



April 9, 2026

Honorable Paul Atkins  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

*RE: Request for Securities Investigation into Alt5 Sigma Corporation*

Dear Chairman Atkins,

We write to urge your office to commence an investigation into potential securities violations by ALT5 Sigma Corporation (“ALTS” or the “Company”) related to regulatory and governance issues the Company revealed in the months following the Company’s partnership with World Liberty Financial (WLF) that was announced in August 2025. Public reporting identifies serious and ongoing issues—including ALTS failure to disclose a criminal sanction against its Canadian subsidiary—that may have harmed investors by misrepresenting or withholding material compliance information in violation of federal and state securities laws. Moreover, the reporting appears to show that ALTS contributed to creating a conflict of interest by steering investor funds to entities co-owned by President Trump and his associates. Below, we address each of these matters in turn.

### **ALTS’s Material and Ongoing Compliance Issues**

ALTS was originally incorporated in 1983 as Appliance Recycling Centers of America, Inc., focused on recycling and replacement of major appliances.<sup>1</sup> In 2019, Appliance Recycling Centers of America, Inc. was rebranded as JanOne Inc. and its mission was refocused to clinical-stage biopharmaceuticals.<sup>2</sup> In July 2024, JanOne, Inc. renamed again as ALT5 Sigma Corporation and began serving as a financial services and fintech holding company.<sup>3</sup> Slightly more than a year later, on August 12, 2025, ALTS announced that it had secured \$1.5 billion through a combination of a registered direct public offering and a private placement of common stock.<sup>4</sup> ALTS used proceeds from its direct public offering to fund a new digital-asset treasury

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<sup>1</sup> Appliance Recycling Centers of America, Inc., Form 10-K (Mar. 26, 1999), [sec.gov/Archives/edgar/data/862861/0000897101-99-000266.txt](https://www.sec.gov/Archives/edgar/data/862861/0000897101-99-000266.txt).

<sup>2</sup> JanOne, Inc., Form 10-K (Apr. 6, 2020), [https://www.sec.gov/Archives/edgar/data/862861/000156459020015355/jan-10k\\_20191228.htm](https://www.sec.gov/Archives/edgar/data/862861/000156459020015355/jan-10k_20191228.htm).

<sup>3</sup> ALT5 Sigma Corporation, Form 10-K (Mar. 28, 2025), <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000862861/000162828025015469/alts-20241228.htm>.

<sup>4</sup> *ALT5 Sigma Corporation Announces Closing of \$1.5 Billion Registered Direct Offering and Concurrent Private Placement to Initiate World Liberty Financial \$WLF Treasury Strategy*, Bus. Wire (Aug. 12, 2025),

strategy tied to WLF’s \$WLFI governance token. As part of the deal, ALTS paid WLF \$750 million dollars to acquire a large stake of \$WLFI tokens—approximately 7% of total supply—to hold in its treasury purportedly to support broader operations in payments, trading, and settlement. The deal also included WLF CEO Zach Witkoff—the son of Steve Witkoff, President Trump’s Special Envoy to the Middle East—being appointed Chairman of the Board at ALTS and WLF co-founder Eric Trump being appointed as a board member.<sup>5</sup>

Despite the capital influx it received through these transactions, ALTS’s share price fell dramatically, at times down approximately 80%, in the months after it closed the deal with WLF.<sup>6</sup> This significant downturn, and the volatility that has persisted since, appear to be linked to several compliance problems the Company announced in the aftermath of the WLF deal, certain of which nearly caused ALTS to be delisted by Nasdaq.<sup>7</sup> These announcements included the following:

- On August 29, 2025, ALTS revealed that several months prior, “on May 7, 2025, the Intermediate Court of Nyarugenge, Rwanda, rendered a judgment finding ALT5 Sigma Canada Inc., a Canadian subsidiary of the Company, and its former principal, Mr. Andre Beauchesne, criminally liable for offenses including illicit enrichment and money laundering[.]”<sup>8</sup> The Rwandan court ordered the imprisonment of Mr. Beauchesne, along with monetary penalties and the dissolution of the subsidiary entity.<sup>9</sup>
- On October 22, 2025, ALTS announced that it suspended CEO Peter Tassiopoulos and CFO Jonathan Hugh assumed Tassiopoulos’ duties as Acting CEO.<sup>10</sup> The company provided no additional details or justification for the suspension, though media reports suggest Tassiopoulos was placed on leave several weeks prior.<sup>11</sup>

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<https://www.businesswire.com/news/home/20250812677412/en/ALT5-Sigma-Corporation-Announces-Closing-of-%241.5-Billion-Registered-Direct-Offering-and-Concurrent-Private-Placement-to-Initiate-World-Liberty-Financial-%24WLFI-Treasury-Strategy>.

<sup>5</sup> Eric Trump was later removed from the ALTS Board as the Company took steps to regain compliance with Nasdaq listing requirements. See Mehab Qureshi, *Eric Trump Quietly Removed from Alt5 Sigma Board Role: Report*, TheStreet (Sept. 9, 2025), <https://www.thestreet.com/crypto/policy/eric-trump-quietly-removed-from-alt5-sigma-board-role-report>.

<sup>6</sup> Joe Light, *A Blockchain Company Invested in a Trump Family-Backed Cryptocurrency. It Has Been a Disaster for Shareholders*, Barron’s (Nov. 25, 2025), <https://www.barrons.com/articles/alt5sigma-wlfi-trump-crypto-c8b636ea>.

<sup>7</sup> Amin Ayan, *Trump-Linked Crypto Firm ALT5 Sigma Faces Scrutiny*, Yahoo Finance (Dec. 29, 2025), <https://finance.yahoo.com/news/trump-linked-crypto-firm-alt5-125303141.html>.

<sup>8</sup> ALT5 Sigma Corp., Current Report (Form 8-K) (Aug. 29, 2025), <https://www.sec.gov/Archives/edgar/data/862861/000164117225026082/form8-k.htm>.

<sup>9</sup> See Zach Everson, *Trump Crypto Partner Alt5 Sigma May Have Violated SEC Rules With Filing On CEO*, Forbes (Nov. 21, 2025), <https://www.forbes.com/sites/zacheverson/2025/11/21/alt5-sigma-trump-crypto-ceo-suspension-world-liberty-sec-wlfi/> (last visited Feb. 23, 2026). ALT5 is appealing the decision and has claimed that it was a victim of the fraud. *Id.*

<sup>10</sup> ALT5 Sigma Corp., Current Report (Form 8-K) (Oct. 22, 2025), [sec.gov/Archives/edgar/data/862861/000149315225018954/form8-k.htm](https://www.sec.gov/Archives/edgar/data/862861/000149315225018954/form8-k.htm).

<sup>11</sup> See Everson, *supra* n. 5.

- On November 12, 2025, ALTS disclosed that it would not timely file its Q3 quarterly report as a result of its ongoing review of the matters disclosed in August and delays related to the timeliness and responsiveness of its outside auditor.<sup>12</sup>
- On November 19, 2025, Nasdaq notified ALTS that it was at risk of being delisted for being out of compliance with the exchange's rule requiring regular filings of financial reports. It was not until after ALTS belatedly filed its Q3 quarterly report (Form 10-Q) on January 12, 2026 that ALTS regained compliance.<sup>13</sup>
- On November 26, 2025, ALTS announced that it had fired CFO and Acting CEO Jonathan Hugh five days prior.<sup>14</sup> The company also stated that its Audit Committee Chair, who joined the board in July, resigned from the board after just four months.<sup>15</sup>
- On November 28, 2025, ALTS disclosed that its outside auditor, Hudgens CPA, resigned the same day the company fired CFO Jonathan Hugh,<sup>16</sup> though according to media reports, William Hudgens of Hudgens CPA stated that he informed ALTS prior to the end of June 2025 that he would not be performing any further work for the Company after its 2Q 2025 Form 10-Q filing.<sup>17</sup>
- In December 2025, ALTS appointed a new firm to be its auditor, Victor Mokuolu CPA PLLC, whose license reportedly expired in August 2025. The company dismissed the new auditor less than three weeks later and retained L J Soldinger Associates LLC, its third reported change in auditors in less than two months.<sup>18</sup>

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<sup>12</sup> ALT5 Sigma Corp., Form 12b-25 (Nov. 12, 2025),

<https://www.sec.gov/Archives/edgar/data/862861/000149315225021977/formnt10-q.htm>.

<sup>13</sup> See Ayan, *supra* n. 7; see also ALT5 Sigma Corp., *ALT5 Sigma Corporation Restores Compliance with Nasdaq Periodic Filing Requirements*, Bus. Wire, (Jan. 14, 2026),

<https://www.businesswire.com/news/home/20260114610349/en/ALT5-Sigma-Corporation-Restores-Compliance-with-Nasdaq-Periodic-Filing-Requirements>.

<sup>14</sup> ALT5 Sigma Corp., Form 8-K (Nov. 26, 2025),

<https://www.sec.gov/Archives/edgar/data/862861/000149315225025189/form8-k.htm>.

<sup>15</sup> See *id.* (“On November 25, 2025, David Danziger informed the Company that he was resigning from his role as a member of the Board and all committees of the Board for personal reasons and not a result of any disagreement with the Company.”); ALT5 Sigma Corp., Form 8-K (Jul. 3, 2025),

<https://www.sec.gov/Archives/edgar/data/862861/000162828025034268/jan-20250627.htm>, (“Mr. Danziger will serve as the chair of our Audit Committee”).

<sup>16</sup> ALT5 Sigma Corp., Form 8-K (Nov. 28, 2025),

<https://www.sec.gov/Archives/edgar/data/862861/000149315225025392/form8-k.htm>.

<sup>17</sup> See David William Helin, *ALT5 Sigma's Steady Slide Since Ringing Nasdaq's Bell Last Summer*, Medium (Dec. 8, 2025), <https://medium.com/@globalist09/alt5-sigma-steady-slide-since-ringing-nasdaq-s-bell-last-summer-05cac6f5e620>.

<sup>18</sup> Nicola White, *Crypto Firm Tied to Trumps Axes Auditor in Latest Sign of Strife*, Bloomberg (Dec. 29, 2025), <https://www.bloomberg.com/news/articles/2025-12-29/crypto-firm-tied-to-trumps-axes-auditor-in-latest-sign-of-strife>.

As of April 6, ALTS had not yet filed its annual Form 10-K covering 2025. As part of its notice of late filing, however, it advised that “[t]he Company expects to report a net loss in the range of \$340 million - \$345 million for the fiscal year ended December 27, 2025.”<sup>19</sup> Investor groups are already examining whether these red flags may have contributed to the slide of ALTS’s share price, and if so, whether the Company’s actions amounted to violations of federal or state securities laws.<sup>20</sup> But these alarming announcements are too significant for the SEC to ignore and leave investors to fend for themselves. The Enforcement Division must review ALTS’s compliance failures and protect investors from further harm.

### **ALTS’s Participation in Trump Crypto Dealings**

While ALTS’s compliance issues are problematic in their own right, perhaps even more concerning is that by paying WLF \$750 million for \$WLF tokens, **ALTS appears to have steered as much as \$500 million of private investor money directly into the pockets of the Trump family and their associates.**<sup>21</sup> This transfer is particularly alarming when considered against the backdrop of the suspicious transactions WLF has previously undertaken. Members of Congress have raised concerns that WLF’s prior business transactions may have hidden improprieties or served as a vector for potential undue influence resulting in pardons, policy concessions and reduced regulatory oversight.<sup>22</sup>

Two months ago, in a letter to the Inspector General of the Commerce Department, we outlined a series of questionable foreign investments in WLF that directly benefitted President Trump and his family.<sup>23</sup> These transactions, which provide critical context for assessing the propriety of ALTS’s \$WLF acquisition, include the following:

**UAE Direct Investment:** On January 16, 2025, mere days before President Trump’s inauguration, agents of Sheikh Tahnoon bin Zayed Al Nahyan—an Abu Dhabi royal who is the United Arab Emirates’ top national security official and the Chairman of G42, a state-backed AI company based in the UAE—signed an undisclosed deal with the Trump family to purchase a 49% stake in WLF for \$500 million.<sup>24</sup> Pursuant to the deal, a Tahnoon-backed company called Aryam Investment 1 (Aryam) made an upfront payment of \$250 million, approximately 75% of which was directed to DT Marks DEFI LLC and

<sup>19</sup> ALT5 Sigma Corporation, Form 12b-25 (Mar. 27, 2026), [sec.gov/Archives/edgar/data/862861/000149315226013194/formnt10-k.htm](https://www.sec.gov/Archives/edgar/data/862861/000149315226013194/formnt10-k.htm).

<sup>20</sup> See, e.g., *ALT5 Investor Alert: Hagens Berman Investigates ALT5 Sigma (ALTS) Over Auditor Resignation and Potentially False Financials*, Bus. Wire (Dec. 5, 2025), <https://www.businesswire.com/news/home/20251205439185/en/ALT5-Investor-Alert-Hagens-Berman-Investigates-ALT5-Sigma-ALTS-Over-Auditor-Resignation-and-Potentially-False-Financials>.

<sup>21</sup> Pathikrit Bose, *This Little-Known Stock Just Bought President Trump’s New Cryptocurrency. Should You Buy Its Shares Here?*, Yahoo Finance (Sept. 5, 2025), <https://finance.yahoo.com/news/little-known-stock-just-bought-160826221.html>.

<sup>22</sup> See H. Comm. on the Judiciary, Democratic Staff, *Trump, Crypto, and a New Age of Corruption* (Nov. 24, 2025), [https://democrats-judiciary.house.gov/sites/evo-subsites/democrats-judiciary.house.gov/files/evo-media-document/2025-11-24.hjc-dem-staff-report-trump-crypto-corruption-small\\_0.pdf](https://democrats-judiciary.house.gov/sites/evo-subsites/democrats-judiciary.house.gov/files/evo-media-document/2025-11-24.hjc-dem-staff-report-trump-crypto-corruption-small_0.pdf).

<sup>23</sup> See Letter from Norman Eisen, Exec. Chair & Founder, Democracy Defenders Fund, Matthew J. Platkin, Partner, Platkin LLP, et al. to Duane Townsend, Acting Inspector General, U.S. Dep’t of Commerce (Feb. 23, 2026), [https://f9c23fd5-1644-4a5f-a561-d04e6b5736d6.usrfiles.com/ugd/f9c23f\\_40cc0c8db9894caf95aa2e58ee9ec684.pdf](https://f9c23fd5-1644-4a5f-a561-d04e6b5736d6.usrfiles.com/ugd/f9c23f_40cc0c8db9894caf95aa2e58ee9ec684.pdf).

<sup>24</sup> *Id.*

DT Marks SC LLC, entities that President Trump personally co-owns with members of his family.<sup>25</sup> In addition, the deal provided for two Aryam executives, who also held top positions at G42, to be placed on WLF's five-person board.<sup>26</sup>

But it appears the deal may have been a front. Analysts have observed that the public terms of the transaction made little financial sense for Tahnoon.<sup>27</sup> When the deal closed, WLF offered no products, and up until that time, WLF's only business activity to date involved raising \$82 million by selling a governance token called \$WFLI.<sup>28</sup> And yet, the agreement did not grant Aryam a share of the proceeds from future governance token sales, "leaving the Tahnoon-backed entity out of what was then the company's only source of revenue."<sup>29</sup> The only discernible benefit Tahnoon received from his investment in World Liberty Financial appears to be favorable treatment by the Trump administration in connection with his years-long effort to obtain advanced AI hardware from the United States. Indeed, in November 2025, the Trump administration approved a lucrative deal to sell advanced artificial intelligence chips to G42, an abrupt break from longstanding national security policy and over the objections of officials in his own administration who warned that that such a deal would result in China accessing cutting-edge American technology and using it to enhance its military capabilities.<sup>30</sup>

**Justin Sun Enforcement Proceedings:** In February 2025, the Trump administration halted federal enforcement efforts against Justin Sun, the Chinese-born founder of the Tron cryptocurrency exchange, after Sun announced that he would invest \$75 million into WLF's \$WFLI token, a significant portion of which was also reportedly paid to entities co-owned by President Trump and his family.<sup>31</sup>

**MGX-Binance Transaction:** In March 2025, another Emirati investment group backed by Sheikh Tahnoon, MGX, invested \$2 billion in the Binance crypto exchange and settled the transaction using USD1, the stablecoin that WLF was just bringing to market.<sup>32</sup> By doing so, MGX helped USD1 grow its market cap from \$127 million to over \$2 billion in a matter of a few weeks, making it one of the largest stablecoins in the

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<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> Kyle Khan-Mullins & Zach Everson, *Why the Trump-UAE Crypto Deal Made No Financial Sense—For the Emiratis*, *Forbes* (Feb. 2, 2026), <https://www.forbes.com/sites/kylemullins/2026/02/02/why-the-trump-uae-crypto-deal-made-no-financial-sense-for-the-emiratis/>.

<sup>28</sup> Sam Kessler, et al., *Spy Sheikh' Bought Secret Stake in Trump Company*, *Wall St. J.* (Jan. 31, 2026), <https://www.wsj.com/politics/policy/spy-sheikh-secret-staketump-crypto-tahnoon-ca4d97e8>.

<sup>29</sup> *Id.*

<sup>30</sup> Amrith Ramkumar & Eliot Brown, *National-Security Concerns Tie Up Trump's U.A.E. Chips Deal*, *Wall St. J.* (Jul. 16, 2025), <https://www.wsj.com/politics/national-security/national-security-concerns-tie-up-trumps-u-a-e-chips-deal-a0273815>; Robbie Whelan & Amrith Ramkumar, *U.S. Approves Deal to Sell AI Chips to Middle East*, *Wall St. J.* (Nov. 20, 2025), <https://www.wsj.com/tech/ai/u-s-approves-deal-to-sell-ai-chips-to-middle-east-79d68f36>.

<sup>31</sup> Allison Morrow, *A Crypto Mogul Who Invested Millions Into Trump Coins Is Getting a Reprieve on Civil Fraud Charges*, *CNN* (Feb. 28, 2025), <https://www.cnn.com/2025/02/28/business/crypto-mogul-trump-coins-civil-fraud-charges>.

<sup>32</sup> David Yaffe-Bellany, *Binance Gives Trump Family's Crypto Firm a Leg Up*, *The New York Times* (Feb. 7, 2026), <https://www.nytimes.com/2026/02/07/business/binance-trump-crypto.html>.

world and deepening WLF's annual revenue—and the Trump family's profit—by tens of millions of dollars.<sup>33</sup>

**Changpeng Zhao Pardon:** On October 23, 2025, President Trump pardoned Changpeng “CZ” Zhao, the founder of Binance who pleaded guilty to money laundering in connection with a \$4.3 billion settlement with the Department of Justice, after Binance spent months boosting World Liberty Financial and netting the Trump family and their associates hundreds of millions of dollars.<sup>34</sup>

Given the broader context that WLF appears to have been used as a vehicle for corruption, ALTS's acquisition of \$WLFI tokens raises significant questions regarding who the investors were that funded ALTS's \$WLFI acquisition, and whether those investors participated in ALTS's capital raise purely to curry favor with the Trump administration.

### **Potential Securities Violations**

It is critical that the SEC Enforcement Division carefully examine these issues because they indicate, both individually and collectively, that ALTS may have engaged in a number of securities violations, thereby harming investors and financial marketplace writ large.

*First*, ALTS's failure to disclose the criminal judgment that was rendered against its Canadian subsidiary before engaging in a \$1.5 billion capital raise may have constituted an illegal omission of material information. Indeed, the timing of ALTS's announcement on August 29, 2025 that its subsidiary was found criminally liable by a Rwandan court in *May 2025* for illicit enrichment and money laundering suggests that ALTS—if previously aware of the criminal judgment—may have violated multiple securities laws. Specifically, these facts suggest that ALTS may have violated Section 17(a) of the Securities Act of 1933, which makes it unlawful “in the offer or sale of any securities . . . to employ any device, scheme, or artifice to defraud,” or “to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact . . .”.<sup>35</sup> ALTS may have also violated SEC Rule 10b-5, which similarly prohibits any act or omission resulting in fraud or deceit “in connection with the purchase or sale of any security.”<sup>36</sup>

*Second*, ALTS's belated disclosure of its suspension of former CEO, Peter Tassiopoulos, may have violated SEC reporting requirements. SEC Form 8-K, Item 5.02(b) requires that if an executive officer loses their executive functions because that officer retires, resigns, is terminated, or is placed on leave, the company must disclose this change within four business days. ALTS stated in an SEC filing that Tassiopoulos was suspended effective October 16, 2025, but public reporting indicates that employees were notified as early as September 4, 2025 that he

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<sup>33</sup> Leo Schwartz & Ben Weiss, *How the Trump Family Is Poised to Profit from a \$2 Billion Middle East Crypto Deal That Uses Their Stablecoin*, *Fortune* (May 7, 2025), <https://fortune.com/crypto/2025/05/07/world-liberty-financial-wlfi-trump-binance-mgx-stablecoin-deal/>.

<sup>34</sup> David Yaffe-Bellany, *Binance Gives Trump Family's Crypto Firm a Leg Up*, *The New York Times* (Feb. 7, 2026), <https://www.nytimes.com/2026/02/07/business/binance-trump-crypto.html>.

<sup>35</sup> 15 U.S.C. § 77q(a).

<sup>36</sup> 17 C.F.R. § 240.10b-5.

was on “temporary leave.”<sup>37</sup>If that report is accurate, ALTS likely fell short of its Form 8-K reporting obligations.

*Third*, ALTS’s belated disclosure of its accountant’s resignation may have likewise violated SEC reporting requirements. SEC Form 8-K, Item 4.01 requires that a company must disclose an independent accountant’s resignation, dismissal, or refusal to be reappointed within four days of the event. ALTS stated in an SEC filing that its accountant, Hudgens CPA, resigned effective November 21, 2025, but according to the statements made by William Hudgens to the press, ALTS was aware in June that Hudgens CPA would be resigning. If that statement is true, ALTS spent months out of compliance with its Form 8-K reporting obligations.

*Fourth*, when taken together, ALTS’s numerous regulatory and governance issues point to a pattern of persistent accounting deficiencies and faulty internal controls. Under Section 13(b) of the Securities Exchange Act of 1934, the SEC is responsible for making sure that companies like ALTS adhere to Generally Accepted Accounting Principles and employ internal controls to ensure accurate and proper financial reporting. The problems described herein provide little confidence that ALTS has been doing so on a consistent basis over the past several months.

*Finally*, the SEC cannot turn a blind eye to ALTS’s entanglement with World Liberty Financial. The nature of WLF’s investment in ALTS raises questions about whether the agreement was in the best interest of shareholders or whether it was part of a web of transactions intended to benefit the families of President Trump and Steven Witkoff. Given WLF’s previous investment relationships—some of which raise at least the appearance of impropriety—the SEC must thoroughly evaluate whether ALTS engaged in improper conduct, and specifically whether ALTS’s \$1.5 billion capital raise was conducted in service of such a scheme, as doing so would violate a number of securities laws, including Section 17(a) of the Securities Act of 1933 and SEC Rule 10b-5.

This matter has profound implications not only for ensuring that securities markets are fair and that investors are protected, but also for preventing the corruption of the United States’ financial system. We ask that you treat it with the appropriate urgency and commence an independent investigation into ALTS without delay.

Sincerely,

/s/  
Ambassador Norman Eisen (ret.)  
Executive Chair and Founder  
Democracy Defenders Fund

/s/  
Matthew J. Platkin  
Partner  
Platkin LLP

/s/  
Virginia Canter  
Ethics and Anticorruption Chief Counsel and Director  
Democracy Defenders Fund

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<sup>37</sup> Everson, *supra* n. 9.

/s/

Christopher Swartz  
Senior Ethics Counsel  
Democracy Defenders Fund

cc: Samuel Waldon, Acting Director of Enforcement  
U.S. Securities and Exchange Commission, Enforcement Division