

From: [Edmon <edmon@registry.asia>](mailto:edmon@registry.asia)
To: ["J. Emmanuel Disini" <jed@dot.ph>](mailto:jed@dot.ph)
Date: 2/18/2019 1:01:11 AM
Subject: RE: [Board] Namesphere matters [RE: Audit Report]

Hi Everyone,

First of all I apologize for jamming this channel, but I am trying my best to provide all the information as it happened for everyone to consider and understand. I am putting the board mailing list on BCC to follow up further with Joel as we approach our f2f meeting in Daejeon (if you would like to be kept in the email thread please let me know separately). Again, as mentioned, we will plan to have ample time to go through this matter so everyone can understand the issues properly at our f2f meeting this coming Saturday.

Hi Joel,

2 things:

1. I am (and I believe after discussion at the DotAsia board, we would) of course be more than willing to make changes to satisfy your interest and make sure that your rights as an investor and shareholder of Namesphere is upheld. There is no concern here at all. I have repeatedly mentioned that updating the listed shareholders for Namesphere should not be a problem at this point.
2. It is also important for me and the DotAsia team that we not be incorrectly accused of certain activities and behaviours that is not the truth.

On the issue of change of ownership etc. to the applicant entity of a new gTLD applicant, that no change to the applicant entity shareholding structure is done is what is in the ICANN AGB, and continues to be what we recommend all our partners. Of course in the AGB it explains that ICANN reserves the right to not approve OR to move the application to the next round, which doesn't mean an absolute, but to avoid risk, we have always strongly recommended that no changes be made to the applicant entity. This in fact has been well regarded and aligns well with legal opinions obtained elsewhere by our partners (including Jason). This was also the basis of the ongoing challenge against ICANN by .WEB applicants.

Anyway, as mentioned in 1. Above, lets discuss the proper way forward that would satisfy your needs. Now that the new gTLD applications are all settled, there should be no more concern. I will let Rebecca propose the process to update the share listing.

Edmon

From: Board [mailto:board-bounces@dotasia.org] **On Behalf Of** J. Emmanuel Disini
Sent: Monday, February 18, 2019 7:41 AM
To: Edmon <edmon@registry.asia>
Cc: DotAsia Secretary <secretary@dot.asia>; board@dot.asia
Subject: Re: [Board] Namesphere matters [RE: Audit Report]

- March 29, 2012, was the deadline for submitting all entities into the ICANN system for new gTLD application
- On April 8, 2012, we received confirmation from DotPH for the investment
- On April 18, 2012, we received the funds from DotPH for the investment

It is not about whether adding DotPH would be beneficial to the ICANN application. There are rules in the Applicant Guidebook (AGB: the new gTLD process) that disallows such changes. In short, ICANN could potentially disqualify the application (in particular Section 1.2.1 and 1.2.7), therefore we do not believe it was prudent to make such change until the ICANN process is complete.

i'm sorry, but this is crap.

The confirmation of investment was made to you well before the deadline.

The funds were wired on April 10, immediately after you asked us to do so.

But are you REALLY trying to say that correcting the ownership of Namesphere a few days after you

submitted the application could remotely constitute grounds for disqualification by ICANN? Surely you can't expect anyone to believe that!

It is a very serious problem to take money from people and NOT list them as shareholders 7 years after the investment has been made.

It is very wrong of you to not explain to the board that this is one of the main reason why WE are being sued by Jason Chapnik for \$2M.

It is ILLEGAL for you to dilute my equity in Namesphere without my explicit approval.

It is dishonest of you to not disclose to the DotAsia board that I have NOT agreed to dilution from 20% to 14%, in favor of DotAsia, AND that I have repeatedly made this known to you offline.

More importantly, there is no reason stopping you now from correcting this error, as ALL the TLDs applied for have already been won or lost.

Why do you not do the right thing and just fix the shareholding structure?

This is what any decent partner would do!

Furthermore, especially during the .INC discussions and since the legal proceedings for .box, I have specifically provided the TLD Partnership Agreement to Joel as a shareholder of Namesphere.

Nowhere in the TLD agreement is DotPH mentioned. This is HIGHLY IRREGULAR, as there are only 2 TLDs of consequence here, BOX (purchased at \$3M) and INC (purchased at \$18M).

DotPH owned 30% of INC directly, and 4% indirectly (through Namesphere). The rest of NS only owned 16% of INC. DotPH owns 10% of BOX indirectly, whereas the rest of NS owns 40% of BOX.

It should be clear that DOTPH assets in this deal were worth far more than Namesphere's or DotAsia's.

How is it possible that DotASIA is a signatory to this contract, when it owns no shares directly in any of these TLDS?

And how is it possible that DotPH is Not a signatory to this contract, whereas DotPH owns shares directly in INC?

What you have done has had serious consequences.

Because of your actions, DOTPH is out of an investment that is worth \$6,120,000 (34% of \$18M).

At the time Jason squeezed us out of INC, you did not disclose to me or the board that your relationship with Jason over BOX had deteriorated so badly. **In fact, we were completely blindsided that Jason was suing us for \$2M over BOX.**

IF you had been more transparent and told me the REAL reason we were being squeezed out, I would have taken you out of discussions with Jason and attempted to salvage the INC situation. And I may have been even able to avoid a lawsuit over BOX.

IF you had listed DotPH as a shareholder of Namesphere AND had us sign the TLD Partnership agreement, DOTPH would have had the legal right to stop Jason Chapnik from squeezing us out, and even sue him. By not representing us, by completely taking us out of the equation, by not disclosing to us that you had misrepresented us, and by your lack of candor, you have caused us to lose a very valuable asset.

I trust you will do the right thing and try to find some way to compensate us for these losses.

I apologize to the other board members who think they may be caught in an internecine battle, but I think every effort should be made to resolve this amicably, rather than through the courts as Jason Chapnik has done. **Please know that this is an issue that concerns the board directly, as it is responsible for its oversight of Namesphere (or more correctly, the lack thereof).**

Regards
Joel Disini

On Thu, Feb 14, 2019 at 2:40 PM Edmon <edmon@registry.asia> wrote:

Hi Board and Joel,

As mentioned a few times, we will plan to set aside ample time at our f2f meeting in Daejeon to go over all of the issues and concerns you have.

First of all, let me emphasize that at no time has the rights of DotPH as a shareholding investor of Namesphere been impaired.

Let me respond now to a few items so we have better grounds and clarity for the discussion, here is a very brief chronology of the inclusion of DotPH as an investor into Namesphere (and the new gTLD applications it is involved in):

- In early March 2012, DotPH indicated interest in investing into Namesphere
- At the March 21, 2012 DotAsia Board meeting, DotPH's interest was reported to the board (http://board.dot.asia/wiki/index.php/Board_Meeting_Transcript_2012.03.21)
- At the March 28, 2012 DotAsia Board meeting, DotPH's interest to invest was again raised but has not been confirmed (http://board.dot.asia/wiki/index.php/Board_Meeting_Transcript_2012.03.28)
- March 29, 2012, was the deadline for submitting all entities into the ICANN system for new gTLD application (i.e. Namesphere and all the entities used for submitting a new gTLD application must be created, and cannot be changed later)
- On April 8, 2012, we received confirmation from DotPH for the investment
- On April 18, 2012, we received the funds from DotPH for the investment

It is not about whether adding DotPH would be beneficial to the ICANN application. There are rules in the Applicant Guidebook (AGB: the new gTLD process) that disallows such changes. In short, ICANN could potentially disqualify the application (in particular Section 1.2.1 and 1.2.7), therefore we do not believe it was prudent to make such change until the ICANN process is complete. The above chronology explains how the applicant entity was created and subsequently the AGB requirements explains why we have not made the shareholding change yet. Again, let me re-emphasize that at no time is DotPH's rights impaired.

A more detailed version of the chronology is being prepared and will allow us to walk through the process better at our f2f meeting. Also the TLD Partnership Agreement has been explained to the DotAsia board at multiple board meetings before it was executed. Furthermore, especially during the .INC discussions and since the legal proceedings for .box, I have specifically provided the TLD Partnership Agreement to Joel as a shareholder of Namesphere. I am attaching it here again for everyone's easy reference.

For the Cayman Island company, that is setup specifically for .box, since DotPH was not directly a shareholder for .box that Cayman Island company naturally did not include DotPH (regardless of whether or not the DotPH shares for Namesphere have already been fully converted and registered with the Companies Registry in Hong Kong). DotPH's interest is maintained, has always been maintained and continues to be maintained via its shareholding in Namesphere.

Rebecca had previously provided the chronology of the Cayman Island entity creation, which I have attached here also for easy reference. Rebecca will further provide the Cayman Island corporate documents.

Furthermore, Rebecca will provide further information on the financial matters including how the funds were recorded in the audited financials.

Edmon

From: J. Emmanuel Disini [mailto:jed@dot.ph]

Sent: Thursday, February 14, 2019 6:43 AM

To: Rebecca Chan <rebecca@registry.asia>

Cc: Edmon <edmon@registry.asia>; DotAsia Secretary <secretary@dot.asia>; board@dot.asia; tommy-m@tkd.att.ne.jp; ENDO Atsushi <endo@jprs.co.jp>; Yiu Kwok Tham <yiutham@hotmail.com>

Subject: Re: [Board] Namesphere matters [RE: Audit Report]

 " All along we have the understanding and have presented previously to the board that this is structured (even though not signed) as a convertible debenture agreement with DotPH, "

That is not true. All along the agreement was that DotPH would own shares in Namesphere. There never was a discussion about convertible debentures. There never was any discussion that this was a loan. There was never any discussion of interest on the loan. There has never been any interest paid on said loan. There was never a discussion about the conditions in which the loan would be converted to shares. The agreement was very clear - DotPH would be getting SHARES in Namesphere. That you have taken my money and not included me as a shareholder for 7 years is completely UNACCEPTABLE.

"Namesphere Limited and the companies under it were created before any funds came in to make the application deadline back in 2012."

The funds were wired to you within days of your requesting the funds. This is not an acceptable reason to disenfranchise me as a rightful shareholder of NAMESPHERE. Please do send me the incorporation papers for the other companies in which Namesphere has equity in, including the CAYMAN ISLANDS company.

" Because any update on shareholding will need to have ICANN's consent which involves application and fees for background check on each shareholder, that's another reason to date that we had anticipated to do it in one go when the shareholding is "set"

That is no excuse to not include DotPH as a shareholder of Namesphere. Adding DotPH as a shareholder in 2012 would not have affected the viability of any of our TLD applications negatively. In fact, adding another Registry operator should have only enhanced the viability of our applications. There is no reason to believe that DotPH would be an unacceptable shareholder of a gTLD to ICANN. This reasoning is mildly insulting.

"Intercap's lawsuit named DotAsia and Namesphere Holdings because they are parties in the TLD partnership agreement, not because they are shareholders. "

I never heard of this partnership agreement. Why are these agreements not being disclosed to the "shareholders" of Namesphere? Can you send it please?

Regards
- Joel Disini

On Wed, Feb 13, 2019 at 4:46 PM Rebecca Chan <rebecca@registry.asia> wrote:

Dear Joel/Board,

Attached please find for your reference:

1. DotAsia Group Chart
2. Namesphere Group HK Companies Registry Records
3. Incorporation Form (including M&A) of Namesphere Limited
4. Incorporation Form (including M&A) of Namesphere Holdings Limited

As for the other companies, I will further gather and post them later.

A few more notes/clarifications:

- Namesphere Limited and the companies under it were created before any funds came in to make the application deadline

back in 2012.

- All along we have the understanding and have presented previously to the board that this is structured (even though not signed) as a convertible debenture agreement with DotPH, that DotPH, along with ER3 (which is in the same situation) and any other possible new investor/shareholder, would officially convert the debenture into shares when necessary, e.g. for .spa as it gets started, when new funds come in and/or when the TLD business takes off and we have further transactions. That agreement entitles DotPH and ER3 its rights/shares in the company. We have always used "Loan (Investment)" to mark those funds in our own record which reconciles with the convertible debenture structure.

- Because any update on shareholding will need to have ICANN's consent which involves application and fees for background check on each shareholder, that's another reason to date that we had anticipated to do it in one go when the shareholding is "set" (i.e. when a particular TLD gets started or when other transactions dictate that such formal changes be needed, or when we complete all the application and launch processes of the TLDs and we are operating at steady-state).

- Intercap's lawsuit named DotAsia and Namesphere Holdings because they are parties in the TLD partnership agreement, not because they are shareholders. That's why Namesphere Limited was not listed as well.

Regards,
Rebecca

From: Edmon [mailto:edmon@registry.asia]
Sent: Wednesday, 13 February 2019 11:40 AM
To: 'J. Emmanuel Disini' <jed@dot.ph >
Cc: board@dot.asia ; 'Rebecca Chan' <rebecca@registry.asia >; 'DotAsia Secretary' <secretary@dot.asia >
Subject: Namesphere matters [RE: [Board] Audit Report]

Hi Joel,

As presented in previous DotAsia board meetings and documented in official records, dotPH shareholderships are taken seriously into account.

Let me attach some relevant slides that have been repeatedly used at previous DotAsia board meetings for your reference (included herein are extracted from materials included between 2013-2019 as snapshots from the monthly updates and f2f board meetings provided to the DotAsia board). As mentioned previously to yourself separately, and also to the DotAsia board at our last monthly meeting, we will try to set aside a good part of the afternoon on Feb 23 at our Face-to-face board meeting to walkthrough all that has transpired with Namesphere so that everyone has a clearer picture.

I will let Rebecca further provide the details in response to your questions.

Edmon

From: Board [<mailto:board-bounces@dotasia.org>] **On Behalf Of** J. Emmanuel Disini
Sent: Wednesday, February 13, 2019 2:32 AM
To: Edmon Chung <edmon@registry.asia >
Cc: board@dot.asia
Subject: Re: [Board] Audit Report

Edmon,

I would also like to follow up my request for all incorporation papers (articles of incorporation, bylaws, list of directors, list of shareholders) for Namesphere, and the various companies that Namesphere has equity in.

It has come to my attention that the BOX lawsuit lists DotAsia and Namesphere as shareholders of .BOX, but DotPH is not mentioned anywhere. And that a Cayman Islands company was incorporated, and neither is DotPH listed there. It was my understanding that DotPH had equity in Namesphere, but it seems that we have been omitted from the list of shareholders.

THIS IS A VERY SERIOUS MATTER, and I trust you will give it the attention it deserves.

Regards
Joel Disini

On Mon, Feb 11, 2019 at 6:17 PM Yiu Kwok Tham <yiutham@hotmail.com> wrote:

Thank you, Rebecca. My comment was not meant to be personal. That was the kind of work discipline I was subjected to when I worked in multi-national corporations.

From: Rebecca Chan <rebecca@registry.asia>
Sent: Monday, February 11, 2019 6:01:28 PM
To: 'Yiu Kwok Tham'; 'J. Emmanuel Disini'
Cc: board@dot.asia
Subject: RE: [Board] Audit Report

Dear Joel / Dr. Tham,

Understood and I'll try my best to send the materials out as early as possible this time. Will also keep this in mind for future meetings.

Regards,
Rebecca

From: Yiu Kwok Tham [mailto:yiutham@hotmail.com]]
Sent: Monday, 11 February 2019 3:47 PM
To: J. Emmanuel Disini <jed@dot.ph>; Rebecca Chan <rebecca@registry.asia>
Cc: board@dot.asia
Subject: RE: [Board] Audit Report

I generally agree with the sentiment expressed. That's the sort of discipline regime I'm used to. Notices/changes of meetings should be served clearly well in advance, together with supporting documents for perusal.

Happy Lunar New Year and best wishes!

From: Board <board-bounces@dotasia.org> on behalf of J. Emmanuel Disini <jed@dot.ph>
Sent: Sunday, February 10, 2019 9:27:13 PM
To: Rebecca Chan
Cc: board@dot.asia
Subject: Re: [Board] Audit Report

Thanks Rebecca,

I would appreciate it if you could send it well before the board meeting, so we can have the time to study it and ask questions during the board meeting.

On Fri, 8 Feb 2019 at 6:05 AM Rebecca Chan <rebecca@registry.asia> wrote:

Hi Joel and everyone,

I will have the financials ready by next board meeting.

And, Happy Lunar New Year to all those who celebrate it!

Regards,
Rebecca

From: J. Emmanuel Disini [mailto:jed@dot.ph]]
Sent: Monday, 4 February 2019 12:15 PM
To: Rebecca Chan <rebecca@registry.asia>

Cc: board@dot.asia

Subject: Re: [Board] Audit Report

rebecca,

Could you give us a deadline as to when the accounting of Namesphere (and it's subsidiaries will be complete)? As discussed in October with Edmon, and in subsequent meetings, I would like a detailed accounting of our income and expenses, and all cash flows from the time beginning of time.

Please note that cash flows like the \$1.5M paid to Amazon must be included.

And minor amounts like the \$140k in salaries need to be documented, so I can understand where costs can be cut.

thank you

Joel Disini

On Thu, Jan 31, 2019 at 6:19 PM Rebecca Chan <rebecca@registry.asia> wrote:

Dear Board,

Thank you all for your approval and comments. We can certainly further discuss in the upcoming board meeting for any issues you may have.

Following Endo-san's comment, I have now talked to RSM about changing the word "Chairman" on page 3, to "Director". They will proceed in producing the reports for execution, upon confirmation from their partner that the change is acceptable.

Regards,

Rebecca

From: Rebecca Chan [<mailto:rebecca@registry.asia>]

Sent: Wednesday, 30 January 2019 5:00 PM

To: 'board@dot.asia' <board@dot.asia>

Subject: RE: Audit Report

Dear Board,

Just a reminder again to see if you have any comments/questions about the Audit Report. It would be great if you can send in your approval by email so we can have it executed.

Regards,

Rebecca

From: Rebecca Chan [<mailto:rebecca@registry.asia>]

Sent: Thursday, 24 January 2019 6:24 PM

To: 'board@dot.asia' <board@dot.asia>

Subject: RE: Audit Report

Dear Board,

As discussed in the board meeting yesterday, please let me know if you have further questions on the Audit Report. If you find it ok, it would be greatly appreciated if you can reply with your approval. We hope to have it approved as soon as possible and hopefully within a week's time.

Thanks,

Rebecca

From: Rebecca Chan [<mailto:rebecca@registry.asia>]

Sent: Wednesday, 23 January 2019 2:36 PM

To: 'board@dot.asia' <board@dot.asia>

Subject: Audit Report

Dear Board,

Attached is the final version of our Sep 30, 2017 audit report from RSM.

In Summary:

1. Our Loss from operations was reduced from USD160K last year to USD114K this year. So operationally we're doing a bit better.
2. A significant item on this report is the impact of the .box legal dispute, causing the auditor to need to provide for legal fees, plus writing off value of the .box asset for the period. This impairment of the .box asset is due to the fact that with the legal proceedings, they cannot assume the asset will generate any business/value. They will insert back any value assessed/projected when the dispute is settled.
3. Our final Net Reserves is a deficit of \$229K, which is a ~\$1.4M drop from last year. This is largely the effect of the following major items:

Provision of legal fees -\$577K

Impairment on .box asset -\$1.3M

Increase in value of Property +\$540K

4. For this report, the overall layout and notes sections are similar to previous year's report, and below please find a few further notes that I would like to highlight to you

Please feel free to let me know if you have any questions, and we can discuss them during the board meeting.

Regards,
Rebecca

Page	Note/Point/Para	Comment
4-7	Independent Auditor's Report section	The entire section has new standard wording this year (same case and as mentioned for the DotAsia Foundation report), the new wording is lengthier but it looks fine, i.e. nothing much to be concerned with.
5	Material Uncertainty Related to Going Concern	In this paragraph, the claim of CAD2M from the legal dispute is mentioned. The amount of Net Current Liabilities is US\$3,795,467 (US\$3,222,376 for 2016) and Net Liabilities is US\$229,311 (US\$1,190,293 Net Assets for 2016). The big difference between the 2 years is due to the impairment of the .box asset and provision of legal fees.
8	Income Statement	Provision for legal proceedings: US\$577,500 - as estimated by our Canadian attorney Impairment on Intangible Asset: US\$1,312,500 - this is our \$1.5M investment into .BOX, after amortisation as required by auditor Gain on Property Revaluation: US\$706,866 Impairment on amounts due from joint ventures of USD1.77M and Gain on deconsolidation of a subsidiary of \$1.7M are results of we moving NS1 from being directly owned to indirectly owned through .BOX INC. As the books of .BOX INC. has not yet reflected the costs incurred by NS1, further

		receivables will be booked on costs that are due from .BOX INC, this will occur at appropriate timing in regards to the dispute in progress.
		Written off of amounts due from associates of - US\$152,008 are amounts associated with Global eCommerce which is now dissolved. This amount is essentially absorbed by Global Website as it was the deal to withdraw "eCommerce" in exchange of "Website".
9	Statement of Financial Position	Reserves (Deficit): -US\$229,311 - a drop of ~\$1.4M from last year, as explained in Summary above.

Board mailing list

Board@dotasia.org

<https://mailman.dotasia.org/mailman/listinfo/board>

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Board@dotasia.org

<https://mailman.dotasia.org/mailman/listinfo/board>

----- Forwarded message -----

From: Rebecca Chan <rebecca@registry.asia>

To: <board@dot.asia>

Cc:

Bcc:

Date: Thu, 20 Dec 2018 16:06:33 +0800

Subject: [Board] Further documents from board meeting

Dear Board,

As discuss yesterday in the board meeting, please find attached the timeline documents that we sent to our lawyer.

Also attached is a cash flow summary for the two months of Oct and Nov. Note that the amounts may not match on a month-to-month basis, as inflow and outflow sometimes occur in earlier or later months than projected but overall we have a net inflow of \$83,342 (including ~\$55,000 more Registrar Deposits than projected). We will do a more detailed update every quarter based on actual numbers and adjust our projection accordingly.

Regards,

Rebecca