

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI**

TITUS WILLIAMS, an individual,
Plaintiff,

v.

Civil Action No. _____

JOHN DOE, an individual;
and COINBASE GLOBAL, INC.,
a Delaware corporation;
Defendants.

_____ /

COMPLAINT FOR DAMAGES AND EQUITABLE RELIEF

Plaintiff TITUS WILLIAMS, an individual (hereafter referred to as “Plaintiff”), by and through undersigned counsel, hereby sues Defendants JOHN DOE, an individual; and COINBASE GLOBAL, INC., a Delaware corporation (“COINBASE”); for damages and equitable relief. As grounds therefor, Plaintiff alleges the following:

PRELIMINARY STATEMENT

1. This action arises from a fraudulent scheme that sought to, and ultimately did, steal One Million Eight Hundred Thousand Dollars (\$1,800,000.00) worth of cryptocurrency from Plaintiff.
2. JOHN DOE played a material role in the scheme to steal Plaintiff’s assets and currently possesses -- in an account maintained at cryptocurrency exchange COINBASE -- a significant portion of Plaintiff’s stolen property.
3. Plaintiff brings this lawsuit to recover his stolen assets.

PARTIES, JURISDICTION AND VENUE

THE PARTIES

Plaintiff

4. Plaintiff TITUS WILLIAMS is an individual domiciled in Springfield, Missouri, is a citizen of the state of Missouri, and is *sui juris*.

Defendants

5. Defendant JOHN DOE is an individual and, upon information and belief, is *sui juris*.

6. Defendant COINBASE GLOBAL, INC. is a Delaware corporation which professes to not have a principal executive office. COINBASE is a digital currency wallet and money transmitter services platform where merchants and consumers exchange digital currencies like bitcoin and Ether. COINBASE serves customers in the United States -- including in this jurisdiction -- and abroad.

7. According to its March 17, 2021 Amended S-1 filing with the U.S. Securities and Exchange Commission, COINBASE operates around the world through several wholly-owned subsidiaries, *to wit*:

Corporate Information

We were initially incorporated in May 2012 as Coinbase, Inc., a Delaware corporation. In January 2014, Coinbase Global, Inc. was incorporated as a Delaware corporation to act as the holding company of Coinbase, Inc. and our other subsidiaries. In April 2014, we completed a corporate reorganization whereby Coinbase, Inc. became a wholly-owned subsidiary of Coinbase Global, Inc. Coinbase Global, Inc.'s principal assets are the equity interests of Coinbase, Inc. In addition to Coinbase, Inc., Coinbase Global, Inc. is the parent company of a number of other operating subsidiaries * * *.

In May 2020, following the global pandemic resulting from the coronavirus known as COVID-19, we became a remote-first company, meaning that for the vast majority of roles, our employees have the option to work remotely. Due to this, we do not currently have a principal executive office. * * *

8. At all times material hereto, JOHN DOE has maintained -- and continues to maintain as of the date of this filing -- an account at COINBASE in which JOHN DOE holds a portion of the cryptocurrency stolen from Plaintiff.

Other Liable Persons/Entities

9. In addition to Defendants, there are likely other parties who may be liable to Plaintiff, but about whom Plaintiff currently lacks specific facts to permit him to name these persons or entities as party defendants. By not naming such persons or entities at this time, Plaintiff is not waiving his right to amend this pleading to add such parties, should the facts warrant adding such parties.

JURISDICTION AND VENUE

10. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332 because the amount in controversy exceeds Seventy-Five Thousand Dollars (\$75,000.00), exclusive of interest, costs and attorneys' fees, and is an action between citizens of different states.

11. This Court has personal jurisdiction over Defendants because they: (a) operate, conduct, engage in and/or do business within this jurisdiction; (b) committed a tort in this jurisdiction; and/or (c) reside in this jurisdiction.

12. Venue of this action is proper in this Court pursuant to 28 U.S.C. § 1391 because at least one Defendant resides in this jurisdiction and the causes of action accrued in this jurisdiction.

GENERAL FACTUAL ALLEGATIONS

13. In or about late-February 2021, Plaintiff -- through a business entity he owns and operates -- purchased 33.7398 bitcoin (33.7398 BTC), which was valued at the time at approximately One Million Eight Hundred Thousand Dollars (\$1,800,000.00).

14. On February 25, 2021, Plaintiff transferred those 33.7398 bitcoin to an account created in his individual name at Blockchain.com, a cryptocurrency wallet and exchange used by thousands of consumers to invest and store cryptocurrency.

15. On February 26, 2021, Plaintiff checked his Blockchain.com wallet account and found that it had been emptied by an unknown person(s) without any notification to, or authorization by, Plaintiff.

16. Undersigned counsel engaged international cryptographic tracing and investigative firm Coinfirm to trace the BTC transferred and withdrawn without authorization from Plaintiff's Blockchain.com account.

17. As concluded by Coinfirm, at least 2.895032 BTC of the 33.7398 BTC transferred from Plaintiff's Blockchain.com account were transferred in two separate, but related, transactions to a single deposit address at COINBASE (the "COINBASE Address"), *to wit*:

#	Coinbase Address	Transaction Hash	Transfer Date (UTC)	Amount sent to address (BTC)
1	3Q4We7jETMLr3hVJj7UghJYdAxBFY7JxYZ	9853e7933502e01390cbe4cedd30c04cf56fb7457de41a06c0f5256e4e39181b	2021-02-26 04:27:11	0.02009225
2	3Q4We7jETMLr3hVJj7UghJYdAxBFY7JxYZ	f452cdf6eb8cd9ff77c32f349f688b0ea9a16d4f5a2e4b82758f9fe32f44e480	2021-02-26 04:31:45	2.87493958
TOTAL				2.895032 BTC

18. On March 2, 2021, undersigned counsel provided written notice to COINBASE advising COINBASE of the theft and requesting that, if the stolen assets were still located in the account tied to the COINBASE Address, COINBASE freeze the account controlling that address so the assets could not be withdrawn from that address.

19. COINBASE has advised undersigned counsel that JOHN DOE is the owner of the account tied to the COINBASE Address, though COINBASE has not revealed JOHN DOE's actual name or any address at which he can be located or contacted.

20. COINBASE has asserted that in accordance with, *inter alia*, its Privacy Policy, it is obligated to protect JOHN DOE's identity unless ordered to reveal his identity or other personal information by a court of competent jurisdiction or by a quasi-judicial body.

21. On or about March 12, 2021, the Criminal Investigation Unit of the Springfield Missouri Police Department issued an investigative subpoena to COINBASE or its wholly-owned subsidiary Coinbase, Inc. in connection with the theft of Plaintiff's assets.

22. Upon information and belief, the assets at issue are still housed at COINBASE.

23. As of the date of this filing, the 2.895032 BTC located at COINBASE are valued at approximately One Hundred Sixty Thousand Dollars (\$160,000.00).

24. As a result of the actions described above, Plaintiff has suffered damages in an amount that will be proven at trial.

25. Plaintiff duly performed all of his duties and obligations; and any conditions precedent to Plaintiff bringing this action have occurred, have been performed, or else have been excused or waived.

26. To enforce his rights, Plaintiff has retained undersigned counsel and is obligated to pay counsel a reasonable fee for its services.

COUNT I – CONVERSION
[AGAINST JOHN DOE]

Plaintiff re-alleges, and adopts by reference herein, Paragraphs 1 - 26 above, and further alleges:

27. On February 26, 2021, at the time of the hack, Plaintiff owned and had the right to immediately possess the 2.895032 BTC -- not just a mere right to payment for the value of those bitcoin -- that was taken from him and transferred to the account tied to the COINBASE Address.

28. When the stolen bitcoin was deposited by a thief/thieves into the COINBASE Address, JOHN DOE intentionally took possession of and assumed control over the 2.895032 BTC.

29. JOHN DOE has intentionally exercised control, and continues to exercise control, over the bitcoin in such a way as to exclude Plaintiff from using or possessing the 2.895032 BTC.

30. JOHN DOE knew the property he received was stolen or obtained in a manner constituting theft.

31. As such, JOHN DOE wrongfully converted the 2.895032 BTC.

32. As a direct and proximate result of the foregoing, Plaintiff suffered the wrongful conversion of personal property whose value exceeds Seventy-Five Thousand Dollars (\$75,000.00).

COUNT II – IMPOSITION OF A CONSTRUCTIVE TRUST
AND DISGORGEMENT OF FUNDS
[AGAINST COINBASE]

Plaintiff re-alleges, and adopts by reference herein, Paragraphs 1 - 26 above, and further alleges:

33. This is an action to impose a constructive trust upon the property taken from Plaintiff that is currently held by JOHN DOE in an account at COINBASE.

34. This action further calls for the restoration to Plaintiff of that wrongfully obtained property.

35. As set forth above, JOHN DOE -- through actual fraud, misappropriation, conversion, theft, or other questionable means -- obtained Plaintiff's cryptocurrency, which in equity and good conscience JOHN DOE should not be permitted to hold.

36. COINBASE has represented to the undersigned that COINBASE has control over the COINBASE account in which Plaintiff's cryptocurrency is currently stored.

37. COINBASE voluntarily imposed a temporary freeze on the COINBASE account tied to the COINBASE Address; however, COINBASE has provided no guarantee that its voluntary freeze will persist without an Order or instructions of the Court requiring COINBASE to extend that account freeze indefinitely as the dispute between Plaintiff and JOHN DOE is resolved.

38. The cryptocurrency assets at issue are specific, identifiable property and can be traced in assets of JOHN DOE's account(s) at COINBASE.

39. Any and all monies being held at COINBASE by JOHN DOE must be held in trust for Plaintiff's benefit, as JOHN DOE is not entitled to the benefit of wrongfully misappropriated, converted, and stolen funds and cryptocurrency assets that were taken from Plaintiff.

40. The 2.895032 BTC identified herein which are being held at COINBASE by JOHN DOE must be disgorged to Plaintiff's benefit, as JOHN DOE is not entitled to the benefit of wrongfully misappropriated, converted, and stolen funds and cryptocurrency assets that were taken from Plaintiff.

WHEREFORE, Plaintiff TITUS WILLIAMS demands the equitable imposition of a constructive trust over the property taken from Plaintiff that is currently held by JOHN DOE in an account(s) at COINBASE; and further demand the restoration to Plaintiff of that wrongfully obtained property.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury on all claims so triable.

RESERVATION OF RIGHTS

Plaintiff reserves his right to further amend this Complaint, upon completion of his investigation and discovery, to assert any additional claims for relief against Defendants or other parties as may be warranted under the circumstances and as allowed by law.

Respectfully submitted,

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Dated: March 18, 2021