

Parties

4. Plaintiff Lokesh Wuluvarana is a Wisconsin resident. He is a cryptocurrency trader and investor.

5. CoinDexEC is an online cryptocurrency trading website (www.coindexec.com) that purported to facilitate both centralized and peer-to-peer trading of cryptocurrency. This website is no longer available as of today.

6. Defendant John Doe #1 (“Crown”) is an individual who operated or controlled CoinDexEC under the alias of Anthony Crown. Crown electronically solicited Plaintiff to invest and trade his cryptocurrency assets through CoinDexEC in exchange for lucrative returns.

7. Defendants John Does # 2-3 held all or a part of Plaintiff’s cryptocurrency in one account at Binance and one account at Gemini.

8. Although Does’ true identities are unknown at this point, Plaintiff will be able to identify Does through discovery and third-party subpoenas using the specific facts related to Does, including their cryptocurrency wallet addresses, Telegram accounts, and domain registrant information for www.coindexec.com and other associated domains.

9. Nonparty Gemini Trust Company, LLC (“Gemini”) is a centralized cryptocurrency exchange platform based out of New York, United States. Gemini requires personal identification information, known as Know-Your-Customer (“KYC”) information, for its accountholders.

10. Nonparty Telegram is an online mobile and desktop messaging service through which members exchange private, secure messages.

11. Nonparty Binance Holdings Limited (“Binance”) is a global centralized cryptocurrency exchange platform that provides a platform for customers to buy, sell, and store cryptocurrencies. Binance requires KYC information for its accountholders.

Jurisdiction and Venue

12. This Court has subject matter jurisdiction under both 28 U.S.C. § 1331 and § 1332. There is federal question jurisdiction because one of Plaintiff’s claims arises under the Commodity Exchange Act, and supplementary jurisdiction exists over related state law claims under 28 U.S.C. § 1367. Alternatively, there is diversity jurisdiction because the parties are citizens of different states and the amount in controversy exceeds \$75,000.

13. This Court has personal jurisdiction over Does #1-3 due to their involvement in the acts detailed herein which deprived a resident of this district of funds using communications directed at this district.

14. Venue is proper because a substantial part of the acts giving rise to this Complaint occurred in this district.

Facts

Background

15. Cryptocurrency is a digital currency stored in an electronic wallet. Bitcoin (BTC) and Ethereum (ETH) are the most popular types of cryptocurrency. Cryptocurrency can be exchanged in person, through intermediaries, or through a cryptocurrency exchange.

16. Holding and exchanging cryptocurrency requires a digital wallet, which has a public key or a wallet address (like a bank account number) and a private key (like a password).

17. A sender seeking to send cryptocurrency to another person utilizes his private key to access the cryptocurrency and authorizes the transfer to the intended recipient's wallet address. For this purpose, it may be helpful to think of a cryptocurrency wallet like email.

18. Wallets keep a record of all cryptocurrency transactions (sell, buy, exchange) and store the record on a blockchain.

19. A blockchain is a decentralized public ledger that records cryptocurrency transactions. Each block on the chain contains multiple transactions.

20. Most transactions are recorded publicly to the blockchain along with the sender and recipient's addresses, making it possible to monitor financial activities of a single address.

21. A recipient seeking to protect its privacy can create an alias wallet address linked to his or her actual wallet.

22. Cryptocurrency can be converted into a fiat currency (like USD and EUR) through various methods. The most common and easiest way is to utilize a centralized cryptocurrency exchange platform such as Binance and Gemini. A holder seeking to convert cryptocurrency being held in an outside wallet can create an account on these platforms, transfer his cryptocurrency to this account, convert it into a currency of choice, and then withdraw it to a designated bank account.

23. Binance and Gemini are financial institutions that operate similarly to traditional stock exchange platforms. They are subject to KYC or "Know Your Customer" requirements, under which its accountholder must submit valid personal identification documents to be able to make transactions through these institutions.

24. Unregulated cryptocurrency trading platforms may also facilitate trades between cryptocurrency. These platforms may not necessarily offer cryptocurrency-to-cash exchange

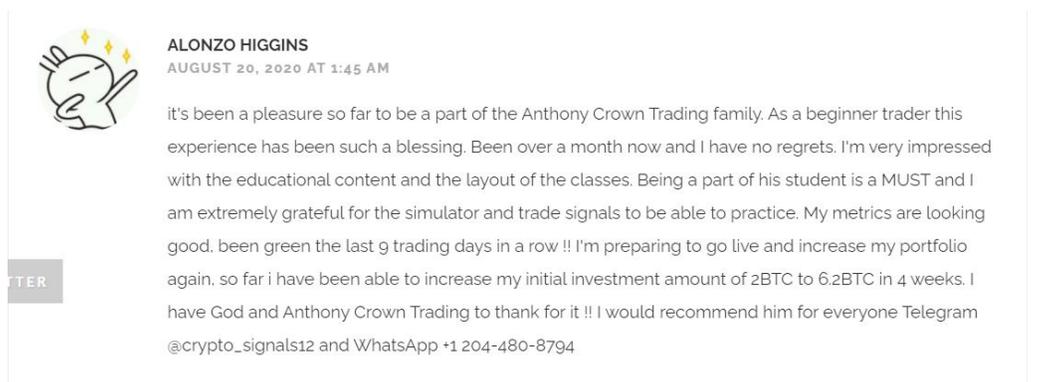
services. A user must first create a trading account on the website and make a deposit by sending his cryptoassets from elsewhere to a designated wallet address provided by the website. Upon deposit, the user can use these assets to purchase and sell other assets real-time at their respective trading value. To withdraw his assets from the account, the user must designate an outside wallet address and request a transfer.

25. All cryptocurrency trading platforms allow the users to access their portfolio activities and performance in real-time. The portfolio would also reflect the total number and types of each cryptocurrency holdings as well as their fiat currency value calculated based on the trading value of the cryptocurrency.

26. To entice investors, some trading platforms offer investment services as an add-on. These services, designed to help increase the overall value of a portfolio, could include investment counseling, trade counseling and brokering, tax planning, and general asset management.

Factual Allegations

27. In or about August 2020, Does #1-3, directly or through an agent and using various aliases, produced various fake reviews and online solicitations for cryptocurrency investors, including Plaintiff, to trade with Anthony Crown Trading and contact Anthony Crown at @crypto_signals12.



28. In or about August 2020, Plaintiff contacted Anthony Crown via the advertised Telegram account at @crypto_signals12.

29. Upon information and belief, Anthony Crown is an alias used by Doe #1.

30. Crown promoted himself as a successful cryptocurrency trader and trade advisor.

31. On Telegram, Crown solicited Plaintiff and other interested cryptocurrency investors to trade at CoinDexEC, an online cryptocurrency company/website he purported to operate. Crown offered to help make Plaintiff make money by exploiting cryptocurrency trading opportunities that are made available through CoinDexEC's unique trading algorithm and trading data.

32. Furthermore, Crown offered to send trade signals on Telegram to help Plaintiff and help him make a significant investment return in exchange for 15% of the trading profits.

33. Plaintiff accepted this offer and created an account with CoinDexEC.

34. On August 28, 2020, Plaintiff made a first deposit to his CoinDexEC account by transferring 0.00127 BTC to a wallet address provided on the website.

35. On Telegram, Crown sent Plaintiff a trade signal that Plaintiff can enter into CoinDexEC to make a trade transaction using his deposited assets.

36. The website showed a profitable transaction with an increased portfolio balance, which led Plaintiff to believe that Crown has produced an impressive return on Plaintiff's investment.

37. Crown encouraged Plaintiff to deposit more cryptocurrency with CoinDexEC in order to increase the amount of trading and generate more profits.

38. Crown also continued to send trade signals on Telegrams to Plaintiff.

39. Plaintiff continued to conduct trades on CoinDexEC using Crown's trade signals communicated via Telegram.



40. Because most of the transactions appeared to be highly profitable, as represented to Plaintiff on CoinDexEC, Plaintiff made additional deposits into his trading account by transferring more cryptocurrency to addresses provided to him.

	Date	Time	Action	Amount	Currency	Rate	Balance
Dashboard	2020-09-01 22:53:40	2020-09-02 15:48:53	Buy	0.01581 BTC	190 USD	BTC/USD 0.0168	0.0168
	2020-09-01 22:51:13	2020-09-02 15:48:52	Buy	3.93505 ETH	1900 USD	ETH/USD 4.362	4.362
Hi, Lokesh	2020-09-01 22:47:35	2020-09-02 15:48:52	Buy	0.15357 BTC	1850 USD	BTC/USD 0.1636	0.1636
	2020-09-01 22:44:35	2020-09-02 15:48:53	Buy	0.08312 BTC	1000 USD	BTC/USD 0.08843	0.08843
Support	2020-08-31 21:54:57	2020-08-31 21:55:29	Buy	0.0021 EUR	0.00243 USD	EUR/USD 0.0021	0.0021
	2020-08-31 21:52:21	2020-09-01 14:21:21	Buy	0.55656 ETH	240 USD	ETH/USD 0.51088	0.51088
Logout	2020-08-31 21:44:04	2020-09-01 14:21:21	Buy	0.04889 BTC	570 USD	BTC/USD 0.04791	0.04791
	2020-08-31 21:33:55	2020-08-31 21:36:28	Buy	1.85301 ETH	800 USD	ETH/USD 1.85636	1.85636
	2020-08-31 21:25:24	2020-08-31 21:25:42	Buy	0.02475 LTC	290 USD	LTC/USD 4.7666	4.7666
	2020-08-31 21:12:24	2020-08-31 21:21:26	Buy	0.01535 BTC	180 USD	BTC/USD 0.01543	0.01543

41. Between August 28 and September 21, Plaintiff made a total of 16 deposits in reasonable reliance of representations made by CoinDexEC and Crown.

Date	Currency	Amount	Transaction ID
8/28/20	BTC	0.00127	05925598d00cd156eed4251df056cc501968f14e09196ba60fe804d3c4be2c07
8/29/20	BTC	0.17722	b5aa99944a97093b482b6f35852a9b72587780b7029d8de93ef39af8970f7744
8/29/20	BTC	0.04112	60cb2e2835b81cfff7d66904cb4d15c2c9cfea3799e4c0bf1bd3988350157672
8/31/20	BTC	0.08377	ee2d19c1d73f7db308a7e7d63ef570693ff8e27902f1cbb07c94cc57a9bc967a
8/31/20	ETH	0.5	0xff6396ec29296cee385bd3a29978bca4bfa7870f3674d1736d27ed5720cef338
8/31/20	ETH	13.037	0x917bb793b37925368ec0b5b53401d4f9ee972b5e9644feb05906d16dfe9abfa2
9/1/20	BTC	0.29202	2bd6e60c8e7a0a8a40e0a657296cff9d3bee4fbade495c35285b94e6708d8bab
9/2/20	ETH	2.51098	0x5d9939a7763b2884ec09a7ddd8efb085d745bed72b0fb9c24d4d42c8b17c329
9/2/20	ETH	10.82	9efd24f70a457e9741ae068347c750be9a1400052839c11306e93218521481ee
9/2/20	ETH	13.07	f4d183998adcb3f1ee6e035dd57d2919cafb129f323ea713fd8fb868c690dd8d
9/2/20	ETH	13.12	6216c54696409c80983fda701e6569fd92d10bb33f587906847aa8d1543c368e
9/3/20	BTC	1.073	4b9b6cf25fcf86d291613a4b2e8ef469644cc50b5917ccaf5440acfc62fd12c0
9/15/20	BTC	0.47018	61e2a19ed4c18b9f0f3bfae17d9cdb812a7c306a83164845931ba25c223238de
9/17/20	BTC	1.687	2987fdbad75287f2becb0e394daa685dd225a4cb15f7776809530dd2a40c5500

9/21/20	ETH	2.0485	0x577e7d2b6af9d42a3a0cfd8499c7f79e5f1888f09028fdee34e472afdfb7742a
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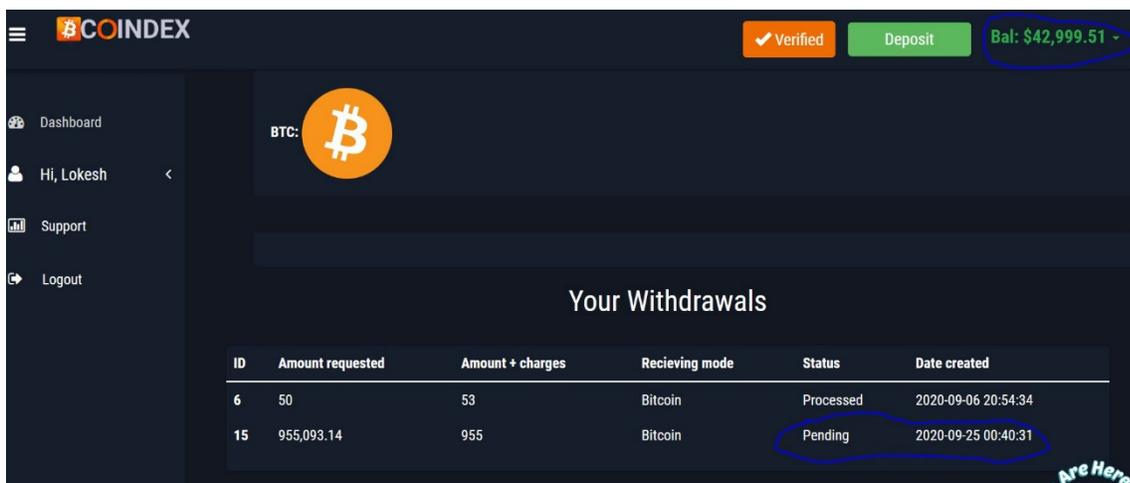
42. On September 6, 2020, Plaintiff requested a test withdrawal of BTC worth \$50, which CoinDexEC successfully transferred to Plaintiff's designated wallet address outside of CoinDexEC.

43. On or around September 24, 2020, Plaintiff's CoinDexEC trading account had accumulated at least 89.5 BTC, valued at \$955,093.14 at the time.

44. On September 24, 2020, Plaintiff attempted to withdraw this amount, but CoinDexEC did not process this transfer.

45. When Plaintiff contacted CoinDexEC, its customer support representative informed him of a software error that placed Plaintiff's BTC in escrow and prevented the website from automatically deducting commission and taxes.

46. The representative also stated that because Plaintiff's entire balance was now in escrow, his CoinDexEC trading account reflected a \$ 0 balance, and the withdrawal would require a separate payment of cryptocurrency worth \$42,979 to cover for commission and taxes.



47. Between September 24 and October 14, 2020, Plaintiff made additional deposits and continued to trade on CoinDexEC, accumulating cryptocurrency worth well over \$42,979 at the time.

Date	Currency	Amount	Transaction ID
9/25/20	BTC	0.11	11022780b6574276865953f05679f20ff90c60275ae4dfaeb53343804a80d27a
9/25/20	ETH	7.447	0x5c5ad5467015d4ada1e3db04f3530e8378ae960d6d65a20a004908f11a2344bb
9/25/20	ETH	2.9126	0x22e271d6057ceed685eb89d552d63b89b257483e80a16aa58d905451a739e153
9/25/20	ETH	0.73141	0xd5e56aa09b22cf86731950e0a6d896da6b078360841f0b577e988baa57b12d54
9/30/20	BTC	0.08607	8d07be477da9fb5f34f5398e0331589b96314ff669bad4c164e535712bacc186
9/30/20	ETH	0.44512	0xcc049c8d9ed4a9cdb1ff331a3d3fda37538b0417128ed27e2cd537e366e14be3
9/30/20	BTC	0.224	392dbdfe5ea83f863c1dff335df54f84cb065fed1b3b2848f07ef66a97b51648
10/4/20	BTC	0.2787	ab8485bc138f479521421a2055a16cb130145b5c143cd254ee5198041828a84d
10/5/20	BTC	0.0905	37dd7fa15d99382185e79fe6b5e6a53c8750b298b1d168dc6c8887af68241d81
10/6/20	BTC	0.44768	3d51409d6214c791f18284167c0c5519bc2fdda8932d124944051912e4a1f51f
10/8/20	BTC	0.1955	dfe53b4bd49b82f81a4a763471ca9990f3c0fa1822fa466184ca86f8d7c78569
10/13/20	BTC	0.31	21fe624103517303bf30cfbb0779d6de6d8a1cdeb72dfd4ff0ca5336dc0c07cb
10/15/20	BTC	0.0899	c92605dafd451e3d880c296b58acd9c23b21277c6bf649ba8bac34aea63fed15

48. On October 14, 2020, Plaintiff contacted CoinDexEC again to request a withdrawal of the 89.5 BTC. Plaintiff also requested to change his wallet address to which CoinDexEC should transfer the assets.

49. CoinDexEC noted Plaintiff's new wallet address and informed that the withdrawal would take about 6-8 hours to complete.

50. On October 15, 2020, Plaintiff contacted CoinDexEC again to get an update on the withdrawal.

51. CoinDexEC informed Plaintiff that the withdrawal had not started because there is a pending charge of \$9,720 for having changed the wallet address.

52. On October 15, 2020, Plaintiff transferred 0.0899 BTC to cover this charge.

53. On October 15, 2020, CoinDexEC allegedly initiated the transfer and promised to provide Plaintiff with a transaction ID.

54. However, Plaintiff never received a transaction ID.

55. CoinDexEC website was taken down shortly after.

56. Crown also cut contact with Plaintiff.

57. Thereafter, Plaintiff engaged a professional cryptographic tracing and investigative firm, Coinstructive, to trace the cryptocurrency assets that he had transferred to various deposit addresses provided by CoinDexEC.

58. In the course of uncovering the truths about Crown and CoinDexEC, Plaintiff learned the following material facts:

- a. CoinDexEC is not a legally formed entity registered with any government authority.
- b. CoinDexEC did not utilize a proprietary, secret trading system that helped its users generate far-greater-than-average returns on their trading investments.
- c. The confidence that Crown had instilled in Plaintiff based on Crown's purported success as a cryptocurrency trader was entirely baseless, as Crown is a fake identity with a fake phone number.

- d. The account statements presented to Plaintiff on CoinDexEC, which purported to reflect his cryptocurrency holdings in his trading portfolio, were fabricated with false and misleading information.
- e. Plaintiff's deposits did not go toward any trading or investment program. Rather, they were delivered to various private or sham addresses owned, operated, and/or affiliated with Crown.
- f. After being rerouted via at least 29 such intermediary addresses, Plaintiff's assets were eventually funneled into different accounts at centralized exchange platforms that allow for cryptocurrency-to-cash conversion.

59. Crown's actions, omissions, and representations constitute a fraud and deceit on Plaintiff.

60. Crown used his position of trust with CoinDexEC to induce Plaintiff's investments and successfully conduct and conceal all misleading and fraudulent activities perpetrated upon Plaintiff in connection with CoinDexEC.

61. Upon information and belief, the pattern of the transactions involving Plaintiff's assets suggests a common scheme or ownership of one or more such addresses by at least three individuals, including Crown (Doe #1) and Does #2-3, who are the accountholders or beneficial owners of the accounts where funds were transferred, who acted in concert to scam Plaintiff.

62. Plaintiff did not know, and through the exercise of reasonable diligence could not have discovered, the scam that was being perpetrated upon him.

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

64. As a result of Does #1-3's actions, omissions, and misrepresentations, Plaintiff incurred damage—through the loss of his cryptocurrency—5.66 BTC and 70.14 ETH.

65. This loss is well in excess of \$75,000.

66. Had Plaintiff known that he was being scammed by Does #1-3, Plaintiff would not have transferred these assets.

67. To enforce his rights, Plaintiff retained the undersigned counsel and is obligated to pay counsel a reasonable fee for their services, for which Does are also liable.

Count I. Fraudulent Inducement (against Doe #1)

68. Plaintiff incorporates paragraphs 1-67 as if fully set forth herein.

69. Doe #1, by acts of omission and commission, made false statements to Plaintiff concerning material facts about CoinDexEC and Plaintiff's trading and investment activities at CoinDexEC.

70. Doe #1 knew at the time the statements were made to Plaintiff that the statements were false.

71. Doe #1 intended that Plaintiff would be induced into action by relying upon these statements of facts.

72. Plaintiff reasonably and justifiably relied on these statements of fact in the course of transferring his assets to CoinDexEC and entrusting Doe #1 to properly handle and invest his assets for profit.

73. Plaintiff suffered damages as a direct and proximate result of his reliance of Doe #1's statements.

74. Doe #1's conduct warrants an award of punitive damages under the law. Wis. Stat. § 895.043(3); *Kimble v. Land Concepts*, 353 Wis. 2d 377, ¶ 44 (Wis. 2014).

75. Doe #1 acted maliciously toward Plaintiff and intentionally disregarded Plaintiff's rights because he misrepresented the CoinDexEC business in order to lure Plaintiff to send cryptocurrency and continued to bilk Plaintiff for more cryptocurrency when he was just stealing from Plaintiff.

Wherefore, Plaintiff demands a judgment against Doe #1 for an amount to be determined at trial, including an award of interest and costs. Plaintiff also demands an award of punitive damages.

Count II. Breach of Fiduciary Duty (against Doe #1)

76. Plaintiff incorporates paragraphs 1-67 as if fully set forth herein.

77. Plaintiff and Doe #1 shared a relationship where Plaintiff reposed trust and confidence in Doe #1, and Doe #1 undertook such trust and assumed a duty to advise, counsel and/or protect Plaintiff.

78. Doe #1 owed Plaintiff a fiduciary duty to, among other things: (a) disclose to Plaintiff all material information pertaining to Plaintiff's assets in CoinDexEC; and (b) refrain from making false statements or creating misimpressions of material fact as they relate to Plaintiff's assets in CoinDexEC.

79. Doe #1 breached his duty to Plaintiff.

80. Plaintiff have suffered damage as a direct and proximate result of his reliance on the statements made to him by Doe #1.

81. Doe #1's conduct warrants an award of punitive damages under the law. Wis. Stat. § 895.043(3); *Kimble v. Land Concepts*, 353 Wis. 2d 377, ¶ 44 (Wis. 2014).

82. Doe #1 acted maliciously toward Plaintiff and intentionally disregarded Plaintiff's rights because he willfully violated Plaintiff's trust and confidence.

Wherefore, Plaintiff demands a judgment against Doe #1 for an amount to be determined at trial, including an award of interest and costs. Plaintiff also demands an award of punitive damages.

Count III. Fraudulent and Negligent Misrepresentation (against Doe #1)

83. Plaintiff incorporates paragraphs 1-67 as if fully set forth herein.

84. Doe #1, by acts of both omission and commission, made false statements to Plaintiff concerning material facts about his assets at CoinDexEC.

85. Doe #1 knew or should have known, at the time the statements were made, that the statements were false.

86. Doe #1 intended Plaintiff would rely on these false statements of fact.

87. Plaintiff reasonably and justifiably relied on these statements of fact in the course of transferring his assets to CoinDexEC and entrusting Doe #1 to properly handle and invest his assets for profit.

88. Plaintiff suffered damages as a direct and proximate result of his reliance of Doe #1's statements.

89. Doe #1's conduct warrants an award of punitive damages under the law. Wis. Stat. § 895.043(3); *Kimble v. Land Concepts*, 353 Wis. 2d 377, ¶ 44 (Wis. 2014).

90. Doe #1 acted maliciously toward Plaintiff and intentionally disregarded his rights because he misrepresented the CoinDexEC business in order to lure Plaintiff to send cryptocurrency and continued to bilk Plaintiff for more cryptocurrency when he was just stealing from Plaintiff.

Wherefore, Plaintiff demands a judgment against Doe #1 for an amount to be determined at trial, including an award of interest and costs. Plaintiff also demands an award of punitive damages.

Count IV. Rescission (against Doe #1)

91. Plaintiff incorporates paragraphs 1-67 as if fully set forth herein.

92. The terms of participation in CoinDexEC constitute a contract between Plaintiff and Doe #1, who acted through a sham entity, CoinDexEC, which was never legally registered as a business with any governmental authority.

93. The terms of participation and investment in CoinDexEC called for an investment of cryptocurrency by Plaintiff.

94. As a result of the Doe #1's fraud, false representations, and violation of federal and state laws in connection with CoinDexEC, Plaintiff state his demand that the contract be rescinded and canceled.

95. To the extent that Plaintiff received \$50 under this contract from CoinDexEC in a test withdrawal transaction, Plaintiff offers to restore those benefits once Doe #1's true identity is established.

96. As a direct and proximate cause of Doe #1's conduct, Plaintiff has been damaged.

97. Doe #1 is subject to liability because he is believed to control the cryptocurrency assets Plaintiff transferred to CoinDexEC, which must be disgorged and returned to Plaintiff in effectuating the rescission of the contract that he was fraudulently led into.

Wherefore, Plaintiff demands a judgment against Doe #1 for an amount to be determined at trial, including an award of interest and costs.

Count V. Conversion (against Doe #1)

98. Plaintiff incorporates paragraphs 1-67 as if fully set forth herein.

99. Plaintiff transferred his cryptocurrency assets, property, to his individual account at CoinDexEC for trading and investment purposes.

100. Neither CoinDexEC nor Doe #1 has any ownership interest in Plaintiff's property.

101. Doe #1, through CoinDexEC, refused to return Plaintiff's property when he failed to honor Plaintiff's requests to withdraw his trading balance of approximately 98.5 BTC, including his initial out-of-pocket investment of 5.66 BTC and 70.14 ETC.

102. By shutting down CoinDexEC and cutting contact with Plaintiff, Doe #1 intended to interfere with, and indeed has interfered with, Plaintiff's ownership and interest in the property and has permanently deprived Plaintiff of his property.

103. Upon information and belief, Doe #1 has utilized all or a portion of Plaintiff's property to enrich himself.

104. As a result of Doe #1's conversion of Plaintiff's property to his own personal use, Plaintiff suffered damage.

Wherefore, Plaintiff demands a judgment against Doe #1 for an amount to be determined at trial, including an award of interest and costs.

Count VI. Civil Conspiracy (against Does #1-3)

105. Plaintiff incorporates paragraphs 1-67 as if fully set forth herein.

106. Does #1-3 conspired with one another to perpetrate an unlawful act upon Plaintiff or to perpetrate a lawful act by unlawful means by making multiple misrepresentations of fact, in an effort to extract Plaintiff's cryptocurrency solely to enrich themselves and not to fund the purportedly legitimate purpose of trading and investing as represented to Plaintiff.

107. Does #1-3 solicited and/or accepted from Plaintiff's cryptocurrency assets worth a significant monetary value while withholding certain material facts from Plaintiff, including:

- a. CoinDexEC is not a legally formed entity registered with any government authority.
- b. The confidence that Doe #1 had instilled in Plaintiff based on his purported success as a cryptocurrency trader was entirely baseless, as the name he used, Anthony Crown, is a fake person with a fake phone number.
- c. The account statements presented to Plaintiff on CoinDexEC, which purported to reflect his cryptocurrency holdings in his investment portfolio, were fabricated with false and misleading information.
- d. Plaintiff's deposits did not go toward any trading or investment program. Rather, they were delivered to various private or sham addresses owned, operated, and/or affiliated with Does #1-3.
- e. After being rerouted via at least 29 such intermediary addresses, Plaintiff's assets were eventually funneled into 10 different accounts at centralized exchange platforms that allow for cryptocurrency-to-cash conversion.
- f. These accounts are owned, operated, and/or affiliated with Does #1-3.

108. Does #1-3 each agreed to the illicit purpose of scamming Plaintiff and bilking his cryptocurrency for their own personal gains.

109. Does #1-3 were each aware of, and consented to, the misrepresentations detailed above and knew that the efforts to collect assets from Plaintiff was all part of a fraud aimed solely at enriching themselves without any intent to remunerate Plaintiff.

110. In furtherance of their conspiracy, Does #1-3 made to Plaintiffs, or agreed to have someone make on their behalf, the false statements of fact detailed above and purposefully withheld from Plaintiff certain material facts detailed above in a concerted effort to obtain Plaintiff's cryptocurrency.

111. To fulfill his role in the conspiracy, Doe #1 solicited investors to contribute assets to CoinDexEC, made numerous misrepresentations of material fact about his credentials and CoinDexEC, and pretended to be operating a legitimate, legally compliant cryptocurrency trading platform. For his role in the conspiracy, Doe #1 was duly compensated.

112. To fulfill his role in the conspiracy, Does #2-3 knowingly created, operated, and controlled various sham wallet addresses through which they transferred Plaintiff's assets in order to "launder" them before finally depositing all or a substantial portion in exchange accounts they own, operate, or control, which would then allow Does #2-3 to fraudulently convert Plaintiff's assets into cash. For their role in the conspiracy, Does #2-3 were duly compensated.

113. Does #2-3 were aware that Doe #1, through CoinDexEC, conducted no legitimate trading activities, and they accepted and assisted in these activities as part of a broader fraudulent scheme designed to steal cryptocurrency from Plaintiff and other unsuspecting investors.

114. As a direct and proximate result of Does #1-3's conspiracy, Plaintiff suffered damage.

115. Does #1-3's conduct warrants an award of punitive damages under the law. Wis. Stat. § 895.043(3); *Kimble v. Land Concepts*, 353 Wis. 2d 377, ¶ 44 (Wis. 2014).

116. Does #1-3 acted maliciously toward Plaintiff and intentionally disregarded Plaintiff's rights because they conspired with one another to operate a fraudulent scheme that

exploited Plaintiff and launder Plaintiff's cryptocurrency in an attempt to legitimize their ill-gotten gains.

WHEREFORE, Plaintiff demands a judgment against Does #1-3, jointly and severally, for an amount within the jurisdiction limits of this Court, including an award of interest and costs. Plaintiff also demands an award of punitive damages.

Count VII. Unjust Enrichment (against Does #1-3)

117. Plaintiff incorporates paragraphs 1-67 as if fully set forth herein.

118. Plaintiff had a direct relationship with Doe #1 where Plaintiff conferred a benefit upon Doe #1 by transferring cryptocurrency assets to CoinDexEC, which Doe #1 owned, operated, and controlled.

119. Doe #1 has reaped the benefits of operating and/or personally benefiting from inducing Plaintiff to invest in a fraudulent trading and investment scheme, thereby causing Plaintiff actual harm.

120. Doe #1 misappropriated Plaintiff's assets for his own benefit and was enriched at Plaintiff's expense.

121. Does #2-3 participated in this scheme by engaging in activities designed to launder Plaintiff's assets before directing these assets into their accounts at Gemini. They were enriched at Plaintiff's expense.

122. It would be unconscionable and against the fundamental principles of justice, equity, and good conscience for Does #1-3 to retain Plaintiff's assets, which are worth substantial monetary value.

123. To remedy the unjust enrichment, the Court should order Does #1-3 to immediately return Plaintiff's assets and disgorge any amounts received by them as a result of his misconduct alleged above.

Wherefore, Plaintiff demands a judgment against Does #1-3 for an amount to be determined at trial, including an award of interest and costs.

Count VIII. Imposition of Constructive Trust (against Does #1-3)

124. Plaintiff incorporates paragraphs 1-67 as if fully set forth herein.

125. In this action, Plaintiff seeks to impose a constructive trust upon cryptocurrency assets that are currently held and controlled by Does in their accounts. This action further calls for the restoration to Plaintiff of that wrongfully obtained property.

126. Cryptocurrency assets are specific, identifiable property that can be traced in Does #1-3' accounts.

127. As alleged above, Does #1-3—through actual fraud, abuse of confidence, or other questionable means—have obtained Plaintiff's assets, which they should not be permitted to hold in equity and good conscience.

128. These assets must be held in trust and be disgorged to Plaintiff's benefit, as Does are not entitled to the benefit of the wrongfully converted property that was scammed from Plaintiff.

Wherefore, Plaintiff demands the equitable imposition of a constructive trust over these assets being held by Does #1-3 in their accounts, and further demand the restoration of those assets to Plaintiff.

**Count IX. Violation of the Wisconsin Deceptive Trade Practices Act
(against Doe #1)**

129. Plaintiff incorporates paragraphs 1-67 as if fully set forth herein.

130. The Wisconsin Deceptive Trade Practices Act protects individuals like Plaintiff from fraudulent advertisements and deceptive marketing practices. Wis. Stat. § 100.18. *Jersild v. Aker*, 775 F. Supp. 1198, 1205 (E.D. Wis. 1991).

131. Doe #1, with the intent to increase Plaintiff's consumption of his nonexistent cryptocurrency trading and investment services, made a litany of false statements of facts to Plaintiff in order to induce Plaintiff to enter into an obligation relating to using such services.

132. Doe #1's statements and representations were published in various publications—online advertisements, websites, and a messenger app.

133. As a direct and proximate cause of Doe #1's conduct, Plaintiff has been damaged.

134. Doe #1's conduct warrants an award of punitive damages under the law. Wis. Stat. § 895.043(3); *Kimble v. Land Concepts*, 353 Wis. 2d 377, ¶ 44 (Wis. 2014).

135. Doe #1 acted maliciously toward Plaintiff and intentionally disregarded his rights because he misrepresented the CoinDexEC business in order to lure Plaintiff to send cryptocurrency and continued to bilk Plaintiff for more cryptocurrency when he was just stealing from Plaintiff.

136. Plaintiff is entitled to a statutory recovery of reasonable attorney's fees incurred in bringing this action.

Wherefore, Plaintiff demands a judgment against Doe #1 for an award for an amount to be determined at trial, including an award of interest and costs. Plaintiff also demands a statutory award of reasonable attorneys' fees.

Count IX. Violations of the Commodity Exchange Act (against Doe #1)

137. Plaintiff incorporates paragraphs 1-67 as if fully set forth herein.

138. Plaintiff alternatively seeks relief under Sections 4o and 22 of the Commodity Exchange Act (the “CEA”).

139. Section 4o of the CEA (7 U.S.C. § 6o) prohibits a “commodity trading advisor” or “commodity operator” from “employ[ing] any device, scheme, or artifice to defraud any client or [...] prospective client.” 7 U.S.C. § 6o(1)(A). It further prohibits a “commodity trading advisor” or “commodity pool operator” from “engag[ing] in any transaction, practice, or course of business which operates as a fraud or deceit upon any client [...] or prospective client.” *Id.* § 6o(1)(B).

140. Section 22 of the CEA (7 U.S.C § 25) provides a private right of action for violations of the CEA’s provisions, including Section 4o. Section 22(a)(1) spells out four circumstances where a private right of action will lie. Each is explicitly transactional in nature: (1) receiving trading advice for a fee, (2) making a contract of sale of any commodity for future delivery or the payment of money to make such a contract, (3) placing an order for purchase or sale of a commodity, or (4) market manipulation in connection with a contract for sale of a commodity.

141. Cryptocurrency is a commodity under the CEA.

142. Doe #1 is a commodity advisor and a commodity operator subject to the CEA. Doe #1, through the offer of his managed cryptocurrency trading service on CoinDexEC, for compensation or profit, engaged in the business of advising investors of cryptocurrency trading and operated a website where investors can place an order for purchase or sale of cryptocurrency.

143. Doe #1 fraudulently induced Plaintiff to enter into a commodities account at CoinDexEC by overblown predictions of profit from cryptocurrency trading and lured Plaintiff into unrealistic sense of security and confidence in CoinDexEC.

144. Through the use of Telegram and www.coindexec.com, Doe #1 employed a fraudulent scheme to induce Plaintiff to transfer his cryptocurrency to wallet addresses provided by CoinDexEC by falsely telling him that the cryptocurrency was being used to trade and misappropriating Plaintiff's cryptoassets by transferring them into various exchange accounts controlled by Does #1-3.

145. Upon information and belief, these blockchain transactions took place within the United States.

146. Doe #1's misrepresentations and omissions proximately caused Plaintiff's injuries in the form of loss of his cryptocurrency assets.

147. Plaintiff sustained actual damages in the amount to be proven at trial, but in no event less than the actual out-of-pocket loss, the value of total cryptocurrency Plaintiff had transferred to CoinDexEC.

WHEREFORE, Plaintiff demands a judgment against Doe #1 for an amount to be determined at trial, including an award of interest and costs.

Respectfully submitted,

Dated: August 26, 2022

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