

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

HASH ASSET MANAGEMENT LTD.,	)	
TAF CAPITAL PTY LTD, as trustee for the	)	
BLUEBOTTLE FUND, and NI KAIHAO,	)	
	)	
Plaintiffs,	)	C.A. No. 22-1633-JLH
	)	
v.	)	
	)	
DMA LABS, INC., ICHI FOUNDATION,	)	
NICK POORE, and BRYAN GROSS,	)	
	)	
Defendants.	)	

**ORDER**

At Wilmington this 28th day of March, 2025;

WHEREAS, Plaintiffs’ Complaint (D.I. 1) asserts a claim under Section 12(a)(1) of the Securities Act of 1933, 15 U.S.C. § 771 (Count II), a claim under Section 9(a), (f) of the Securities Exchange Act of 1934, 15 U.S.C. § 78i (Count III), and four state-law claims (Counts I, IV, V, and VI);<sup>1</sup>

WHEREAS, Defendants filed a Motion for Judgment on the Pleadings (D.I. 36), in which Defendants argue that “the Complaint should be dismissed in its entirety” (D.I. 37 at 1);<sup>2</sup>

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<sup>1</sup> For purposes of resolving the pending motion, the parties assume that Delaware law applies. (D.I. 37 at 16 n.9; D.I. 39 at 19–22.)

<sup>2</sup> Defendants style the motion as a motion for judgment on the pleadings, but a “motion for judgment on the pleadings only has utility when all material allegations of fact are admitted or not controverted in the pleadings and only questions of law remain to be decided by the district court.” 5C CHARLES ALAN WRIGHT & ARTHUR R. MILLER, FEDERAL PRACTICE AND PROCEDURE § 1367 (3d ed. 2024) (collecting cases). Defendants have filed an Answer disputing the Complaint’s factual allegations (D.I. 15), and Defendants argue that the Complaint fails to state a claim (D.I. 37). Under these circumstances, the Court will assess the pending motion under the familiar Rule 12(b)(6) standard. *Zimmerman v. Corbett*, 873 F.3d 414, 417 (3d Cir. 2017) (“A motion for

WHEREAS, the Complaint alleges that Plaintiffs are all foreign persons or entities (D.I. 1 ¶¶ 12–14);

WHEREAS, the parties do not appear to dispute that the federal securities laws at issue do not apply extraterritorially and that the assets at issue were not listed on a national securities exchange;

WHEREAS, the Complaint therefore must allege facts plausibly suggesting that the alleged proscribed conduct (*i.e.*, offers, purchases, or sales) occurred in the United States, *Morrison v. Nat’l Australia Bank Ltd.*, 561 U.S. 247, 273 (2010), which, for a purchase/sale transaction, means that Plaintiffs must plausibly allege that “irrevocable liability” attached in the United States, *United States v. Georgiou*, 777 F.3d 125, 137 (3d Cir. 2015); *Absolute Activist Value Master Fund Ltd. v. Ficeto*, 677 F.3d 60, 69 (2d Cir. 2012);

WHEREAS, the Complaint does not allege facts plausibly suggesting that the proscribed conduct occurred in the United States, requiring dismissal of the federal claims under Rule 12(b)(6);<sup>3</sup>

WHEREAS, the Complaint alleges that the Court has jurisdiction over the state-law claims pursuant to 28 U.S.C. § 1367(c);

WHEREAS, under § 1367(c)(3), the Court “may decline to exercise supplemental jurisdiction” over state-law claims if it “has dismissed all claims over which it has original

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judgment on the pleadings based on the defense that the plaintiff has failed to state a claim is analyzed under the same standards that apply to a Rule 12(b)(6) motion.” (quoting *Revell v. Port Auth. of NY, NJ*, 598 F.3d 128, 134 (3d Cir. 2010)).

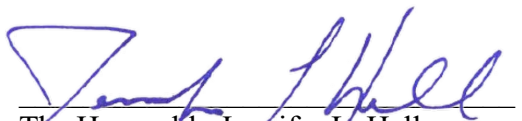
<sup>3</sup> The Complaint alleges that some Defendants are citizens of certain U.S. states, but those allegations are insufficient to plausibly allege that irrevocable liability attached in the United States. *Absolute Activist*, 677 F.3d at 70 (“[A] party’s residency or citizenship is irrelevant to the location of a given transaction.”).

jurisdiction,” 28 U.S.C. § 1367(c)(3), and “[i]t ‘*must decline*’ to exercise supplemental jurisdiction in such circumstances ‘unless considerations of judicial economy, convenience, and fairness to the parties provide an affirmative justification for doing so,’” *Stone v. Martin*, 720 F. App’x 132, 136 (3d Cir. 2017) (quoting *Hedges v. Musco*, 204 F.3d 109, 123 (3d Cir. 2000) (emphasis in original)); and

WHEREAS, Defendants argue that the Court should dismiss the state-law claims if it dismisses the federal claims (D.I. 37 at 16; D.I. 40 at 10), Plaintiffs have not responded to that argument, and the Court therefore sees no affirmative justification for assuming jurisdiction over the state-law claims;

THEREFORE, IT IS HEREBY ORDERED that Defendants’ Motion for Judgment on the Pleadings (D.I. 36) is GRANTED. Plaintiffs are granted leave to amend to address the deficiencies identified above within 14 days.

Dated: March 28, 2025

  
The Honorable Jennifer L. Hall  
UNITED STATES DISTRICT JUDGE