares and note conversion without receiving the corresponding negotiated consideration.

138. Defendants were aware of and had contractual duties owed to Plaintiffs based on their respective positions and roles detailed in the Merger Agreement.

139. Defendants failures to pay Plaintiffs the negotiated consideration under the Merger Agreement constitutes a breach of a material term of the Merger Agreement.

140. As a result of Defendants failures, Plaintiffs complied with material terms of the Merger Agreement without receipt of the corresponding negotiated consideration.

141. As a result of Defendants failures, Plaintiffs rights under the Merger Agreement have been breached and Plaintiffs have suffered damages at least the sum of \$3,124,940.26 and such other sums as they may be proved at trial.

**FOURTH CAUSE OF ACTION**  
**(Constructive Trust)**

142. Plaintiffs incorporate by this reference all other allegations contained in this Complaint as if fully set forth herein.

143. A constructive trust exists by operation of law as a matter of equity in favor of Plaintiffs to all right, title and interest in the share certificates and note conveyed by Plaintiffs pursuant to the Merger Agreement.

144. By virtue of the Merger Agreement, Defendants were placed in a position of confidence and trust as it relates to Plaintiffs' Shares and note and Plaintiffs' expected payments for conveyance of Plaintiffs' Shares.

145. As a result of Plaintiffs' conveyance of Plaintiffs' Shares and note pursuant to the Merger Agreement, Defendants have received a benefit from Plaintiffs, which if retained would constitute unjust enrichment at the expense of Plaintiffs.

146. Defendants are fully aware of the benefits received by accepting Plaintiffs' Shares and note under circumstances that make it inequitable for Defendants to retain the benefit without Plaintiffs receiving the negotiated payment of value for Plaintiffs' Shares and note.

147. Plaintiffs are entitled to a judicial declaration that shares of Graduate Alliance Inc. and note received by Defendants from Plaintiffs pursuant to the Merger Agreement be held in constructive trust for Plaintiffs.

**FIFTH CAUSE OF ACTION**  
**(Negligence)**

148. Plaintiffs incorporate by this reference all other allegations contained in this Complaint as if fully set forth herein.

149. By virtue of the Merger Agreement terms and their respective roles for the transfer of the stock and payment to Plaintiff's, Defendants owed a duty of care to Plaintiffs.

150. Defendants duties of care included the use of multi factor verification and call-back verification for the wire transfers contemplated under the Merger Agreement.

151. Defendants breached their duties to Plaintiffs when they failed to use multi factor verification and call-back verification for the wire instructions they received by email from a malicious third-party.

152. As a result of Defendants' breach of the duty of care they owed to the Plaintiffs, funds in at least the sum of \$3,124,940.26 that Plaintiffs were entitled to receive were transferred and lost to a malicious third-party bank account.

153. As a result of Defendants breach, Plaintiffs have suffered damages in at least the sum of \$3,124,940.26 and such other sums as they may be proved at trial.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs pray for a judgment against Defendants on all claims as follows:

1. For an order of judgment in favor of Plaintiffs for economic damages equal to \$3,124,940.26;

2. For an order of judgment in favor of Plaintiffs for special and exemplary damages for Defendants' breach of fiduciary duties owed to Plaintiffs;

3. For the entry of constructive trust in the share certificates and note conveyed by Plaintiffs;
4. For an award of reasonable attorney fees, costs, and expenses as authorized by law;
5. For an award of pre and post judgment interest; and
6. For such other and further relief as the Court may deem proper.

DATED this 2nd day of June, 2020.

KIRTON McCONKIE

*/s/Cameron M. Hancock* \_\_\_\_\_

Cameron M. Hancock

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