FINANCIAL INDUSTRY REGULATORY AUTHORITY

RE: THE ARBITRATION OF

JAKE P. NOCH FAMILY OFFICE, LLC
PRO MUSIC RIGHTS, INC.

Claimants,

v. **FINRA Case No.:**

OTC LINK LLC

Respondent
____/

STATEMENT OF CLAIM

COMES NOW the Claimants Jake P. Noch Family Office, LLC, and Pro Music Rights, Inc., by and through Jake P. Noch who is the managing member of the Jake P. Noch Family Office, LLC and CEO of Pro Music Rights, Inc. (hereinafter "Claimants"), through the undersigned counsel, and requests arbitration of the claims against Respondent OTC Link LLC. (hereinafter referred to as "Respondent" or "OTC"), and in support thereof allege the following:

SUMMARY OF CLAIM

Claimants brings this claim due to Respondent OTC's misconduct. Jake P. Noch is the managing member of the Jake P. Noch Family Office, LLC., which was formed in May of 2022. Mr. Noch is also the founder and CEO of Pro Music Rights, Inc. Pro Music Rights was a private company seeking to go public through a reverse merger. Mr. Noch wanted to acquire a company listed on OTC's platform because of its strict financial requirements and transparency for investors. OTC provides liquidity and execution services to over 12,000 securities trading on its market platform. OTC has stringent listing requirements in order for a stock to trade on its platform. One important requirement is that a company have yearly audited financials.

Mr. Noch targeted Nuvus Gro Corp (NUVG) as a potential reverse merger target for Pro Music Rights. Mr. Noch relied heavily on OTC's representations regarding the firm's audited financials. For years Nuvus Gro Corp was listed and traded under the symbol NUVG on the OTC market platform. OTC represented on its website that NUVG's audited financials were current, and allowed NUVG full trading privileges. As part of its due diligence, Mr. Noch executed trades in NUVG, which cleared without any issues. Mr. Noch also confirmed that the trades were DTC eligible. As a result, Pro Music Rights finalized an agreement to acquire NUVG through a reverse merger in July 2022. Pro Music Rights began a change of control review process through OTC on dor around July 22, 2022. OTC took approximately a week to finalize its due diligence of the change of control (including but not limited to NUVG's financials), and approved the change of control on or around July 29, 2022. OTC represented that Pro Music Rights would trade without issue on the OTC Pink sheet market through OTC under the same symbol NUVG.

The Jake P. Noch Family Office, LLC purchased a controlling stake in NUVG with a cost basis of $4,169,000.00 on 07/25/2022 NUVG then acquired Shares Of Pro Music Rights Class A & B Common Stock From The Jake P. Noch Family Office, LLC on 08/15/2022 with a cost basis of $382,405,108.25. The stock traded without any issues until approximately September 28, 2022. OTC unilaterally, and without notice, moved Pro Music Rights' stock from the liquid Pink sheet market to the OTC expert market. Of course, at the exact time of this move, headquarters for Claimants in Naples, Florida was being battered by 150 mph winds and unforeseen flooding from Hurricane Ian. Mr. Noch lost power at his office and at the hotel where he was forced to stay due to historic flooding. Mr. Noch only learned through twitter postings from angry investors that NUVG stock was moved to the expert market, which does not trade.

Mr. Noch contacted OTC, but was given very little information. Mr. Noch was told that all communications had to be in writing. OTC also stated that although a grace period was permissible, no such courtesy would be given to Mr. Noch, even during a Category 5 storm. Mr. Noch eventually learned that OTC had permitted NUVG stock to trade for approximately 5 years without adequate financials. The timing of OTC's discovery is certainly curious. OTC had just approved the reverse merger acquisition about two months earlier. Had OTC simply done its job, the reverse merger would not have been approved, NUVG would have been delisted, and Mr. Noch would have targeted another company.

Pro Music Rights and its auditors have subsequently updated all of the company's financials. Respondent and its affiliates have moved Pro Music Rights back to the Pink sheet market. However, Respondent and its affiliates have falsely identified Pro Music Rights as a shell company, limiting quotes on the stock to unsolicited only, and have openly warned the largest market makers against trading the stock. The following is what is listed on the OTC website:

Warning! This security is eligible for Unsolicited Quotes Only

This stock is not eligible for proprietary broker-dealer quotations. All quotes in this stock reflect unsolicited customer orders. Unsolicited-Only stocks have a higher risk of wider spreads, increased volatility, and price dislocations. Investors may have difficulty selling this stock. An initial review by a broker-dealer under SEC Rule15c2-11 is required for brokers to publish competing quotes and provide continuous market making.

Respondent and its affiliates' actions have destroyed the trading market for NUVG. The stock's trading spread is prohibitively wide, keeping investment interest to minimal levels. The stock is currently trading around .02 per share.

Mr. Noch has diligently provided Respondent and its affiliates with a legal opinion regarding Pro Music Rights' financial status, a court order that states that NUVG was not a shell company, and countless details regarding Pro Music Rights ongoing business dealings. Upon information and belief, Respondent and its affiliates did not even bother to open the links to this information and refuse to remove the shell risk warnings on the stock despite significant evidence to the contrary. As a result of Respondent's misconduct, Claimants have suffered damages of at least $386,574,108.25. Claimants' claims against Respondent include but are not limited to negligence, breach of contract, failure to supervise, negligent misrepresentation, and violations of FINRA and SEC rules and regulations.

PARTIES

Claimants reside in Naples, FL.

Respondent OTC is a FINRA member headquartered in NY, NY.

OTC LINK LLC

OTC is a FINRA member with its principal place of business in NY, NY. According to its FINRA Brokercheck report, OTC is owned by OTC Markets Group, Inc. OTC states that as the "primary market operator we deliver the most comprehensive, contextual and real-time data in OTCQX, OTCQB, and Pink Securities. In addition, OTC provides "liquidity and execution services for securities on our markets". More than 12,000 companies trade on OTC's platform. OTC conducts a thorough diligence process and conducts extensive research to ensure a company's compliance with regulatory and financial disclosures prior to approval. OTC also provides extensive information on its listed companies including the following information: company overview, market quotes, company profile, security details, news, financials, disclosures, and research to name a few.

CLAIMANTS

Jake P. Noch is the managing member of the Jake P. Noch Family Office, LLC. The family office entity was formed to facilitate taking his company Pro Music Rights public. Pro Music Rights is what is known as a music performing rights organization. A performing rights organization represents songwriters, composers, and music publishers. Pro Music Rights issues music licenses for a monthly or annual fee, then retains that fee as revenue for Pro Music Rights, and then collects the usage fees from businesses that use music, including television and radio stations; broadcast and cable networks; new media, including the Internet/streaming services and mobile technologies; satellite audio services like XM and Sirius; nightclubs, hotels, bars, restaurants and other venues; digital jukeboxes; and live concerts. These usage fees are then distributed as royalties to the songwriters, composers & music publishers that Pro Music Rights represents. Pro Music Rights is recognized in U.S. copyright law as a licensor of music and currently represents more than Two Million Musical works.

REVERSE MERGERS

Reverse mergers are also commonly referred to as reverse takeovers or reverse initial public offerings (IPOs). A reverse merger is a way for private companies to go public. A reverse merger is an attractive strategic option for managers of private companies to gain public company status. It is a less time-consuming and less costly alternative to the conventional initial public offerings (IPOs). Public company management enjoy greater flexibility in terms of financing alternatives, and the company's investors enjoy greater liquidity. Public companies face additional compliance burdens and must ensure that sufficient time and energy continues to be devoted to running and growing the business. A successful reverse merger can increase the value of a company's stock and its liquidity.

Reverse mergers typically occur through a simpler, shorter, and less expensive process than a conventional IPO. With an IPO, private companies hire an investment bank to underwrite and issue shares of the new soon-to-be public entity. Aside from filing the regulatory paperwork and helping authorities review the deal, the bank also helps to establish interest in the stock and provide advice on appropriate initial pricing. The traditional IPO necessarily combines the go-public process with the capital-raising function. A reverse merger separates these two functions, making it an attractive strategic option for corporate managers and investors alike.

In a reverse merger, investors of the private company acquire a majority of the shares of a public shell company, which is then combined with the purchasing entity. Investment banks and financial institutions typically use shell companies as vehicles to complete these deals. These simple shell companies can be registered with the Securities and Exchange Commission (SEC) on the front end (prior to the deal), making the registration process relatively straightforward and less expensive. To consummate the deal, the private company trades shares with the public shell in exchange for the shell's stock, transforming the acquirer into a public company.

Reverse mergers have advantages that make them attractive options for private companies, such as a simplified way to go public and with less risk. Reverse mergers allow a private company to become public without raising capital, which considerably simplifies the process. While conventional IPOs can take months (even over a calendar year) to materialize, reverse mergers can take only a few weeks to complete (in some cases, in as little as 30 days). This saves management time and energy, ensuring that there is sufficient time devoted to running the company. Undergoing the conventional IPO process does not guarantee that the company will ultimately go public. Managers can spend hundreds of hours planning for a traditional IPO. But if stock market conditions become unfavorable to the proposed offering, the deal may be canceled, and all of those hours will amount to a wasted effort. Pursuing a reverse merger minimizes this risk.

As mentioned earlier, the traditional IPO combines both the go-public and capital-raising functions. As the reverse merger is solely a mechanism to convert a private company into a public entity, the process is less dependent on market conditions (because the company is not proposing to raise capital). Since a reverse merger functions solely as a conversion mechanism, market conditions have little bearing on the offering. Rather, the process is undertaken in an attempt to realize the benefits of being a public entity. Public companies often trade at higher multiples than private companies. Significantly increased liquidity means that both the general public and institutional investors (and large operational companies) have access to the company's stock, which can drive its price. Management also has more strategic options to pursue growth, including mergers and acquisitions. As stewards of the acquiring company, they can use company stock as the currency with which to acquire target companies. Finally, because public shares are more liquid, management can use stock incentive plans in order to attract and retain employees.

https://www.investopedia.com/articles/stocks/09/introduction-reverse-mergers.asp

LEGAL ANALYSIS

Based upon the foregoing facts, the Claimants 'claims against Respondent include, without limitation:

COUNT I – BREACH OF CONTRACT

The Claimants adopt and incorporate by reference each and every preceding paragraph as if fully set forth herein. Claimants and Respondent had a contractual relationship. Respondent reviewed the Claimants' proposed reverse merger, whereby Claimants would trade through Respondent under the symbol NUVG on the Pink sheets market. Respondent reviewed the proposed transaction, and financials for NUVG and Claimants. Respondent approved the reverse merger and allowed Claimants to begin trading in August. Respondent subsequently breached that agreement by removing Claimants from the Pink sheets market for reasons that existed prior to Respondent's approval of Claimants for trading. Respondent breach of its agreement with Claimant has caused significant damages to Claimants.

WHEREFORE, PREMISES CONSIDERED, the Claimants demand judgment against Respondent for compensatory damages in the amount of $386,574,108.25 plus interest and costs.

COUNT II – NEGLIGENCE

The Claimants adopt and incorporate by reference each and every preceding paragraph as if fully set forth herein. Respondent had a duty to follow and abide by the rules and the guidelines of FINRA, SEC1, and its own compliance manuals. These rules and guidelines establish the industry standard of care. For years Respondent carelessly permitted NUVG stock to trade on its platform with inadequate financials, albeit while Respondent listed NUVG as compliant. In addition, Claimants paid Respondent for listing approval months prior to Respondent's unilateral removal of Claimants from the Pink sheet platform. Respondent was negligent in its approval of the proposed reverse merger. In addition, Respondent has been negligent in ignorantly listing NUVG as shell risk company despite countless evidence to the contrary. Respondent and its affiliates misconduct has caused foreseeable damages to the Claimants. Respondent's breach constitutes gross negligence. Respondent's breaches of its duties are the proximate cause of Claimants' damages.

WHEREFORE, PREMISES CONSIDERED, the Claimants demand judgment against Respondent for compensatory damages in the amount of $386,574,108.25, plus interest and costs.

COUNT III – NEGLIGENT SUPERVISION

The Claimants adopt and incorporate by reference each and every preceding paragraph as if fully set forth herein. Securities laws impose a duty upon Respondent to properly and reasonably supervise its representatives according to the general and statutory standard of care. In addition,

1 Respondent published quotes on NUVG in violation of SEC Rule 15c2-11

Respondent by virtue of its superior knowledge, judgment, and skill in the financial markets owed Claimants a duty to properly and reasonably supervise its representatives who reviewed the proposed reverse merger. Respondent also failed in supervising employees that wrongfully listed NUVG as a shell risk company. Claimants suffered damages as a result of Respondent's failure to supervise its employees.

COUNT IV – NEGLIGENT MISREPRESENTATION

The Claimants adopt and incorporate by reference each and every preceding paragraph as if fully set forth herein. Securities laws impose a duty upon Respondent to only list securities for trading on the OTC markets that meet industry disclosure requirements. Respondent failed in this regard. NUVG was deficient in its audited financials for approximately 5 years, while Respondent allowed NUVG to trade. Respondent continuously represented to the market that NUVG's financial filings were up to date. In addition, Respondent and its affiliates continue to list NUVG as a shell risk company despite evidence to the contrary. Claimants have suffered significant damages as a result of Respondent's misconduct.

WHEREFORE, PREMISES CONSIDERED, the Claimants demand judgment against Respondent for compensatory damages in the amount of $386,574,108.25, plus interest and costs.

Respectfully submitted this 22nd day of November 2022

/s/ Kristian P. Kraszewski

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