

NOTICE TO INVESTORS & INTERESTED PARTIES OF PROPOSED SALE OF RECEIVERSHIP ASSETS & BIDDING PROCEDURES

On November 8, 2016, the Securities and Exchange Commission (“SEC”) initiated its action against Alberto Chang-Rajii, Onix Capital, LLC (“Onix”) and Relief Defendants, Deep Ocean LLC, Next Cab Ventures LLC, Next Call Ventures LLC, Next Chat Ventures LLC, Next Pay Ventures LLC, Next U Ventures LLC, Next Track Ventures LLC, and Progressive Power LLC (the “SEC Case”). The federal judge overseeing the SEC Case, Judge Marcia G. Cooke, appointed Melanie Damian Receiver of Onix and the Relief Defendants (the “Receiver”). The Court has specifically tasked the Receiver to marshal and safeguard all such assets and take whatever actions necessary for the protection of any investors of Onix and/or Relief Defendants.

The primary assets of the Receivership Entities are equity holdings in non-public and public companies, including:

- a) Open English Holdings, Inc. (“Open English”), a company that provides online teaching of the English language in Latin America and the Hispanic market in the U.S. Prior to the commencement of the receivership, Onix acquired 105,409 shares of Common Stock for \$988,736.42, and 301,825 shares of Series Next U Preferred Stock of Open English through convertible note transactions totaling \$1,664,886.13 (the “Open English Shares”). The Open English Shares were subsequently transferred to Relief Defendant Next U Ventures LLC.
- b) Dialpad Inc. (“Dialpad”), is a company that provides cloud-based business phone systems that power voice, video, messages, and meetings across existing devices. In February 2015, Onix purchased 364,843 Series C Preferred Shares in Dialpad, then known as Switch Communications Inc., a Delaware corporation (the “Dialpad Shares”), for \$1 million. In April 2015, Onix transferred its interest in the Dialpad Shares to Relief Defendant Next Call Ventures LLC.

The Receiver has determined that the best method to sell the Open English Shares and Dialpad Shares is a competitive bidding process after the selection of a “stalking horse” bidder who is willing, able and committed to close on a sale at a specified purchase price that will establish the minimum value to be offered for the Open English Shares and Dialpad Shares.

The Receiver has received Court approval to enter into separate Asset Purchase Agreements with qualified Stalking Horse bidders (“Stalking Horse Bidders”), who have offered \$407,234.00 as a starting bid for the Open English Shares and \$200,000.00 as a starting bid for the Dialpad Shares.

The Asset Purchase Agreements contains many terms and conditions that are described in greater detail in the *Receiver’s Motions to Approve Stalking Horse Purchase Agreement and Bidding Procedures* (“Purchase Agreements and Bidding Procedures Motions”) filed on September 1, 2020 and November 3, 2020. Copies of the Purchase Agreements and Bidding Procedures Motions and the Court’s orders granting these Motions (“Orders”), are available on the Receiver’s website at www.onixcapitalreceivership.com and can also be obtained by requesting a

copy from counsel to the Onix Receiver, Attn: Farola Saint-Remy, Kozyak Tropin & Throckmorton, LLP 2525 Ponce De Leon, 9th Floor, Miami, Florida 33134 and fsr@kttlaw.com.

Pursuant to the Orders, the Court approved the Bidding Procedures attached hereto as “Composite Exhibit A.” Additionally, pursuant to the Orders, the Court approved the payment of a termination fee which is payable to each Stalking Horse Bidder upon the occurrence of certain events, including in the event that another bidder is approved as the successful purchaser pursuant to the Bidding Procedures or if the Receiver breaches the Asset Purchase Agreements or fails to close after all conditions to closing have been satisfied. Finally, pursuant to the Orders, the Court approved this Notice and authorized the Receiver to publish this Notice on the Receiver’s website and otherwise market the proposed sale of the Open English Shares and Dialpad Shares as appropriate.

In order to maximize the value of the shares, the sale to each Stalking Horse Bidder will be subject to higher and better offers and the Receiver will solicit other purchasers to submit such offers pursuant to the Bidding Procedures to be received by **no later than 5:00 p.m. (EST) on February 10, 2021**. If other qualified offers are submitted in accordance with the Bidding Procedures, an auction will be conducted on **February 15, 2021 at 10:00 a.m.** via Zoom Video Conferencing and the Receiver will present the highest and best offers obtained at the conclusion of the auction to the Court for approval at the Sale Hearing to be conducted on **February 17, 2021 at 10:30 a.m.** (the “Sale Hearing”) via a remote hearing through Zoom Video Conferencing. If no qualified offers are received in accordance with the Bidding Procedures, no auction will be conducted and the sale to each Stalking Horse Bidder pursuant to the Asset Purchase Agreements will be presented for approval at the Sale Hearing.

COMPOSITE EXHIBIT A

BIDDING PROCEDURES (Open English Shares)

Set forth below are the bidding procedures to be employed with respect to the Asset Purchase Agreement, dated as of October, 2020 (the "Purchase Agreement"), by and between Melanie Damian, as the Receiver (in such capacity, "Receiver") appointed by the United States District Court for the Southern District of Florida (the "Court") and Kaplan Group of Companies LLC ("Stalking Horse Bidder"). Unless otherwise defined herein, all capitalized terms have the meanings ascribed to such terms in the Purchase Agreement.

The Stalking Horse Bidder's proposal recognizes that in order to maximize the value of the assets to be sold, the sale of the Open English Shares must be subject to higher and better offers. It is common in such situations for the seller and a stalking horse bidder to request the approval of certain bid procedures that will both protect the stalking horse bidder for the investment of time, expense and effort made in formulating and pursuing an initial bid (which will itself encourage the participation of other bidders), and also encourage and promote serious yet competitive bidding on the assets that will yield the highest and best offer.

The bid procedures incorporated into the Purchase Agreement, and which the Court approved on November 18, 2020, are as summarized below, with such summary being qualified in all respects by the terms of the bidding procedures attached to the Purchase Agreement (the "Bidding Procedures"):

Participation Requirements

To participate in the bidding process a potential bidder must provide to the Receiver:

- (1) an executed non-disclosure agreement that affirms they are an accredited investor, and
- (2) an affidavit of non-affiliation with the Receivership Entities.

Within 2 business days after such materials have been provided to the Receiver, the Receiver shall advise the potential bidder if it is qualified as a bidder and shall provide such bidder with the same evaluation materials for the Open English Shares as were provided to the Stalking Horse Bidder.

Bid Deadline

Written copies of bids must be delivered to Receiver's counsel at, Kozyak Tropin & Throckmorton, LLP, at 2525 Ponce de Leon Boulevard, 9th Floor, Coral Gables, FL 33134, Attention: David L. Rosendorf, Esq., Email: dlr@kttlaw.com by **no later than 5:00 p.m. (EST) on February 10, 2021** (the "Bid Deadline"). Receiver shall immediately provide Stalking Horse Bidder with a copy of any bids submitted by the Bid Deadline.

Due Diligence

Qualified bidders may conduct due diligence until the Bid Deadline.

Bidders must submit bids by the Bid Deadline. A bid must state that (i) the bidder offers to

purchase the Open English Shares upon the terms and conditions set forth in the Purchase Agreement; and (ii) the bidder's offer is irrevocable until the earlier of 48 hours after closing of the sale to the successful bidder, or 20 days after the Sale Hearing. The bid must be accompanied by a cash deposit of 10% of the purchase price, and evidence of financial ability to consummate the transaction acceptable to the Receiver.

Acceptance of Overbids

A bid shall qualify as an Overbid if (i) the bid is all cash and does not contain any form of contingent consideration; (ii) the bid will produce value to the Receiver at least \$10,000.00 greater than that produced by the Purchase Agreement (including consideration of the Termination Fee payable to Stalking Horse Bidder in the event of an overbid); (iii) the overbid agreement is in the form of the Purchase Agreement except with respect to the identity of the purchaser; (iv) the bid is accompanied by such other information as is reasonably requested by the Receiver.

Auction

If qualified overbids have been received from at least one bidder, the Receiver will conduct an Auction. The Auction will take place on **February 15, 2021 at 10:00 a.m.** via Zoom Video Conferencing so that qualified bidders may participate remotely. Only qualified bidders who have submitted an overbid and Stalking Horse Bidder will be eligible to participate in the auction. Qualified bidders will be advised at least one business day prior to the Auction Date of the identity of the other qualified bidders and of the highest and best overbid received as determined by the Receiver (the "Initial Successful Bid").

At the Auction, each qualified bidder will be permitted to increase its bid, and all auction participants shall be entitled to be present for all bidding. Bidding shall proceed in increments of \$10,000.00 greater than the Initial Successful Bid and shall be subject to all requirements of an Overbid.

The Auction shall continue until each auction participant has indicated its unwillingness to increase its bid further. Upon the conclusion of the Auction, the Receiver will identify the Overbid that, in her business judgment, is the highest and best Overbid (the "Successful Bid"). The Receiver will notify all auction participants of the identity of the Successful Bidder and shall file a notice presenting the Successful Bid and the next highest bid (the "Back-Up Bid") to the Court for approval.

The Receiver will present the highest and best offers obtained at the conclusion of the auction to the Court to approve the sale of the Open English Shares to the Successful Bidder at the Sale Hearing to be conducted on **February 17, 2021 at 10:30 a.m.** (the "Sale Hearing") via a remote hearing through Zoom Video Conferencing. If the Successful Bidder, as approved by the Court, fails to timely consummate the sale because of a breach or failure to perform by the Successful Bidder, the Back-Up Bid, as approved by the Court, shall be deemed to be the Successful Bidder and shall be authorized to effectuate the sale without further Court order. Any Overbid shall be deemed accepted by the Receiver only upon approval by the Court.

Failure to Consummate Purchase

If a Successful Bidder fails to timely consummate the sale of the Open English Shares, and such failure is the result of a breach by the Successful Bidder, the Successful Bidder's deposit shall be forfeited to Receiver and Receiver, except to the extent provided in the Purchase Agreement, reserves all rights to seek damages from such bidder.

Objections

Any objections to the proposed sale shall be filed and served on Receiver's counsel by **February 15, 2021**.

Return of Good Faith Deposit

The deposits of the Successful Bidder and Back-Up Bidder shall be held in trust until the earlier of (A) the earlier of two business days after consummation of the sale, or 20 days after the Sale Hearing; or (B) the date on which the Purchase Agreement is terminated in accordance with its terms. All other deposits of unsuccessful bidders shall be returned within two business days of the entry of the Sale Order.

BIDDING PROCEDURES (Dialpad Shares)

Set forth below are the bidding procedures to be employed with respect to the Asset Purchase Agreement, dated as of August 17, 2020 (the “Purchase Agreement”), by and between Melanie Damian, as the Receiver (in such capacity, “Receiver”) appointed by the United States District Court for the Southern District of Florida (the “Court”) and Messrs. Stefano Barbiera and Lorenzo Volpi (“Stalking Horse Bidder”). Unless otherwise defined herein, all capitalized terms have the meanings ascribed to such terms in the Purchase Agreement.

The Stalking Horse Bidder’s proposal recognizes that in order to maximize the value of the assets to be sold, the sale of the Dialpad Shares must be subject to higher and better offers. It is common in such situations for the seller and a stalking horse bidder to request the approval of certain bid procedures that will both protect the stalking horse bidder for the investment of time, expense and effort made in formulating and pursuing an initial bid (which will itself encourage the participation of other bidders), and also encourage and promote serious yet competitive bidding on the assets that will yield the highest and best offer.

The bid procedures incorporated into the Purchase Agreement, and which the Court approved on November 3, 2020, are as summarized below, with such summary being qualified in all respects by the terms of the bidding procedures attached to the Purchase Agreement (the “Bidding Procedures”):

Participation Requirements

To participate in the bidding process a potential bidder must provide to the Receiver:

- (1) an executed non-disclosure agreement that affirms they are an accredited investor, and
- (2) an affidavit of non-affiliation with the Receivership Entities.

Within 2 business days after such materials have been provided to the Receiver, the Receiver shall advise the potential bidder if it is qualified as a bidder and shall provide such bidder with the same evaluation materials for the Dialpad Shares as were provided to the Stalking Horse Bidder.

Bid Deadline

Written copies of bids must be delivered to Receiver’s counsel at, Kozyak Tropin & Throckmorton, LLP, at 2525 Ponce de Leon Boulevard, 9th Floor, Coral Gables, FL 33134, Attention: David L. Rosendorf, Esq., Email: dlr@kttl.com by **no later than 5:00 p.m. (EST) on February 10, 2021** (the “Bid Deadline”). Receiver shall immediately provide Stalking Horse Bidder with a copy of any bids submitted by the Bid Deadline.

Due Diligence

Qualified bidders may conduct due diligence until the Bid Deadline.

Bidders must submit bids by the Bid Deadline. A bid must state that (i) the bidder offers to purchase the Dialpad Shares upon the terms and conditions set forth in the Purchase Agreement; and

(ii) the bidder's offer is irrevocable until the earlier of 48 hours after closing of the sale to the successful bidder, or 20 days after the Sale Hearing. The bid must be accompanied by a cash deposit of 10% of the purchase price, and evidence of financial ability to consummate the transaction acceptable to the Receiver.

Acceptance of Overbids

A bid shall qualify as an Overbid if (i) the bid is all cash and does not contain any form of contingent consideration; (ii) the bid will produce value to the Receiver at least \$10,000.00 greater than that produced by the Purchase Agreement (including consideration of the Termination Fee payable to Stalking Horse Bidder in the event of an overbid); (iii) the overbid agreement is in the form of the Purchase Agreement except with respect to the identity of the purchaser; (iv) the bid is accompanied by such other information as is reasonably requested by the Receiver.

Auction

If qualified overbids have been received from at least one bidder, the Receiver will conduct an Auction. The Auction will take place on **February 15, 2021 at 10:00 a.m.** via Zoom Video Conferencing so that qualified bidders may participate remotely. Only qualified bidders who have submitted an overbid and Stalking Horse Bidder will be eligible to participate in the auction. Qualified bidders will be advised at least one business day prior to the Auction Date of the identity of the other qualified bidders and of the highest and best overbid received as determined by the Receiver (the "Initial Successful Bid").

At the Auction, each qualified bidder will be permitted to increase its bid, and all auction participants shall be entitled to be present for all bidding. Bidding shall proceed in increments of \$10,000.00 greater than the Initial Successful Bid and shall be subject to all requirements of an Overbid.

The Auction shall continue until each auction participant has indicated its unwillingness to increase its bid further. Upon the conclusion of the Auction, the Receiver will identify the Overbid that, in her business judgment, is the highest and best Overbid (the "Successful Bid"). The Receiver will notify all auction participants of the identity of the Successful Bidder and shall file a notice presenting the Successful Bid and the next highest bid (the "Back-Up Bid") to the Court for approval.

The Receiver will present the highest and best offers obtained at the conclusion of the auction to the Court to approve the sale of the Dialpad Shares to the Successful Bidder at the Sale Hearing to be conducted on **February 17, 2021 at 10:30 a.m.** (the "Sale Hearing") via a remote hearing through Zoom Video Conferencing. If the Successful Bidder, as approved by the Court, fails to timely consummate the sale because of a breach or failure to perform by the Successful Bidder, the Back-Up Bid, as approved by the Court, shall be deemed to be the Successful Bidder and shall be authorized to effectuate the sale without further Court order. Any Overbid shall be deemed accepted by the Receiver only upon approval by the Court.

Failure to Consummate Purchase

If a Successful Bidder fails to timely consummate the sale of the Dialpad Shares, and such failure is the result of a breach by the Successful Bidder, the Successful Bidder's deposit shall be forfeited to Receiver and Receiver, except to the extent provided in the Purchase Agreement, reserves all rights to seek damages from such bidder.

Objections

Any objections to the proposed sale shall be filed and served on Receiver's counsel by **February 15, 2021**.

Return of Good Faith Deposit

The deposits of the Successful Bidder and Back-Up Bidder shall be held in trust until the earlier of (A) the earlier of two business days after consummation of the sale, or 20 days after the Sale Hearing; or (B) the date on which the Purchase Agreement is terminated in accordance with its terms. All other deposits of unsuccessful bidders shall be returned within two business days of the entry of the Sale Order.