

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
ORLANDO DIVISION**

ERIC DE FORD, SANDRA BADER,  
Individually and on Behalf of All Others  
Similarly Situated,

Plaintiffs,

v.

JAMES KOUTOULAS, JEFFREY  
CARTER, ERIK NORDEN, ALEXANDER  
HOPE MASCIOLI, ARIS GEORGE  
MICHALOPOULOS, THOMAS  
McLAUGHLIN, CORAL CAPITAL LLC,  
CORAL CAPITAL MANAGEMENT LLC,  
CORAL DEFI LP, BRANDON BROWN,  
BRANDONBILT MOTORSPORTS, LLC,  
and NATIONAL ASSOCIATION FOR  
STOCK CAR AUTO RACING, LLC,

Defendants.

Case No. 6:22-cv-652-PGB-DCI

CLASS ACTION

JURY TRIAL DEMANDED

**SECOND AMENDED CLASS ACTION COMPLAINT AND  
DEMAND FOR JURY TRIAL**

Plaintiffs, individually and on behalf of all others similarly situated, bring this action against LGBCoin d/b/a LGBCoin.io (the “Company”), James Koutoulas, Jeffrey Carter, Erik Norden, Aris George Michalopoulos (the “Executive Defendants”) Thomas McLaughlin, Coral Capital LLC, Coral Capital Management LLC, Coral DeFi LP (the “Coral Defendants”), Alexander Hope Mascioli, Brandon Brown, Brandonbilt Motorsports, LLC, National Association for Stock Car Auto Racing, LLC (the “Racing Defendants”) (collectively, with the Company, Executive Defendants, and Coral Defendants, the “Defendants”). The following allegations

are based upon personal knowledge as to Plaintiffs' own facts, upon investigation by Plaintiffs' counsel, and upon information and belief where facts are solely in possession of Defendants.

### **NATURE OF THE CASE**

1. On October 2, 2021, an NBC reporter incorrectly described attendees at the NASCAR Sparks 300 race at Talladega Superspeedway who were expressing their distaste for President Biden as chanting "Let's go Brandon!" in support of the race's eventual winner Brandon Brown.

2. From there, the phrase "Let's Go Brandon!" and its shorthand "LGB!" has become a nearly universally known euphemistic slogan for those seeking to express their displeasure with the current Administration. The phrase's popularity gave rise to its appearance on t-shirts, trucker hats, coffee mugs, wrist bands, and bumper stickers, among other things.

3. Alexander H. Mascioli, an automobile enthusiast and self-proclaimed Cryptocurrency investments expert, who is also a convicted forger that consented to a \$100,000 SEC fine for securities fraud, saw another opportunity: creating a "Let's go Brandon!" cryptocurrency (a digital commodity whose value rises with its demand) ("LGBCoin") and associating it with high-profile conservative influencers and NASCAR.

4. Mascioli recruited James Koutoulas, CEO of the hedge fund Typhon Capital Management and a Republican influencer, and Brandon Brown's racing

team, BrandonBilt Motorsports (“BMS”), to promote the coin. This two-front marketing campaign began in earnest immediately.

5. On November 2, 2021, LGBCoin became available for purchase. Three days later, Mascioli, Koutoulas and BMS owner Jerry Brown met with NASCAR executives at the NASCAR Xfinity Series Champion Race in Phoenix, Arizona, discussing their partnership.

6. Koutoulas spent the next two months promoting LGBCoin to the public using race car imagery and inside access to Brandon Brown and to additional conservative influencers by, among other things, providing them purported insider information, gifting them LGBCoins and benefiting from their further promotion of the coin.

7. Koutoulas’s Instagram and Twitter accounts are littered with pictures of himself with Brandon Brown and wearing the LGBCoin’s logo alongside prominent Republican public figures such as former President Donald J. Trump, Donald J. Trump, Jr., Peter Thiel, Texas Governor Greg Abbott, Arizona Senate candidate Blake Masters, and City of Miami Mayor Francis Suarez.

8. All the while, Koutoulas and the other promoters continued to tease an upcoming announcement of a NASCAR partnership.



9. On December 30, 2021, LGBCoin and BMS announced that LGBCoin was Brandon Brown's full season primary partner for the 2022 NASCAR Xfinity Series season (the "Sponsorship").

10. On January 1, 2022, LGBCoin reached a price of \$0.000001734, a market value of more than \$570 million, which represented a 510% increase from its initial price of \$0.00000034, just two months earlier.

11. On January 4, 2022, NASCAR announced that it would not allow LGBCoin to sponsor Brandon Brown. In fact, a NASCAR official claimed that NASCAR executives told LGBCoin and BMS on November 5, 2021, that it would not allow any variation of "Let's go Brandon!" on a race car. Koutoulas claims NASCAR executives said that they would approve a sponsorship if it used the abbreviated coin name, LGBCoin.io.

12. Insiders sold and the value of LGBCoin fell to zero.

**Let's Go Brandon to USD Chart**

13. Plaintiffs bring this action on behalf of all investors who purchased virtual currency in the form of Let's Go Brandon meme tokens ("LGBCoin") between November 2, 2021, and March 15, 2022 (the "Relevant Period"), and were damaged thereby.

## **PARTIES**

### ***Plaintiffs***

14. Plaintiff Eric De Ford ("De Ford") is a resident and citizen of Missouri. During the class period, De Ford purchased LGBCoins in several transactions dating December 31, 2021, January 1, 2022, January 11, 2022, January 26, 2022, and January 28, 2022, via the U.S.-based cryptocurrency exchanges Coinbase and Uniswap. De Ford suffered investment losses as a result of Defendants' conduct.

15. Plaintiff Sandra Bader (“Bader”) is a resident and citizen of Idaho. During the relevant period, and specifically on January 1, 2022, Bader purchased LGBCoins via the U.S.-based cryptocurrency exchanges Coinbase and Uniswap. Bader suffered investment losses as a result of Defendants’ conduct.

### ***Defendants***

16. Defendant Alexander Hope Mascioli (“Mascioli”) is a resident and citizen of New York, living in Brooklyn, New York. Mascioli is the co-founder/creator of the Company, served as a consultant and spokesman for the Company, exercised control over the Company and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public and at one point, was an LGBCoin holder.

17. Mascioli has quite the checkered past. Not only was Mascioli convicted of forgery and criminal impersonation in Connecticut in 2002, but he also has an investment history that is consistent with stock price manipulation.

18. In September 2011, Mascioli and his purported hedge fund, North Street Capital, LP agreed to purchase Spyker Cars for \$43.5 million and 2.38 million shares of SAAB for \$70 million. Although the deals were widely reported, they never closed, with SAAB Chairman and CEO Victor Muller quoted as saying “North Street Capital was not real,” “they pretended to make a deal, but in fact they could not at all that. They could not provide credible evidence of assets.”

19. In May 2012, Mascioli and North Street Capital again made an offer to purchase a publicly traded company, that was widely reported, for which

Mascioli was without the ability to consummate the transaction. On May 9, 2012, Mascioli sent Winnebago (“WGO”) an unsolicited offer letter to acquire all of Winnebago’s common stock for \$11 per share, or approximately \$321 million. The \$11 per share represented a \$2.11 (or 23.7) premium to WGO’s closing price on May 8, 2012.

20. On May 17, 2012, Mascioli sent a copy of that offer letter to Bloomberg which reported the offer. Winnebago Industries stock, which closed at \$8.51 on May 17, 2012, the day before news of the latest offer broke, reached a high of \$10 per share on May 18, 2012. In pre-market trading on May 18, 2012, almost 700,000 WGO shares were traded. By contrast, in the four trading days prior to May 18, 2012, WGO had little to no volume in pre-market trading.

21. In March 2014, the SEC filed a securities fraud complaint against Mascioli and North Street Capital for their actions in connection with the Winnebago offer. *Securities and Exchange Commission v. Alexander H.G. Mascioli*, No. 3:14-cv-325 (D. Conn. Mar. 12, 2014). Mascioli and North Street Capital agreed to a consent judgment accepting a civil penalty of \$100,000 and permanently enjoining Mascioli from acting as an officer or director of any issuer of securities. *Securities and Exchange Commission v. Alexander H.G. Mascioli*, No. 3:14-cv-325, ECF No. 9 (D. Conn. Mar. 20, 2014).

22. In 2017, Mascioli shifted his attention to cryptocurrencies, as head of institutional services for Bequant, a crypto prime broker, overseeing the trading, execution, margin financing and lending for institutional players in crypto. In

2020, Mascioli co-founded Trade the Chain, an alerts-based dashboard of crypto markets. Mascioli now markets himself as a crypto fund and institutional digital assets educator, speaker and entrepreneur. At some point prior to December 30, 2021, Mascioli became co-owner of BrandonBilt Motorsports (“BMS”).

23. Defendant James Koutoulas (“Koutoulas”) is a resident and citizen of Florida, living in Miami Beach, Florida. Koutoulas is the co-founder/creator of the Company, served as a consultant, developer, and spokesman for the Company, is an LGBCoin holder, and exercised control over the Company and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public.

24. Koutoulas’s primary occupation is the CEO of Typhon Capital Management, a commodity trading advisory firm that he founded in 2008. Koutoulas is also a lawyer, who graduated from Northwestern Law School in 2006, admitted to practice in Illinois in November 2006 and New York in April 2021. But he generally is non-practicing. His law firm’s registered address with the Illinois Attorney Registration and Disciplinary Committee and the New York State court system is the same as his former law professor and current counsel Sam Tenenbaum’s.

25. But in October 2011, when MF Global filed for bankruptcy, Koutoulas learned that nearly all of the funds Typhon was managing (\$55 million of Typhon Capital Management’s \$70 million under management) had been dragged into the bankruptcy proceedings. Koutoulas loudly threw himself into the proceedings by



filing an emergency motion arguing for MF Global customers' (Typhon Capital's investors) funds to be unfrozen. Although his motion was denied, his picture appeared on the cover of *The New York Times* business section the next day and he became the figurehead for the MF Global customers whose funds were frozen. He and another broker organized fundraising calls with affected customers and hired a securities lawyer to represent their interests in the bankruptcy.<sup>1</sup> He also reached out to Sam Tenenbaum for help. The bankruptcy court eventually released the customers' funds and Koutoulas touted a \$6.7 billion victory, *pro bono*. Koutoulas parlayed that notoriety into a spot on the National Futures Association's Board of Directors.

26. Most recently, however, Koutoulas is more likely to be found in less idealistic pursuits. He now frequently promotes his association with notable conservative public figures such as Peter Thiel and Donald Trump, Jr. In his most recent court experience, he served as one of the plaintiffs' counsel in a securities fraud class action concerning the issuance and promotion of a cryptocurrency, EOS Tokens, which plaintiffs pointedly alleged was "an unregulated security" that violated several provisions of the Securities Act of 1933 and the Exchange Act of 1934. *Williams v. Block.one*, No. 20-cv-2809 (S.D.N.Y.). Koutoulas bragged that the *Williams* case concerned a multi-billion-dollar fraud and that he served one

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<sup>1</sup> Ameet Sachdev, *Hedge-fund manager an impassioned advocate for commodities customers*, CHICAGO TRIBUNE, Mar. 18, 2013, <https://www.chicagotribune.com/business/ct-xpm-2013-03-18-ct-biz-0318-executive-profile-koutoulas-20130318-story.html>.

defendant during the defendant's presidential campaign rally. The case settled prior to a ruling on the motion to dismiss for \$27.5 million and awaits a ruling on final approval of the settlement. Koutoulas claims an \$800 an hour billing rate.

27. Defendant Jeffrey R. Carter ("Carter") is a resident and citizen of Florida, living in Miami Beach, Florida. Carter is the co-founder/creator of the Company, served as a consultant, developer, and spokesman for the Company, is an LGBCoin holder, and exercised control over the Company and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public.

28. Carter is the managing partner of West Loop Ventures, a venture capital fund. Carter also serves as a board member of Koutoulas's Typhon Capital Management.

29. Defendant Erik Norden ("Norden") is a resident and citizen of Florida, living in Boca Raton, Florida. Norden is the co-founder/creator of the Company, served as a consultant, developer, and spokesman for the Company, is an LGBCoin holder, and exercised control over the Company and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public.

30. Defendant Aris George Michalopoulos ("Michalopoulos") is a resident and citizen of Florida, living in Miami Beach, Florida. Michalopoulos is the founder and CEO of Empeopled, a social networking website that has been inactive since 2017, and the chief investment officer of Leonidas Funds at Koutoulas's Typhon Capital Management.

31. Defendant Thomas McLaughlin, Jr. (“McLaughlin”) is a resident and citizen of Puerto Rico, living in San Juan, Puerto Rico. McLaughlin is the co-founder/creator of the Company, served as a consultant, developer, and spokesman for the Company, is an LGBCoin holder, and exercised control over the Company and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public. McLaughlin is also the co-founder and Chief Investment Officer of Coral DeFi, a crypto investment fund and subsidiary of Coral Capital Partners.

32. Coral Capital LLC, is a Puerto Rico Limited Liability Corporation with its principal place of business located at 954 Ponce de Leon Avenue, Suite 601, San Juan, PR 00907. Coral Capital LLC operates as a venture capital fund that focuses on cryptocurrency and other related ventures for investors seeking equity stakes in small- to medium-sized enterprises. Coral Capital was co-founded by Patrick Horsman, Thomas McLaughlin and/or David Namdar.

33. Coral Capital Management LLC is a Delaware Limited Liability Corporation and an affiliate and/or subsidiary of Coral Capital LLC, with its principal place of business located 2067 Calle Espana #4, San Juan, PR 00913. Patrick Horsman is listed as the registered executive of Coral Capital Management LLC on its SEC corporate filings.

34. Coral DeFi LP is a Delaware Limited Partnership and an affiliate and/or subsidiary of Coral Capital LLC, with its principal place of business located 2067 Calle Espana #4, San Juan, PR 00913. Coral DeFi LP operates as an

“Alternative Investment Platform” and digital asset manager. Coral DeFi was founded by Patrick Horsman, Thomas McLaughlin and David Namdar, and is specifically focused on decentralized financial applications and investment opportunities.

35. Coral Capital LLC, Coral Capital Management LLC, and Coral DeFi are collectively referred to as the “Coral entities.”

36. Defendant Brandon Brown (“Brown”) is a resident and citizen of Virginia living in Stafford County, Virginia. Brandon Brown is an LGBCoin holder and acted as a promotor for the Company and LGBCoin.

37. Defendant Brandonbilt Motorsports, LLC (“BMS”) is a Virginia Limited Liability Corporation with its principal place of business in Mooresville, North Carolina, that operates a professional stock car racing team with Brown. BMS is managed by Jerry Brown and David Clark, both citizens of Virginia. BMS acted as a promotor for the Company and LGBCoin.

38. Defendant National Association for Stock Car Auto Racing, LLC (“NASCAR”) is a Florida corporation with its principal place of business in Daytona Beach, Florida, where it controls, oversees, promotes, and markets the NASCAR brand and sanctioned stock car racing events and series and throughout the United States, Canada, Mexico, and Europe.

### **JURISDICTION AND VENUE**

39. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §1332. Plaintiffs bring this civil action seeking to represent a class of

more than 100 plaintiffs pursuant to Fed. R. Civ. P. 23. Plaintiff De Ford is a citizen of the State of Missouri. Plaintiff Bader is a citizen of the State of Idaho. None of the Defendants are citizens of Missouri or Idaho. Plaintiffs seek an award exceeding \$5,000,000, exclusive of interest and costs, on behalf of themselves and the putative class.

40. The Court has general jurisdiction over Defendants Koutoulas, Carter, Michalopoulos, Norden, and NASCAR as they are all residents of the State of Florida and are thus “at home” in the forum.

41. The Court has specific jurisdiction over the remaining defendants as they have conducted business in Florida, committed tortious acts in Florida and have engaged in substantial activity in Florida. *See Fla. Stat. Ann. §48.193.* Florida’s long-arm statute provides for personal jurisdiction over any alleged conspirator where any other co-conspirator commits an act in Florida in furtherance of the conspiracy, even if the defendant over whom personal jurisdiction is sought individually committed no act in, or had no relevant contact with, Florida. *See United Techs. Corp. v. Mazer*, 556 F.3d 1260, 1281-82 (11th Cir. 2009) (citing *Machtinger v. Inertial Airline Servs., Inc.*, 937 So. 2d 730, 734-36 (Fla. 3d DCA 2006) (finding personal jurisdiction existed in Florida where conspiracy was made in Ohio but acts in furtherance of the conspiracy were done in and directed toward Florida)); *Wilcox v. Stout*, 637 So. 2d 335, 337 (Fla. 2d DCA 1994) (“if [plaintiff] has successfully alleged that any member of that conspiracy committed tortious acts in Florida in furtherance of that conspiracy, then all of the

conspirators are subject to the jurisdiction of the state of Florida through its long-arm statute”); *see also Execu-Tech Bus. Sys., Inc. v. New Oji Paper Co.*, 752 So. 2d 582, 584-85 (Fla. 2000) (finding personal jurisdiction in Florida over a participant in a nationwide price-fixing conspiracy in which some co-conspirators, but not the defendant at issue, made sales into Florida).

42. Venue is proper in this judicial District pursuant to 28 U.S.C. §1391(b) because Defendants live and/or conduct business in this District, and a substantial part of the events or omissions giving rise to the claims alleged herein occurred in this District.

### **FACTUAL ALLEGATIONS**

43. Cryptocurrency, or crypto, is a form of currency that exists digitally or virtually and uses cryptography to secure transactions. Cryptocurrencies use a decentralized system to record transactions and issue new units. The first cryptocurrency was Bitcoin, which was founded in 2009. As of March 2022, there are 18,465 cryptocurrencies in existence.<sup>2</sup> Some of the largest include: Ethereum, XRP, Dogecoin, and Shiba Inu.

44. Anyone can create a new cryptocurrency. An internet search will provide you step-by-step instructions with video for creating a new cryptocurrency in less than an hour. Once created, the new cryptocurrency can be traded on cryptocurrency exchanges. Exchanges can be centralized such as Coinbase,

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<sup>2</sup> Josh Howarth, *How Many Cryptocurrencies are There in 2022?* Jul. 19, 2022, <https://explodingtopics.com/blog/number-of-cryptocurrencies> (last visited Jul. 19, 2022).

Crypto.com, Gemini, BitMart and others, or decentralized (Dex) such as Uniswap, Pancake Swap, and others.

45. Cryptocurrency is stored in crypto wallets, which are physical devices or online software used to store the private keys to the owner's cryptocurrencies securely. Wallets have unique identifiers called Wallet IDs. There is no limit on the number of wallets a person can control.

46. Transactions of cryptocurrencies are recorded in a blockchain which serves as a distributed public ledger. The amount of cryptocurrency transacted, the sender's wallet address, the recipient's wallet address and the date and time of the transfer for every transfer of cryptocurrency between digital wallets can be publicly viewed on the blockchain by using any number of websites like [www.blockchain.com/explorer](http://www.blockchain.com/explorer) or [www.etherscan.io](http://www.etherscan.io).

47. The owner of a particular wallet is not publicly available from the blockchain. However, since users usually have to reveal their identity in order to receive services or goods, many times the owner of a wallet can be deduced from a wallet's transactions or matching wallet data with other identifiable data points such as a user's IP address.

### **LGBCoin.io Background**

48. The LGBCoin is a cryptocurrency created by a group of entrepreneurs and cryptocurrency developers, including, but not limited to, the Executive Defendants. In particular, LGBCoins are blockchain-based digital assets known as "ERC-20 tokens" that are created using the Ethereum blockchain. After an ERC-

20 token is created, it can be traded, spent, or otherwise transacted with. LGBCoin were primarily traded against Ether, the native currency of the Ethereum blockchain network on Binance, Coinbase, Uniswap, and other decentralized exchanges that allow anyone to list a token.

49. The Company promoted LGBCoin to be a collectable “inspiring positivity and patriotism” and “grounded in a strong belief in the American dream and the principles of freedom.”<sup>3</sup> According to the Company, LGBCoin are not “inherently political” but rather, a way to “digitally voice their support for America and the American dream.”<sup>4</sup>

50. LGBCoin’s name alludes to the political phrase “Let’s Go Brandon” that arose after Brandon Brown’s NASCAR Xfinity Series win at the Talladega Speedway on October 2, 2021 (the “Talladega NASCAR Race”). The phrase stemmed from a misunderstanding that occurred during Brown’s post-win interview with NBC Sports reporter, Kelli Stavast, but later caught on as a euphemistic expression of displeasure with President Biden.

51. On October 28, 2021, all 330 trillion LGBCoin were minted as part of the creator smart contract.<sup>5</sup> It is best practice for tokens to be sold as part of time-locked smart contracts with controls to prevent fraud. And although the Executive

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<sup>3</sup> <https://LGBCoin.io/> (last visited Mar. 9, 2022)

<sup>4</sup> <https://LGBCoin.io/about/> (last visited Mar. 9, 2022).

<sup>5</sup> See [https://www.instagram.com/tv/CXtuLKsDVQL/?utm\\_medium=copy\\_link](https://www.instagram.com/tv/CXtuLKsDVQL/?utm_medium=copy_link); THE DAVID J. HARRIS JR. SHOW, Dec. 22, 2021, <https://podcasts.apple.com/us/podcast/the-david-j-harris-jr-show/id1485932439>, 15:59-16:01.



defendants were experienced in crypto, they did not implement these fraud prevention controls. At the same time, the Executive Defendants took steps to conceal their identities from the public.

52. The 330 trillion LGBCoin were dispersed to three wallet addresses owned and/or controlled by Jeffrey Carter as follows:

- Wallet Address `ox37364ca1fd526ed06c6e0a36b8d471919boe273f` (“Carter Wallet 1 `ox373`”) received 165 trillion LGBCoins.
- Wallet Address `oxc9150014a3cab1ff3ffcb031b5bc2570b07d4a53` (“Carter Wallet 2”) received 33 trillion LGBCoins.
- Wallet Address `ox619e91cf4bbd4a78f8207192d6fb5c347bee1a1d` (“Carter Wallet 3” `ox619`”) received 132 trillion LGBCoins.

53. Carter Wallet 1 then transferred 100 billion LGBCoins to a fourth wallet owned and/or controlled by Carter: Wallet Address `oxed33bf53db3349db27f9bf54d2946oad10567206` (“Carter Wallet 4”).<sup>6</sup> Carter Wallet 4 was the first wallet address to receive LGBCoin from Carter Wallet 1. The four Carter Wallets collectively serve as the de facto deployer wallets of LGBCoin. Notably, none of the Carter Wallets are contract-based wallets. Best practices in cryptocurrency launches include a mechanism in the code of the smart contract itself to “lock” for a certain period of time the portion of the Float given to the developers and other insiders pre-launch. This mechanism is designed to prevent

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<sup>6</sup> See TCP # 614, James Koutoulas & Jeffery Carter Interview, <https://rumble.com/embed/vm65gr/?pub=4> (last visited Jul. 19, 2022).

insiders from immediately dumping huge amounts of tokens (acquired at little to no cost pre-launch) onto the market once trading volume from retail investors increases. The Carter Wallets, instead, are regular cryptocurrency wallets that have no limitations on selling at any point.

54. On October 29, 2021, Carter Wallet 4 received three “gas fee”<sup>7</sup> transfers from separate wallet addresses.

55. One of those wallets can be positively identified as belonging to Michalopoulos: Wallet Address `oxcD39Fd52d7998D30A77903FF31229B4cDbc7805B`. The wallet owns the domain name “empeopled.eth” – Michalopoulos’ social networking business is called “empeopled.” Michalopoulos’ wallet sent \$1,325.22 in gas fees to Carter Wallet 1 on October 29, 2021 to facilitate the public trading of LGBCoins at launch.

56. On November 1, 2021, Koutoulas’s wallet, Wallet Address `ox2986534b03b87d358224daee9e1585c32b7725db` (the “Koutoulas Wallet”),<sup>8</sup>

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<sup>7</sup> “Gas Fees” are fees charged by the Ethereum network to process a transaction to compensate for the computing energy required to process and validate transactions. Gas Fees are paid in ether, the base currency of the network.

<sup>8</sup> Further demonstrating that this wallet is under Koutoulas’ ownership and control is its February 23, 2022 transaction sending 500 billion LGBCoins to a newly created wallet. This new wallet only holds these 500 billion LGBCoins and it appears to be the same one Koutoulas set aside for, and gave to, former President Trump (discussed further below). Additionally, during an interview with the Daily Beast, Koutoulas recounted a story about how he had personally attempted to stabilize the price of the LGBCoin during a sell-off period by purchasing roughly \$70,000 worth of LGBCoin while he was in the bathroom at Peter Thiel’s home. The following transaction on the Ethereum blockchain shows the Koutoulas Wallet making a purchase for similar amount around the same timeframe: <https://etherscan.io/tx/ox661d7df5433f25cbc98a883b1fa5ef0f6a038fe16f9aa2bfca307d3136c0fde5>.

received 1 trillion tokens from Carter Wallet 1. At this time, Koutoulas was dubbed the “representative” of the Company and the LGB Token.

57. That same day, LGBCoin insiders set up an additional wallet to act as a pass-through wallet (with the following lists as the Wallet Address: `ox40ecf54ad6339e0b346a48f4907661bde67dd4do` (the “Hub Wallet”)), enabling them to obscure the transfer and sale of LGBCoins. To begin, Koutoulas provided \$4,292.06 in gas fees to the Hub Wallet. Shortly thereafter, two additional wallet addresses, one owned by Thomas McLaughlin and the other by his firm Coral Defi, sent gas fees to the Hub Wallet.<sup>9</sup> Koutoulas via Typhon is business associates with McLaughlin and Coral Defi. Around two and a half hours later, Carter Wallet 1 made the first of transfer of several trillion LGBCoins to the Hub Wallet. Within an hour, the Hub Wallet sold 1 trillion LGBCoins, seemingly to confirm that the Hub Wallet could reliably receive, transfer, and/or sell LGBCoins prior to launch.

58. On November 2, 2021, the Executive Defendants launched LGBCoin for the first time in a bona fide public offering with a transaction volume of \$100 million and an opening price of \$0.000000034.

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<sup>9</sup> Wallet Address `ox9725bdd039fcfe6dee3de5398c3ba06113390aec` provides \$40,000 in USDC for initial gas fees to the Hub Wallet. Wallet `ox97` owns the domain name “CoralDefi.” It is owned by Coral Defi. (the “Coral Wallet”). See <https://etherscan.io/tx/oxdc0328b07ae47542a185311ee4ae36da4e49ae305b595e50b6ccfe25ef5ac86> Wallet Address `oxaa130e5a43cadbe2eaa4e58ede61e39874e3ead7` provides \$10,000 in USDC for gas fees to the Hub Wallet. Wallet `oxaa` owns the domains of `thomasmclaughlin.eth`, `tmcg.eth`, and `tmclaughlin.eth`, and owns the same penguin NFT as Thomas McLaughlin displays as his twitter avatar. It is owned by Thomas McLaughlin. See <https://etherscan.io/tx/ox702bd76e51bd858277367c237b9312932db4a1d4cc7e2863d611c967e5768763>; <https://opensea.io/fhsunvds> (“McLaughlin Main Wallet”).

59. At the time of public launch, and throughout the Relevant Period, LGBCoin were not sold pursuant to a “whitepaper.” Best practice in cryptocurrencies include creation and release of a whitepaper (similar to a prospectus) that provides investors technical information about its concept, and a roadmap for how it plans to grow and succeed.

60. In the absence of a whitepaper, the Company posted “The Story of the LGB Coin” on the Company website at <https://LGBCoin.io/>, explaining that the LGBCoin was launched as a way to “honor” patriotic Americans that promote American values. The Company then highlighted Koutoulas personally and praised his work in the MF Global bankruptcy proceeding.

To honor [Koutoulas] and his righteous fight for the people, he was gifted 1 trillion LGBCoin from Jeffery Carter. Why? Because [Koutoulas] is the best representation of what we consider to be *America’s coin*. What [Koutoulas] did encapsulates the idea of the Let’s Go Brandon movement. Fighting back against the establishment, their mismanagement, and the financial fleecing of the American people.

*Fighting for your freedom, our freedom. For America.*

Let’s Go Brandon!<sup>10</sup>

61. The Executive Defendants launched and promoted LGBCoin with the following logo (the “Company Logo”), which they featured prominently on the Company’s Website, social media accounts, and promotions:

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<sup>10</sup> See *The Story of the LGB Coin*, <https://LGBCoin.io/> (last visited March 21, 2022).



62. To entice potential investors, the Company repeatedly boasted about LGBCoin connections to Brown and NASCAR following Brown’s victory at the Talladega NASCAR Race, proclaiming in the “Our Sponsorship of Brandon Brown” section on the Company website that:

Brandon is a talented and passionate racecar driver, focused on perfecting his craft to take his skills to the highest level. . . . This country needs more positive and good-natured people like Brandon and that’s just one of the many reasons why we support him.

NASCAR is an expensive sport, and when you’re competing against well-funded racing teams, you need every financial advantage. Brandon’s personal story is one that we can all be proud of — an American story of success and perseverance, building a race team with his dad from scratch to compete at some of the highest levels of the sport.

Brandon is truly America’s Driver.

LGBCoin is proud to support Brandon, providing financial resources to help him stay competitive and that empower him to do what he loves: drive.

We don’t expect Brandon to lead a political movement, and neither should you. But we want him to have the support to continue to live his American dream and to make us all proud.

If we do our job right, when you think of us, and you hear, “Let’s Go Brandon!” you’ll think and feel, “Let’s Go America!,” just as Brandon would have it.<sup>11</sup>

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<sup>11</sup> See *About Us*, <https://LGBCoin.io/about/> (last visited Feb. 23, 2022).

63. To further promote LGBCoin as “America’s Coin” to investors, the Company also bragged that it donated more than “\$500,000 of LGBCoin tokens” to various conservative causes, including Turning Point USA.<sup>12</sup>

64. In plain terms, the Company presents the LGBCoin to investors as something positive and generally altruistic to invest in. But the reality is that behind the tongue-in-cheek rhetoric, the Company’s entire business model relies on using constant marketing and promotional activities associated with the “Let’s Go Brandon” phrase, often from “trusted” celebrities and political pundits, to increase demand of LGBCoin by convincing potential retail investors that its price would appreciate.

**The Pump – Executive, and Racing Defendants Shill LGBCoin**  
*Executive Defendants use Racing Defendants to Promote LGBCoin*

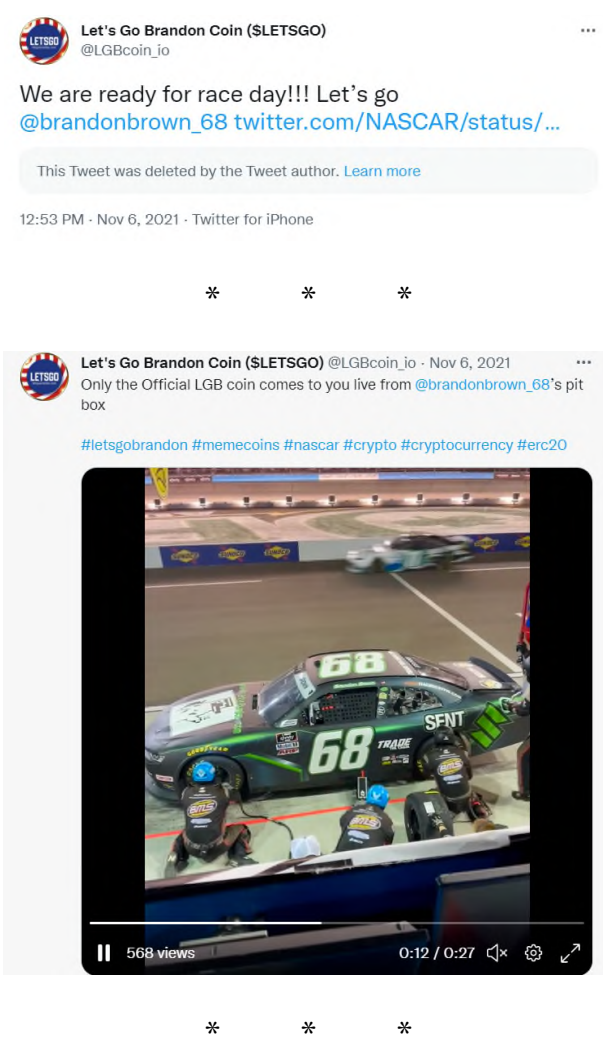
65. The Company and the Executive Defendants repeatedly relied upon and marketed their relationships with both Brandon Brown and NASCAR to promote the LGBCoin launch in November 2021 and the subsequent rise in value in December 2021.

66. For example, on November 6, 2021, the Company used its Twitter account, handle @LGBCoin\_io (the “Company Twitter account”), to associate itself with NASCAR, Brandon Brown and BMS by repeatedly tweeting and retweeting to its thousands of followers about Brandon Brown and his appearance

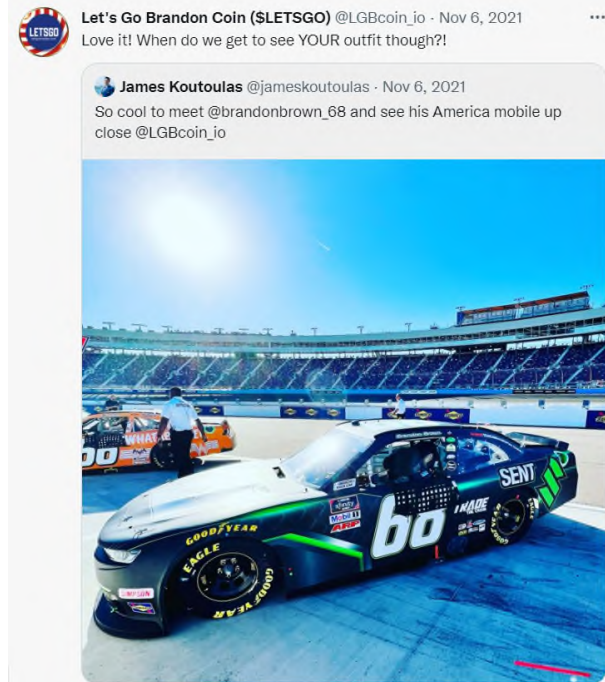
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<sup>12</sup> See *id.*

in the NASCAR Xfinity Series Champion Race in Phoenix, Arizona (the “Phoenix NASCAR Race”), including the following pictures and video:







67. The Company also posted<sup>13</sup> the same Brandon Brown and Phoenix NASCAR Race photos and videos to thousands of followers on the Company's Instagram account @LGBCoin.io.<sup>14</sup>

68. Mascioli also posted a picture of Koutoulas (wearing an LGBCoin promotional shirt) on the racetrack with Brown standing together for the national anthem at the Phoenix NASCAR Race.<sup>15</sup>

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<sup>13</sup> See November 6, 2021, Company Instagram Post <https://www.instagram.com/p/CV9Xg5Zru2F/> (last visited Feb. 25, 2022); November 6, 2021, Company Instagram Post, <https://www.instagram.com/p/CV9L5cRDEAf/> (last visited Feb. 25, 2022); November 6, 2021 Company Instagram Post, <https://www.instagram.com/p/CV9FZkXvb6L/> (last visited Feb. 25, 2022); November 6, 2021 Company Instagram Post, <https://www.instagram.com/p/CV8712SPW8l/> (last visited Feb. 25, 2022).

<sup>14</sup> On or about March 4, 2022, the Company changed its Instagram account handle from @LGBCoin.io to the new @LetsGo handle. See Official \$LETSGO, <https://www.instagram.com/letsgo/> (last visited Jul. 19, 2022).

<sup>15</sup> [https://www.instagram.com/p/CV9VzQODXBl/?utm\\_medium=copy\\_link](https://www.instagram.com/p/CV9VzQODXBl/?utm_medium=copy_link) (last visited Jul. 19, 2022).

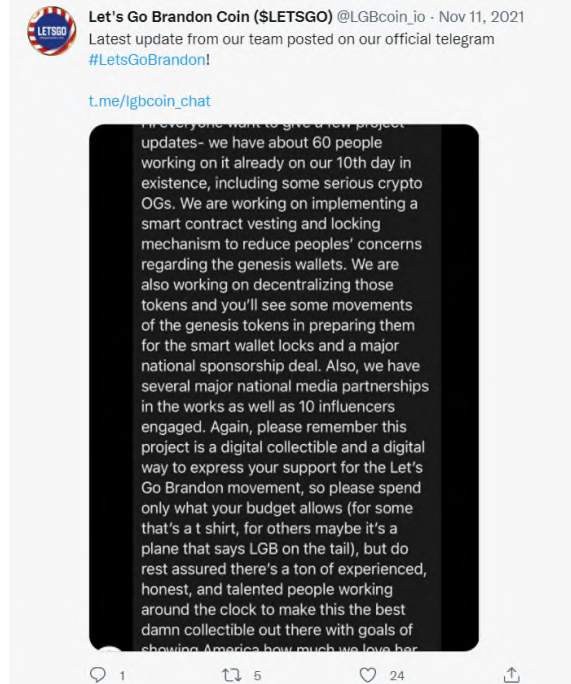


69. Likewise, that same day, Koutoulas — whom the Company touted as its “best representation” of LGBCoin — repeatedly tweeted about LGBCoin, Brandon Brown, and NASCAR from his personal Twitter account @jameskoutoulas (the “Koutoulas Twitter account”), which the Company then retweeted on the Company Twitter account:





70. After the Phoenix Xfinity Race, the Company made clear in a November 11, 2021 tweet of its intent to hire professional promoters to increase the popularity and value of LGBCoin as well as implementing safeguards that would prevent insiders from draining the LGBCoin's liquidity and claimed that several national sponsorships and national partnerships were forthcoming:



71. The enlarged, emphasized, and complete Company statement is as follows:

Hi everyone want to give a few project updates – we have about 60 people working on it already on our 10th day in existence, including some serious crypto OGs. ***We are working on implementing a smart contract vesting and locking mechanism to reduce peoples' concerns regarding the genesis wallets.*** We are also working on decentralizing those tokens and you'll see some movements of the genesis tokens in preparing them for the smart wallet locks ***and a major national sponsorship deal.*** ***Also, we have several major national media partnerships in the works as well as 10 influencers engaged.*** Again, please remember this project is a digital collectible and a digital way to express your support for the Let's Go Brandon movement, so please spend only what your budget allows (for some that's a t shirt, for others maybe it's a plane that says LGB on the tail), ***but do rest assured there's a ton of experienced, honest, and talented people working around the clock to make this the best damn collectible out there*** with goals of showing America how much we love her.<sup>16</sup>

<sup>16</sup> See Company Twitter Account, [https://twitter.com/LGBCoin\\_io/status/1458925209369595913/photo/1](https://twitter.com/LGBCoin_io/status/1458925209369595913/photo/1) (last visited Feb. 23, 2022).

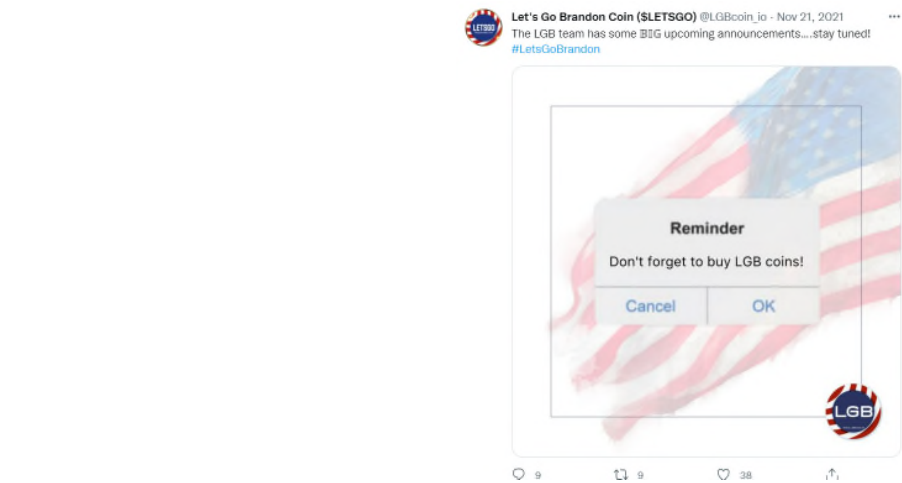
[Emphasis added.]

72. The Company then continued to promote to the public that it was working to promote LGBCoin and that a NASCAR sponsorship was imminent through posts it made on the Company's Twitter account on November 10, 2021, November 21, 2021, November 23, 2021, December 2, 2021, and December 3, 2021:

a. November 10, 2021:



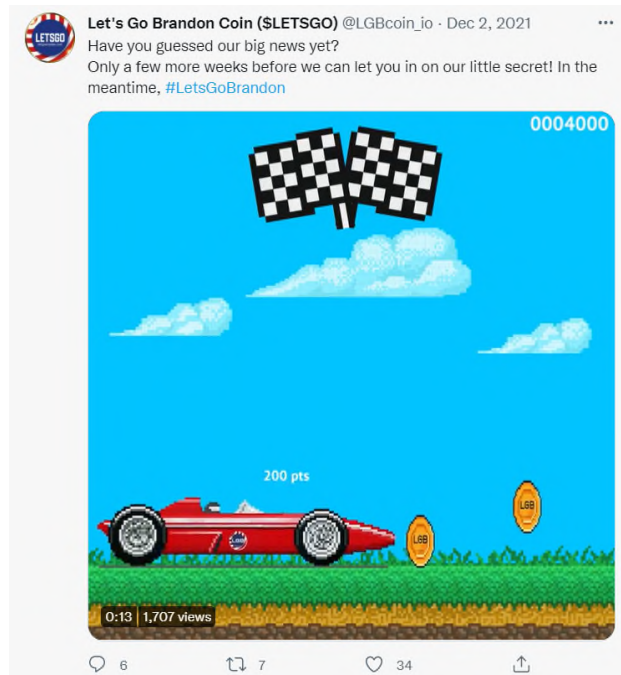
b. November 21, 2021:



c. November 23, 2021:



d. December 2, 2021, and December 3, 2021:



73. The Company posted the same November 23, 2021, and December 2, 2021, posts on the Company's Instagram account.

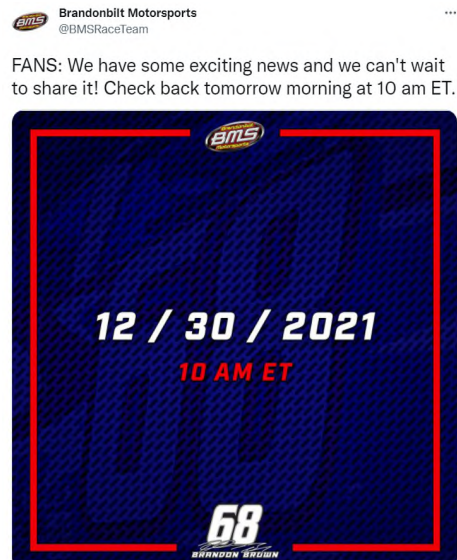
74. On December 23, 2021, Mascioli posted a picture of Brown's racecar with only a prime coating of gray paint with the following caption: "Pumped for the 2022 NASCAR Xfinity season. What will be the new paint scheme for the season on the @brandonbrown\_68 #68 @BMSRaceTeam car? You'll know soon enough."<sup>17</sup>

75. On December 29, 2021, BMS tweeted from its company Twitter account @BMSRaceTeam (the "BMS Twitter account") that a big announcement was imminent:

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<sup>17</sup> <https://twitter.com/AlexMascioli/status/1474045240650706946?s=20&t=fTiSYO-ozUnxUBGdfqWT5w> (last visited Jul. 19, 2022).



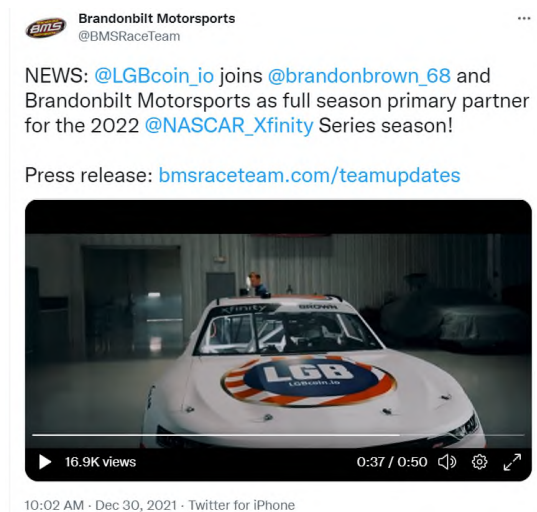


76. Brandon Brown posted a similar message about “big news” to his 33k+ followers on his Twitter account @brandonbrown\_68 (the “Brown Twitter account”):

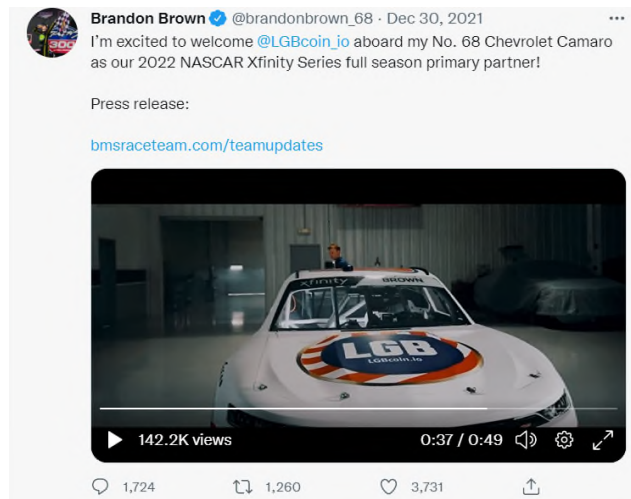


77. This big announcement was to what the Company had been eluding for weeks — that the Company signed on as Brandon Brown’s full season primary partner for the 2022 NASCAR Xfinity Series season (the “Sponsorship”). BMS, Brandon Brown, and the Company announced this Sponsorship across its social

media platforms and through a December 30, 2021, press release issued by BMS. The BMS Twitter account, Brown Twitter account, and Company Twitter account each posted a video with Brandon Brown, his BMS racing team, and his Number 68 Chevrolet Camaro (also referred to herein as “Brandon Brown’s racecar”) showing the red-white-and-blue paint scheme with the Company name and Company Logo:







78. Koutoulas also posted a picture on his personal Twitter account of Brandon Brown standing next to his racecar with the Company logo prominently displayed on the hood:



79. Koutoulas told *USA Today* that he and the Company had “put together proposed car designs a month or so ago before any of this happened

because we thought (Brown) was obviously the best guy to naturally do a national sponsorship with. So we had it ready to go[.]”<sup>18</sup>

80. In the 24 hours leading up to BMS’s, Brandon Brown’s, and the Company’s Sponsorship announcement and the 24 hours following, the value of a single LGBCoin increased 64% from \$0.00000098 on December 29, 2021, to \$0.000001646 the morning of December 31, 2021.<sup>19</sup>

81. NASCAR was well aware of the Company’s efforts to promote and associate Brandon Brown and the LGBCoins with NASCAR. NASCAR executives met with Brown, BMS owner Jerry Brown, Koutoulas, and others on November 5, 2021, to discuss the possibility of a sponsorship with the Company.<sup>20</sup>

82. While NASCAR claimed it rejected the idea at this November 2021 meeting after the fact, NASCAR did absolutely nothing to distance itself from a prospective sponsorship with Brandon Brown and LGBCoins and the publicity connecting NASCAR to LGBCoin.

83. For example, two days after the Talladega Race and leading up to the championship weekend at Phoenix Raceway, NASCAR president Steve Phelps

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<sup>18</sup> Josh Peter, *NASCAR driver Brandon Brown’s new paint scheme that references vulgar anti-Biden meme in limbo*, USA TODAY, Dec. 31, 2021, <https://www.usatoday.com/story/sports/nascar/2021/12/31/nascar-driver-brandon-browns-new-anti-biden-paint-scheme-limbo/9059843002/>.

<sup>19</sup> Daniel Villareal, *‘Let’s Go Brandon’ Coin Rallies as NASCAR Grapples With Insult to President Joe Biden*, NEWSWEEK, Dec. 31, 2021, <https://www.newsweek.com/lets-go-brandon-coin-rallies-nascar-grapples-insult-president-joe-biden-1664789>.

<sup>20</sup> See Liz Clark, *NASCAR Rejects Sponsorship Deal Based on ‘Let’s Go Brandon’ Chant*, THE WASHINGTON POST, Jan. 4, 2022, <https://www.washingtonpost.com/sports/2022/01/04/LGBCoin-lets-go-brandon-nascar-rejected/>.

commented on the Let's Go Brandon chant and its political connotations. Notably, the issue that most displeased Phelps was that some of the Let's Go Brandon apparel being sold featured NASCAR's trademarked color bars and added that NASCAR would be pursuing legal action against those who are profiting off of the phrase using said bars: "We will pursue whoever (is using logos) and get that stuff. That's not OK. It's not OK that you're using our trademarks illegally."<sup>21</sup> While NASCAR was willing to pursue legal action against those merchants who did not cut NASCAR in on the merchandise sales for Let's Go Brandon apparel, NASCAR has not pursued any legal action (copyright, trademark infringement, or otherwise) against the Company, Executive Defendants, Brown, or BMS.

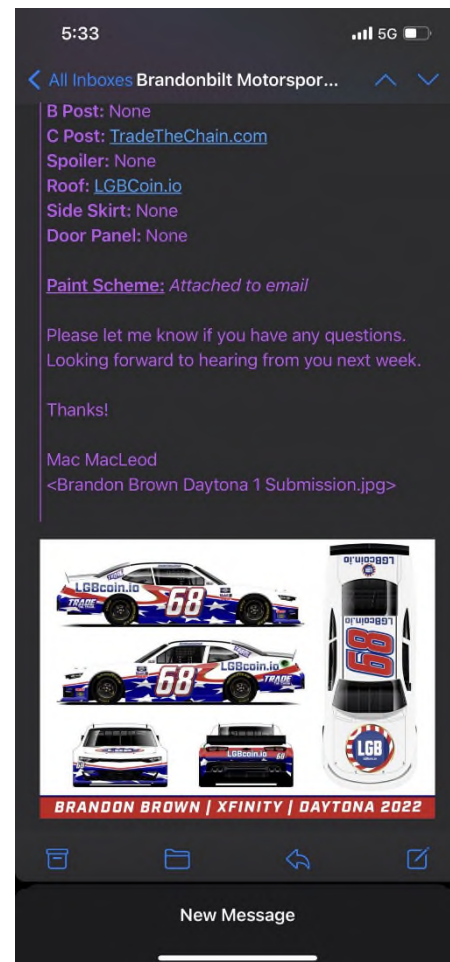
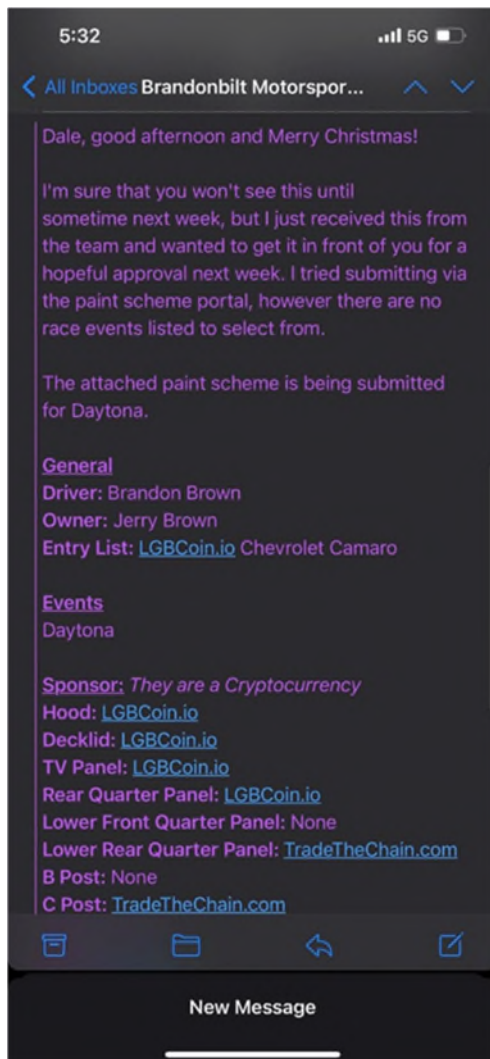
84. Moreover, NASCAR approved the Company and TradetheChain.com to be Brandon Brown's sponsors for the upcoming Daytona 500 race no later than December 26, 2021.

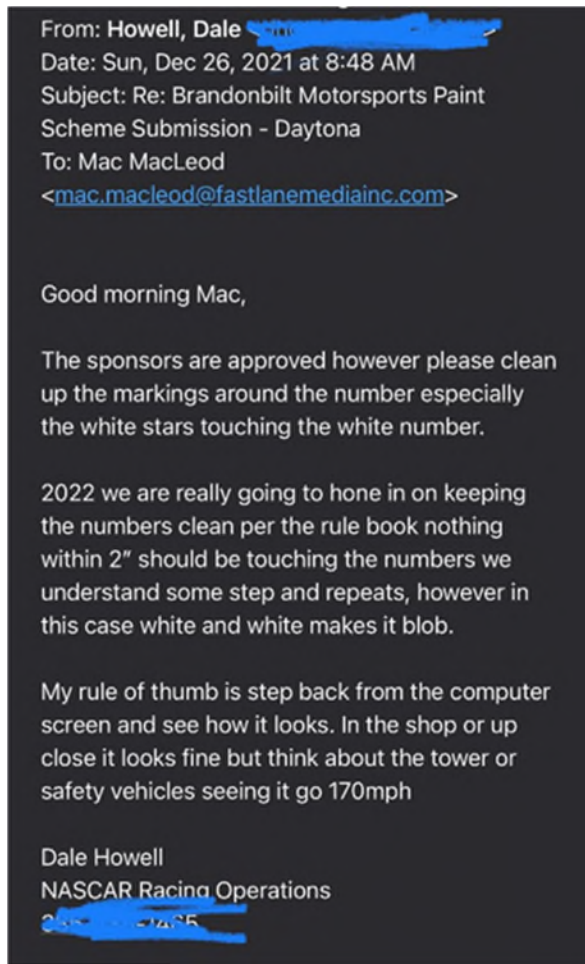
85. The following email exchange between Mac MacLeod at Fast Lane Media Inc. and NASCAR Racing Operations Senior Manager Dale Howell shows that the Company's sponsorship request: specifically referenced the Company name, LGBCoin.io, at least **six times** in the request, prominently featured the Company logo across the proposed graphics on Brandon Brown's racecar, and

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<sup>21</sup> Asher Fair, *NASCAR is going after some let's go Brandon' users*, FANSIDED – MINUTE MEDIA, Nov. 14, 2021, <https://beyondtheflag.com/2021/11/14/nascar-going-lets-go-brandon-users/>.

included the Company name on the right side, left side, rear, and top of Brandon Brown's racecar:





### **Koutoulas' Individual Efforts and Executive Defendants' Use of Conservative Figures to Promote LGBCoin**

86. In addition to promoting the Company's relationship to Brandon Brown, BMS, and NASCAR, Koutoulas used his Instagram and Twitter accounts to promote LGBCoin and/or post pictures of himself wearing the LGBCoin logo alongside prominent Republican public figures such as former President Donald J. Trump, Donald J. Trump, Jr., Peter Thiel, Texas Governor Greg Abbott, Arizona Senate candidate Blake Masters, and City of Miami Mayor Francis Suarez.

87. Throughout December 2021, Koutoulas also promoted LGBCoin at several prominent cryptocurrency and conservative events, including at Puerto

Rico Blockchain Week, Turning Point USA's AmericaFest in Phoenix, Arizona, a dinner party at Mar-a-Lago, and former President Donald J. Trump's Christmas party in Naples, Florida.

88. Koutoulas, along with Norden, also promoted LGBCoin on several conservative podcasts, including UnBossed Reporting with Brendon Leslie at Florida's Conservative Voice on or about December 29, 2021,<sup>22</sup> and the Patriot Talk Show with Brendon Leslie at Florida's Conservative Voice on or about December 28, 2021.<sup>23</sup> Norden boasted during the UnBossed Reporting podcast that LGBCoins "went from \$0 to \$330 million."

89. Koutoulas also promoted LGBCoin through interviews on The David J. Harris Jr. Show podcast, which was recorded on or about December 13, 2021, and aired on or about December 22, 2021,<sup>24</sup> and Roundtable, which aired on or about December 14, 2021.<sup>25</sup> Koutoulas boasted during his Roundtable interview that "the [LGBCoin's] five weeks old, we've been trading around \$340 million in market cap already without even being on a centralized exchange, [with] only

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<sup>22</sup> Brendon Leslie, *We're hanging out the Let's Go Brandon Coin guys discussing conservative news in Florida*, UNBOSSED REPORTING, Dec. 29, 2021, <https://twitter.com/i/broadcasts/1eaKbNyrOjKX>.

<sup>23</sup> Brendon Leslie, *We're Live at Seed to Table with our guests the major HODLers of Let's Go Brandon Coin!* PATRIOT TALK SHOW, Dec. 28, 2021, <https://twitter.com/BrendonLeslie/status/1475980992749846529>.

<sup>24</sup> See The David J. Harris Jr. Show, DJHJ MEDIA INC., Dec. 22, 2021, <https://podcasts.apple.com/us/podcast/the-david-j-harris-jr-show/id1485932439>.

<sup>25</sup> Roundtable Crypto, *Let's Go Brandon Meme Coin Gains Traction In Conservative Circles*, ROUNDTABLE CRYPTO, Dec. 14, 2021, <https://roundtablecrypto.io/political/lets-go-brandon-new-coin>.



5,000 holders.”<sup>26</sup> Koutoulas similarly proclaimed on David J. Harris Jr.’s podcast that “the coin is already about \$350 million in market cap.”<sup>27</sup>

90. In addition to his repeated posts and statements encouraging the public as a means of supporting the conservative movement, Koutoulas, a public figure himself, along with the other Executive Defendants, actively recruited and retained conservative influencers to serve as the promoters following the launch of the LGBCoin in November 2021.

91. Upon information and belief, these influencers received LGBCoins and/or other forms of consideration as part or all of their compensation for promoting the Company.

92. On November 24, 2021, conservative personality Candace Owens posted the following solicitation for the Company on her Twitter account @RealCandaceO, which has over three million followers:

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<sup>26</sup> See *id.*

<sup>27</sup> See The David J. Harris Jr. Show, DJHJ MEDIA INC., Dec. 22, 2021, <https://podcasts.apple.com/us/podcast/the-david-j-harris-jr-show/id1485932439>, 15:51.



93. Owens' promotional post generated a lot of media attention, and Newsweek noted that the value of LGBCoin rose more than 37% in value in the days leading up to her tweet.<sup>28</sup>

94. Even more importantly, the trading volume of LGBCoin spiked over 425% the day after Owens' announcement that she was "ALL IN" on LGBCoin, according to historical price data from Coinmarketcap.com.<sup>29</sup>

95. On or about December 6, 2021, at a Republican political event at Mar-a-Lago, Koutoulas promoted LGBCoin by wearing an LGB button throughout the event and appearing alongside political figures like Congressman Madison

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<sup>28</sup> <https://twitter.com/RealCandaceO/status/1463702086684749826?s=20&t=7goouVgxJsnBbE95q8jYxQ>; Ewan Palmer, *Lets Go Brandon' Crypto Coins Are Being Pushed by Conservative Figures*, NEWSWEEK, Nov. 25, 2021, <https://www.newsweek.com/lets-go-brandon-crypto-coin-launch-conservatives-1653334>.

<sup>29</sup> <https://coinmarketcap.com/currencies/lets-go-brandon/historical-data/> (last visited Jul. 19, 2022).



Cawthorn.<sup>30</sup> A picture shared by Koutoulas’s official Instagram account shows Koutoulas (right) with Cawthorn (left) during the event:



96. The Company also used Cawthorn to promote the LGBCoin at the Mar-a-Lago event and investors following the event through social media. In particular, the Company promoted a picture of Cawthorn alongside two women with the caption “@LGBCoin.io babes”:<sup>31</sup>

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<sup>30</sup> Koutoulas, James [@jameskoutoulas]. (Dec. 4, 2021). *About last night*. . . [Photograph]. Instagram. [https://www.instagram.com/p/CXFqJI6LQOf/?utm\\_medium=copy\\_link](https://www.instagram.com/p/CXFqJI6LQOf/?utm_medium=copy_link).

<sup>31</sup> An image of this promotion was captured and posted on Twitter, see <https://twitter.com/patriottakes/status/1467924649501765639?s=20&t=M4G9G6ezbWKdZ79SYUm2EA>.



97. Similarly, the Company posted a picture of Cawthorn having an “LGB Meeting” with other attendees at the Mar-a-Lago event to its social media platforms in an effort to mislead investors into thinking that the LGBCoin was being backed by powerful political interests:<sup>32</sup>

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<sup>32</sup> <https://twitter.com/patriottakes/status/1467937685130170375?s=20&t=M4G9G6ezbWKdZ79SYUm2EA> (last visited Jul. 19, 2022).



98. As one commentator following the Mar-a-Lago event noted on December 6, 2021, during this event, “people . . . were posting online that LGB coin was doing well and others were falling.”<sup>33</sup>

99. Koutoulas, on behalf of the “LGB Foundation” also publicly gifted conservative activist Charlie Kirk \$100,000 worth of LGBCoin to further promote LGBCoin during the Mar-a-Lago event.<sup>34</sup>

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<sup>33</sup> <https://twitter.com/patriottakes/status/1467943522074513417?s=20&t=M4G9G6ezbWKdZ79SYUm2EA> (last visited Jul. 19, 2022).

<sup>34</sup> <https://twitter.com/patriottakes/status/1467945291567575041?s=20&t=M4G9G6ezbWKdZ79SYUm2EA> (last visited Jul. 19, 2022).

100. After the Mar-a-Lago event, Koutoulas gave an interview with conservative public speaker and author, David J. Harris, Jr. on December 14, 2021. During the podcast interview with Koutoulas, Harris made the following statement:

And if it does, uh, take off like I think it's going to, then maybe it will grow and make a nice little bonus for you. **But, uh, I know you have some other things in the works that we cannot get into. Some very exciting things that should make national headlines, without a doubt, uh, and some very interesting people that are also aligning with this that I know my audience will absolutely love.** But. . . uh . . . I know we can't get into that yet, so [Koutoulas], I'd love to have you back on in the very near future. And again, friends, if you're going to get some coin, I'd say get some as soon as you can 'cause once some of this stuff breaks, it's just, **it's gonna increase, it's what they do. . . .**

Friends, get over to, uh, L—LGB . . . LGBCoin.io, LGBCoin.io. Read the story. Read more about [Koutoulas], what he's done, uh, you can verify everything that I've said that we've shared. Do your own research. But I'm telling you, I'm only bringing you the stuff that I believe in and that I think will be a powerful blessing for those people who are watching or listening. So share this with as many people as possible . . . .

**I have some of this coin.** I know Candace Owens has promoted this coin. **There's going to be some other very big names, very soon.** They're going to be talking about it and uh, this is your chance to get in early. . . . **Please share this with as many people as you can — 10, 25 friends, 50 friends.** Share it, let's get the word out, we need to — we need to bless [Koutoulas].<sup>35</sup>

[Emphasis added.]

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<sup>35</sup> See The David J. Harris Jr. Show, DJHJ MEDIA INC., Dec. 22, 2021, <https://podcasts.apple.com/us/podcast/the-david-j-harris-jr-show/id1485932439>, 29:58-30:39, 31:53-32:58.

101. On December 19, 2021, the Company's Twitter account posted a link to a *New York Times* article "Brandon Just Wants to Drive His Racecar," which came out on the same day. Mascioli posted this article as well the following day.<sup>36</sup>

102. On December 20, 2021, *Newsweek* magazine published an article written by Brown entitled "My name is Brandon," wherein Brown indicated that he was not a political person despite being thrust into the political spotlight due to the "Let's Go Brandon" chant.<sup>37</sup> Brown stated that he had "no interest in leading some political fight," but rather, would focus on "problems we face together as Americans." Brown elaborated on this point:

I understand that millions of people are struggling right now and are frustrated. Struggling to get by and struggling to build a solid life for themselves and their families, and wondering why their government only seems to make it worse.

\* \* \*

Listen, I buy more gas than most. I don't like that \$4 per gallon has become the norm. I know the cost of everything is rising and I know first-hand that making ends meet can be a struggle for middle-class folks like me.

\* \* \*

I will use what free time I have to highlight the struggle we all feel and share, as Americans.

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<sup>36</sup> <https://twitter.com/AlexMascioli/status/1472886572123103237?s=20&t=fTiSYO-ozUnxUBGDfQWT5w> (last visited Jul. 19, 2022).

<sup>37</sup> Brandon Brown, *My Name Is Brandon* | *Opinion*, NEWSWEEK.COM, Dec. 20, 2021, <https://www.newsweek.com/my-name-brandon-opinion-1660525>.

103. The Company's Twitter account, Mascioli, and Koutoulas reposted the Brandon Brown *Newsweek* article that same day.<sup>38</sup>

104. Also on December 20, 2021, Koutoulas gave a speech at an event sponsored by non-profit organization Turning Point USA, called AmericaFest 2021 ("Amfest 2021").<sup>39</sup> Amfest 2021 featured many notable conservative politicians and speakers, and Koutoulas used his proximity to these public figures to make it seem like these figures tacitly approved and/or endorsed LGBCoin in particular (as opposed to the "Let's Go Brandon" phrase or associated political movement).

105. As Harris' promotional efforts were taking place between December 12, 2021 and December 20, 2021, the trading volume correspondingly rose approximately 534%.

106. Harris continued to promote LGBCoin and a big forthcoming announcement with the following Instagram post on or about December 22, 2021, which both the Company and Congressman Madison Cawthorn shared from their social media accounts:

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<sup>38</sup> <https://twitter.com/jameskoutoulas/status/1472941662229852163?s=20&t=srLDhETMgLmDMxICvQ3zNA>; <https://twitter.com/AlexMascioli> (last visited Jul. 19, 2022).

<sup>39</sup> [https://www.instagram.com/tv/CXtuLKsDVQL/?utm\\_medium=copy\\_link](https://www.instagram.com/tv/CXtuLKsDVQL/?utm_medium=copy_link) (last visited Jul. 19, 2022).





107. On December 23, 2021, Harris posted the following endorsement video<sup>40</sup> for the Company and LGBCoin on his Instagram account @davidjharrisjr, which has over 1.5 million followers:



<sup>40</sup> The video is footage from Harris' podcast interview with Koutoulas, which was recorded on or about December 13, 2021, and aired on or about December 22, 2021.

108. In his December 23rd Instagram post, Harris, wearing a Let's Go Brandon t-shirt, plainly endorses the coin to his followers and proclaims that the LGBCoin is "going to be huge!!!"

109. Trading volume for LGBCoin rose over 31% the day of Harris' promotions, going from \$2,653,477 on December 22, 2021 to \$3,478,490 on December 23, 2021.<sup>41</sup>

110. Harris continues to support the Company and LGBCoin by posting numerous photos and videos on his Instagram account wearing Let's Go Brandon apparel and even sells Let's Go Brandon apparel on the David J. Harris Jr. official online store.<sup>42</sup>

111. Similarly, Austen Fletcher a/k/a Fleccas, host of the conservative podcast show "Fleccas Talks," is an LGBCoin holder and acted as an avid promotor for the Company and LGBCoin on numerous social media platforms, including but not limited to, his podcast show Fleccas Talks; his YouTube channel Fleccas Talks; his Twitter account @fleccas; and his Instagram account @fleccas.

112. Fletcher's combined social media following from YouTube, Twitter, and Instagram amounts to over 1.2 million.<sup>43</sup>

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<sup>41</sup> <https://coinmarketcap.com/currencies/lets-go-brandon/historical-data/> (last visited Jul. 19, 2022).

<sup>42</sup> See David J. Harris Jr. official online store, <https://davidharrisjr.store> (last visited Jul. 19, 2022).

<sup>43</sup> See Fletcher's YouTube Channel, <https://www.youtube.com/c/FleccasTalks> (last visited Mar. 4, 2022); Fletcher's Twitter account, <https://twitter.com/fleccas> (last visited Mar. 4, 2022); and Fletcher's Instagram Account, <https://www.instagram.com/fleccas/> (last visited Mar. 4, 2022).



113. For example, on December 28, 2021 and December 30, 2021, Fletcher reposted the following solicitations (at least one of which originated from Brendon Leslie) for the Company and LGBCoin on his Twitter account @fleccas:

a. December 28, 2021:



b. December 30, 2021:





**Essential Fleccas** 🇺🇸 @fleccas · Dec 30, 2021

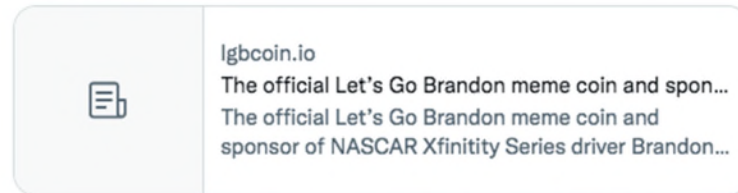
...

MORE INFO/HOW TO BUY:

[LGBcoin.io](https://LGBcoin.io)

LGB COIN TELEGRAM:

[t.me/lgbcoin\\_chat](https://t.me/lgbcoin_chat)



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36



\* \* \*



**Essential Fleccas** 🇺🇸 @fleccas · Dec 30, 2021

...

👏👏👏  
America's Coin!

[#LetsGoBrandon](#) [#LetsGoAmerica](#) [twitter.com/brandonbrown\\_6...](https://twitter.com/brandonbrown_6...)

This Tweet is unavailable.

1



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\* \* \*



**Essential Fleccas** 🇺🇸 @fleccas

...

WHEN YOUR FRIEND SAYS LGB IS  
"JUST A MEME COIN"



[LGBcoin.io](https://LGBcoin.io)

[@LGBcoin\\_io](https://twitter.com/LGBcoin_io)

[#LetsGoBrandon](#) [#LGBcoin](#) [\\$LGB](#)

**When your friend says  
LGB is "just a meme coin"**



114. On December 28, 2021, and December 29, 2021, Founder and Editor in Chief of Florida's *Conservative Voice*, Brendon Leslie, promoted the Company in two video podcasts he posted to his 60,000+ followers on personal Twitter account @brendonleslie and 3,000+ followers the Florida Conservative Twitter account under @FLVoiceNews.

115. During the December 28, 2021, Patriot Talk Show with Brendon Leslie, which upon information and belief, was recorded at the Seed to Table market in Naples, Florida, an audience member asked Leslie how to purchase LGBCoin. Leslie coyly responded that, "It's . . . a . . . very easy. And I recommend doing it ***for no apparent reason of knowledge that I know, I recommend buying it tonight. Just saying.*** You go to LGBCoin.io."<sup>44</sup> Koutoulas and Norden then laughed at Leslie's response because they understood the value of LGBCoin would rise significantly once Brandon Brown and BMS announced their NASCAR Sponsorship with the Company. [Emphasis added.]

116. Leslie continued to encourage his viewers to purchase LGBCoin the following day during his UnBossed Reporting video podcast recording in Florida, stating:

LGBCoin.io. Head over to there. It explains what you got to do to be able to get this LGB coin. ***I've been stressing it for the last 48 hours . . . 24 hours . . . buy now.*** That's all I can say. ***Buy now. Buy now.*** Because —

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<sup>44</sup> Patriot Talk Show, <https://twitter.com/BrendonLeslie/status/1475980992749846529>, Minute 24:50-25:10. (last visited Jul. 19, 2022).

Leslie is then cut off by Norden, who looks at Koutoulas and continues to insinuate the Sponsorship by noting, “And...and the website itself is . . . uh . . . going to go over a little bit of a transformation in the next, uh . . . .”<sup>45</sup> [Emphasis added.]

117. On December 30, 2021, the Company, along with Brandon Brown and BMS, announced the NASCAR Sponsorship, which Leslie retweeted on his personal Twitter account and the Florida Conservative Twitter account:



118. As noted in the *New York Post* article, *NASCAR driver Brandon Brown does complete 180 on ‘Let’s Go Brandon,’* “The NASCAR driver had done a round of media interviews purporting to distance himself from the political chant,

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<sup>45</sup> Unbossed Reporting with Brendon Leslie, <https://twitter.com/BrendonLeslie/status/1476238865245491204>, Minute 19:10-19:29 (last visited Mar. 2, 2022).

only to turn around and unveil a vehicle prominently featuring an acronym for the phrase — “LGB” — to promote a new cryptocurrency.<sup>46</sup>

119. Following LGBCoin’s launch, Defendants’ promotional activities in November and December 2021, and NASCAR’s December 26, 2021, approval of the Sponsorship among Brandon Brown, BMS, and the Company, the trading volume and price of the Company surged. On January 1, 2022, LGBCoin reached the maximum price of \$0.000001734, which represents 510% increase from its initial price of \$0.00000034. CoinMarketCap reflects that there were 5,281 unique account holders of LGBCoin the day before the Sponsorship announcement, which skyrocketed to 10,257 unique account holders of LGBCoin by January 4, 2022. At its height, LGBCoin reached a market value of more than \$570 million<sup>47</sup> with a liquidity pool of \$6.5 million.<sup>48</sup>

### **The Dump – LGBCoin price plummets**

120. However, this meteoric rise did not last long, and the Company began to deflate immediately after NASCAR distanced itself from the prior approval of

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<sup>46</sup> Ryan Glasspiegel, *NASCAR driver Brandon Brown does complete 180 on ‘Let’s Go Brandon’*, NEW YORK POST, NYP HOLDINGS, INC., Dec. 31, 2021, <https://nypost.com/2021/12/31/brandon-brown-does-complete-180-on-lets-go-brandon/>.

<sup>47</sup> Noah Kirsch, *Squabbling ‘Let’s Go Brandon’ Crypto Team Tries to Relaunch*, THE DAILY BEAST, Feb. 23, 2022, <https://www.thedailybeast.com/lets-go-brandon-crypto-team-tries-to-relaunch-after-james-koutoulas-threatened-lawsuit>.

<sup>48</sup> Noah Kirsch and Zachary Petrizzo, *‘Let’s Go Brandon’ Crypto Coin Turns Into Total Dumpster Fire*, THE DAILY BEAST, Feb. 11, 2022, <https://www.thedailybeast.com/lets-go-brandon-crypto-coin-turns-into-total-dumpster-fire>.

the Sponsorship, claiming NASCAR Racing Operations Senior Manager Dale Howell was not authorized to sign off on the relationship.<sup>49</sup>

121. Between December 30, 2021, when the Company, BMS and Brown announced the sponsorship and January 4, 2022, when NASCAR executives announced that the sponsorship was not approved, the price of LGBCoin fell 63% from a high of \$.000001612 with a trading volume of \$6.7 million to a low of \$.0000005992 with a trading volume of \$2.6 million.

122. Yet, the Executive Defendants, Brandon Brown, and BMS continued to promote LGBCoin to prop up the price of LGBCoin.

123. On January 1, 2022, BMS tweeted the following from the BMS Twitter account prominently showing the Company name on Brandon Brown's racecar, which Koutoulas then retweeted from his personal Twitter account:




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<sup>49</sup> See Liz Clark, *NASCAR Rejects Sponsorship Deal Based on 'Let's Go Brandon' Chant*, THE WASHINGTON POST, Jan. 4, 2022, <https://www.washingtonpost.com/sports/2022/01/04/LGBCoin-lets-go-brandon-nascar-rejected/>.



124. On January 7, 2022, the Company released a press release announcing that it had secured an “exclusive, expanded sponsorship agreement” with Brandon Brown “as part of a two-year, eight-figure, comprehensive crypto/digital exclusive endorsement partnership.”<sup>50</sup> An excerpt of this press release included a statement from Brandon Brown supporting the Company and mentioned how he “is now a holder and endorser of the most talked about crypto product in America.”



“I’m working to achieve my own American dream,” said Brown. “I’m humbled and thankful for [LGBcoin.io](https://www.lgbcoin.io)’s reaffirmed support for my professional journey and their commitment to maintain a patriotic message. [LGBcoin.io](https://www.lgbcoin.io) has already demonstrated incredible potential and I’m excited to help build this brand through the 2022 season and beyond.”

Brown is now a holder and endorser of the most talked about crypto product in America. The

original sponsorship announcement on December 30, 2021 had the highest single-day viewership and media reach of any crypto project in industry history, engaging millions of fans with coverage from nearly every major media brand, spanning sports, news, politics, crypto, racing, and entertainment publications.

Up until NASCAR’s surprising comments to the media after the initial announcement, [LGBcoin.io](https://www.lgbcoin.io) reached a market cap of \$580 million and added thousands of new coin holders within a 24 hour period. That kind of excitement and interest in the project, in Brandon, and in a pro-America message is the driving

125. The Company continued to tout its connection to NASCAR, stating in the “News and Publications” section of its Company website that “the sponsorship, ***if approved by NASCAR***, is for two years and includes a personal endorsement deal. The deal is said to include ‘personal participation in publicity events, videos,

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<sup>50</sup> See Company Instagram, <https://www.instagram.com/p/CYeNj4TLneC/> (last visited Jul. 19, 2022). <https://twitter.com/BrendonLeslie/status/1476238865245491204>



crypto conferences, racing-related events and more, though won't include car decals.”<sup>51</sup> Likewise, the Company is continuing to promote itself and LGBCoin as the “Official Partner of NASCAR Xfinity Series Driver Brandon Brown and Car No. 68.”<sup>52</sup>

126. NASCAR again did not take any meaningful steps to distance itself from this renewed sponsorship agreement among Brandon Brown, BMS, and the Company, even though this new arrangement still included Brandon Brown's and the Company's participation at NASCAR racing-related events.

127. In fact, NASCAR has been complicit in the Company's continued promotion of LGBCoin at NASCAR'S racing events, including at the Alco Uniforms 300 Xfinity Race in Las Vegas, Nevada.<sup>53</sup>

128. Owens also continued to associate herself with LGBCoin during its decline, as Koutoulas' January 6, 2022, Instagram post shows:

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<sup>51</sup> See News and Publications: Latest News, <https://LGBCoin.io/news-and-publications/> (last visited Mar. 1, 2022).

<sup>52</sup> See Let's Go Brandon, <https://LGBCoin.io> (last visited Mar. 1, 2022).

<sup>53</sup> See Company Instagram Account @letsgo, <https://www.instagram.com/p/CauokR5uiJs/> (last visited Jul. 19, 2022).



129. On January 27, 2022, in an attempt to keep investors from selling any more LGBCoin, the Company's Twitter account posted the following image with a caption that read "Sometimes you just need to have faith and HODL. Let's Go LGBCoin.io!":<sup>54</sup>



3:53 PM · Jan 27, 2022 · Twitter for iPhone

<sup>54</sup> [https://twitter.com/LGBCoin\\_io/status/1486804700657864712?s=20&t=pq5exm4-UHF wkqqiwxZ7qg](https://twitter.com/LGBCoin_io/status/1486804700657864712?s=20&t=pq5exm4-UHF wkqqiwxZ7qg) (last visited Jul. 19, 2022).

130. But the LGBCoin price continued its precipitous decline to a price of \$.00000002228 with a trading value of \$0 by the evening of January 28, 2022 — significantly less than its initial capital.

131. The aforementioned promotional activities by Koutoulas, Mascioli, Brown, and others generated the trading volume needed for the Executive and Corel Defendants to offload their LGBCoin onto unsuspecting investors. While Plaintiffs and class members were buying the inappropriately promoted LGBCoin, Executive and Corel Defendants were able to, and did, sell their LGBCoin during the Relevant Period for substantial profits. The Company admits as much when describing the failure of the LGBCoin, stating that “without sales restrictions, large holders were able to sell into the announcements, putting the sustainability of the project at risk.”<sup>55</sup>

132. One of those large holders is Defendant McLaughlin who received 2.2 trillion LGBCoin from Carter Wallet 1 on November 1, 2021 and immediately began selling off. For example, on November 5, 2021 McLaughlin Main Wallet started swapping and transferring his LGBCoin in exchange for Wrapped Ethereum. In the first transaction, McLaughlin Main Wallet sold 50 billion LGBCoins for 4.292 Wrapped Ethereum on Uniswap, valued at \$19,282.03. The second swap was for 90 billion LGBCoins for 6.6 Wrapped Ethereum, valued at \$29,652.44. The third

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<sup>55</sup> See New LetsGoBrandon.com Crypto coin (\$LETSGP) Relaunched with 3 Significant Announcements, <https://roundtable.io/crypto/letsgo/news/new-letsgobrandon-com-crypto-coin-letsgo-relaunched> (last visited Jul. 19, 2022).

transaction on that day was a transfer of 750 billion LGBCoins from McLaughlin Main Wallet to Wallet Address oxf9c27dd9194c21f2395e8dcf0048cf2a1463a051 (“McLaughlin Pass Through 1”).

133. McLaughlin Main Wallet continued to sell off its LGB Coins directly. On November 7, 2021, McLaughlin Main Wallet sold 26 billion LGBCoins for 2.1 Wrapped Ethereum worth \$9,849.70. Between November 9 and December 4 of 2021, McLaughlin Main Wallet directly sold approximately 86 billion LGBCoins for 18.3 Wrapped Ethereum worth \$81,844.82.

134. In total, McLaughlin Main Wallet directly sold at least \$140,628.99 worth of LGBCoins during November and December of 2021.

135. Upon information and belief, McLaughlin Pass Through 1 is also owned and/or controlled by McLaughlin, and it operates as a pass-through wallet to facilitate his sale of LGBCoin. First, there are three deposits of LGBCoin from McLaughlin Main Wallet: (1) 750 billion on November 6, 2021 and two separate deposits of 25 billion LGBCoins from McLaughlin Main Wallet on December 23, 2021, and December 31, 2021, respectively. Second, McLaughlin Main Wallet also transfers other ERC-20 tokens in an out of McLaughlin Pass Through 1.

136. The transaction history of McLaughlin Pass Through 1 shows a pattern of receiving LGBCoin directly from McLaughlin Main Wallet and then immediately selling those LGBCoins. For example, shortly after receiving the 750 billion LGBCoins on November 5, 2021, McLaughlin Pass Through 1 directly sold approximately 375 billion LGBCoins for \$186,823.15 worth of Wrapped Ethereum

in November 2021. The remaining 375 billion LGBCoins were transferred to three separate addresses: Wallet `ox9bb86ab2ebe3e6b9b580d557f7adcc4ff746ec8f` (“McLaughlin Pass Through 2”), Wallet Address `ox76882d3af63796c390f8202e019d0815e03a5389` (“McLaughlin Pass Through 3”), and Wallet Address `ox21e783bcf445b515957a10e992ad3c8e9ff51288`.<sup>56</sup>

137. Upon information and belief, McLaughlin Pass Through 2 is also owned and/or controlled by McLaughlin and serves as a second pass-through wallet that allowed McLaughlin to sell LGBCoin he received from Carter and Koutoulas via the Hub Wallet. McLaughlin Pass Through 2 has similar transactions and trading patterns as McLaughlin Pass Through 1. For example, on November 10, 2021, McLaughlin Main Wallet sent 53 billion LGBCoins to McLaughlin Pass Through 2. Eight minutes later, McLaughlin Pass Through 2 began to sell off those LGBCoins in a series of three transactions (each from LGBCoin to Wrapped Ethereum to Tether USDT), netting \$51,279.24.

138. The following day, November 11, 2021, McLaughlin Main Wallet transferred 90 billion LGBCoins to McLaughlin Pass Through 2. According to the transaction history on the blockchain, McLaughlin Pass Through 2 used four different pass-through wallets to help sell-off those 90 billion LGBCoins. 40 billion of those LGBCoins (worth \$32,889.87) were directly sold off by McLaughlin Pass

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<sup>56</sup> Wallet `ox21e` has only one transaction: receiving the 39 billion LGBCoins on November 10, 2021. According to the Ethereum blockchain, this wallet continues to hold those LGBCoins as of the filing of this amended complaint.

Through 2 in two transactions from LGBCoin to Wrapped Ethereum to Tether USDT). McLaughlin Pass Through 2 also received 100 billion LGBCoins from McLaughlin Pass Through 1 on November 7, 2021. That same day, McLaughlin Pass Through 2 sold off 34.4 billion of those LGBCoins for Wrapped Ethereum and then \$10,017.61 worth of USD coin.

139. McLaughlin Pass Through 2 sent the other 50 billion LGBCoins to four separate wallet addresses, which, upon information and belief, are each also owned and/or controlled by McLaughlin:

- Wallet Address `ox097797f9692b58cfd96991b482ecd1796efb4390` (“Wallet `ox0977`”) received 10 billion LGBCoins from McLaughlin Pass Through 2 (worth \$9,139.91 in USDT) and immediately sold. Wallet `ox977` also received 120 billion LGBCoins directly from McLaughlin Main Wallet on November 12, 2021. Wallet `ox977` then sold off those LGBCoins in a series of six transactions (from LGBCoin to Wrapped Ethereum to DAI tokens) between November 23, 2021 and November 28, 2021. McLaughlin sold \$105,451.89 worth of LGBCoin in these six transactions.

- Wallet Address `ox66b064b5fac00eeb32cd6bce64bbf5fd98581b08` (“Wallet `ox66b`”) received 20 billion LGBCoins from McLaughlin Pass Through 2 and cashed out from LGBCoin to Wrapped Ethereum to \$16,578.14 worth of Tether USDT on November 11, 2021. That same day Wallet `ox66b` received another 80 billion LGBCoins directly from McLaughlin Main Wallet. Six hours later, all of those LGBCoin were sold for \$48,058.98 in Tether USDT.

- Wallet Address `oxof58ded458ffc47421d932aca2e11e694bce14b4` (“Wallet `oxof5`”) received 10 billion LGBCoins from McLaughlin Pass Through 2 and immediately sold. In particular, these LGBCoins were swapped to Wrapped Ethereum and ultimately sold for \$9,110.64 worth Tether USDT.

- Wallet Address `ox50a7ac925424aee678bod3c02f243121d74fd7c7` (“Wallet `ox50a`”) received 10 billion LGBCoins from McLaughlin Pass Through 2 and immediately sold. In particular, these LGBCoins were swapped to Wrapped Ethereum and ultimately sold for \$9,047.64 worth Tether USDT.

140. Similarly, on November 10, 2021, McLaughlin Pass Through 3 sent 50 billion LGBCoins to McLaughlin Pass Through 2. In a series of four transactions occurring over the following four hours, McLaughlin Pass Through 2 sold those 50 billion LGBCoins for \$45,240.59 worth of Tether USDT.

141. In total, McLaughlin used McLaughlin Pass Through 2 and its various subsidiary pass-through wallets to sell approximately \$336,814.51 worth of LGBCoin between November 11, 2021 and November 26, 2021.

142. Upon information and belief, McLaughlin Pass Through 3 is also owned and/or controlled by McLaughlin. First, McLaughlin Pass Through 3 received approximately 221.5 billion LGBCoins from McLaughlin Pass Through 1 (which had previously received those LGBCoins from McLaughlin Main Wallet) on November 10, 2021. Second, in addition to the 50 billion LGBCoins that McLaughlin Pass Through 3 sent to McLaughlin Pass Through 2, McLaughlin Pass Through 3 also sent 83.23 billion LGBCoins to Wallet Address



oxa00c368ac856ed94c0705081c58a3088e98c784a (“McLaughlin Pass Through 4”), which, as discussed below also has ties to McLaughlin.

143. Between November 10, 2021 and November 24, 2021, McLaughlin Pass Through 3 sold approximately 99.3 billion LGBCoins for 18.3 Wrapped Ethereum and 9.4 USD Coin, collectively worth \$94,943.05

144. In addition, McLaughlin Main Wallet sent LGBCoin directly to McLaughlin Pass Through 3 on at least three separate occasions: November 25, 2021 (55.71B); January 2, 2022 (50B); and January 16, 2022 (100B). On each occasion, McLaughlin Pass Through 3 sold all of LGBCoin it received through a series of several different transactions all taking place within a few hours. McLaughlin sold \$23,020.62, \$22,936.53, \$44,486.77 worth of LGBCoin respectively following the aforementioned deposits from his main wallet.

145. Upon information and belief McLaughlin Pass Through 4 is also owned and/or controlled by McLaughlin. In addition to the ties to McLaughlin Pass Through 3<sup>57</sup>, McLaughlin Pass Through 4 has also received multiple deposits of LGBCoin directly from McLaughlin Main Wallet. And the same pattern of receiving the LGBCoins and promptly selling off is present as well.

146. For example:

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<sup>57</sup> Notably, after receiving the 83.23 billion LGBCoins from McLaughlin Pass Through 3, McLaughlin Pass Through 4 sold off those LGBCoins in a series of nine transactions from November 10, 2021 through November 20, 2021. McLaughlin received \$33,301.76 worth of Wrapped Ether and USD coin in these nine transactions.

- November 20, 2021 – McLaughlin Pass Through 4 received 63,111,111,110 LGBCoins from McLaughlin Main Wallet. Within seven days, all of these LGBCoins were sold via seven transactions for \$29,025.15 worth of Wrapped Ethereum and USD Coin.

- December 4, 2021 – McLaughlin Pass Through 4 received 32.5 billion LGBCoins from McLaughlin Main Wallet. Within six days, all of these LGBCoins were sold via four transactions for \$32,241.41 worth of Wrapped Ethereum.

- December 13, 2021 – McLaughlin Pass Through 4 received 103 billion LGBCoins from McLaughlin Main Wallet. Within seven days, 33.9 billion of these LGBCoins (the remainder were transferred to three presently-unidentified wallet addresses) were sold via four transactions for \$31,545.55 worth of Wrapped Ethereum.

- December 23, 2021 – McLaughlin Pass Through 4 received 50 billion from McLaughlin Main Wallet. Within six days, McLaughlin Pass Through 4 had transferred these LGBCoins to the same three unidentified wallet addresses plus a fourth.

- December 31, 2021 – McLaughlin Pass Through 4 received 25 billion LGBCoins from McLaughlin Main Wallet. Within seven days, McLaughlin Pass Through 4 sold 10 billion LGBCoins worth \$7,655.22 in Wrapped Ethereum and transferred the remainder to two of the same unidentified wallets.

- January 27, 2022 – McLaughlin Pass Through 4 received 275 billion from McLaughlin Main Wallet then promptly cashed out 75 billion of those LGBCoins for \$13,819.53 worth of USD Coin twenty minutes later.

147. McLaughlin Pass Through 4 ultimately sold at least \$114,286.86 worth of LGB Coins from November 2021 through January 2022.

148. All told, McLaughlin gained almost \$1 million from his LGBCoins sales, according to the transaction histories in wallet addresses presently identifiable.

149. McLaughlin was not alone in dumping the LGBCoins he had been given by Carter, Koutoulas, and Michalopoulos from Typhon Capital. For example, Coral DeFi itself (*i.e.*, McLaughlin's company) also received LGBCoin and sold off as unsuspecting investors bought in.

150. Carter Wallet 1 provided 5.28 trillion LGBCoin to the Coral Wallet on November 1, 2021. The transaction history of the Coral Wallet shows a similar pattern as described with the McLaughlin wallets wherein LGBCoin are received from wallet addresses traceable to Carter, Koutoulas, and/or Michalopoulos, and then are promptly sold off. For example, on November 9, 2021, the Coral Wallet sold 30 billion LGBCoins via three separate transactions of 10 billion tokens each for a total of \$32,162.09 worth of Wrapped Ethereum.

151. On November 10, 2021 – the Coral Wallet sent unidentified Wallet Address `ox041733d6087c86295e1882bfe88473d6fdf20f7b` 170 billion LGBCoins.

In approximately two weeks, that wallet sold approximately 59 billion LGBCoins for \$55,213.80 worth of Wrapped Ethereum.

152. The Coral Wallet continued to sell off the LGBCoin it received from Carter, Koutoulas, and Michalopoulos. Between November 10 and November 15, the Coral Wallet sold approximating 81 billion LGBCoins worth \$50,861.16 in Wrapped Ethereum.

153. From November 16, 2021 through December 29, 2021, Coral Wallet sold 198.2 billion LGBCoin via twenty transactions for 38.7 Wrapped Ethereum and/or USD Coin worth \$167,348.38.

154. Notably, on November 18, 2021, Coral Wallet transferred 911 billion LGBCoins Coins to Wallet Address `0x663f230b60c16cd1b1290959bfebddb8b9e89211` (“Coral Pass Through 1”). Upon information and belief, Coral Pass Through 1 is a pass-through wallet used by Coral DeFi to sell off the LGBCoin it received from Carter, Koutoulas, and/or Michalopoulos. Only 11 minutes after receiving 80 billion LGBCoins from the Coral Wallet, Coral Pass Through 1 began selling off roughly half of the LGBCoins directly to retail investors for about \$19,000 in Wrapped Ethereum and USD Coin. The remaining half was transferred to Wallet Address `0x6c5af25266ee3b2bcfeboae1b3578b38933ce6e` (“Coral Pass Through 2”).

155. Notably, Coral Pass Through 2 received several deposits of LGBCoin from McLaughlin Pass Through 4 on December 22, 2021, December 23, 2021, December 30, 2021, and January 1, 2022. Similarly, Coral Pass Through 2 also

received deposits from McLaughlin Pass Through 1 on December 23, 2021 and December 31, 2021. Upon information and belief, Coral Pass Through 2 is also a pass-through wallet used by Coral DeFi used to sell their portion of the LGBCoin Float.

156. As the chart below of Coral Pass Through 2's transactions from the Ethereum blockchain shows, Coral Pass Through 2 follows the pattern of receiving LGBCoin that originated from Carter, Koutoulas, and Michalopoulos and then promptly selling:

0x5c0f158af6719b2d7d...	0x1a441fb7	161 days 13 hrs ago	0x6c5af25266ee3b2bcfe...	OUT	Uniswap V2: LGB	324,871,336.977274418981270628
0x5c0f158af6719b2d7d...	0x1a441fb7	161 days 13 hrs ago	0x6c5af25266ee3b2bcfe...	OUT	Uniswap V2: LGB	8,707,974,632.026025581018729372
0x5c0f158af6719b2d7d...	0x1a441fb7	161 days 13 hrs ago	0xa00c368ac856ed94c0...	IN	0x6c5af25266ee3b2bcfe...	9,032,845,969.0033
0x665871c2c0c968debff...	0x1a441fb7	161 days 20 hrs ago	0x6c5af25266ee3b2bcfe...	OUT	Uniswap V2: LGB	834,968,031.526387599149184284
0x665871c2c0c968debff...	0x1a441fb7	161 days 20 hrs ago	0x6c5af25266ee3b2bcfe...	OUT	Uniswap V2: LGB	18,265,031,968.473612400850815716
0x665871c2c0c968debff...	0x1a441fb7	161 days 20 hrs ago	0xa00c368ac856ed94c0...	IN	0x6c5af25266ee3b2bcfe...	19,100,000,000

157. The transaction history of Coral Pass Through 1, shows that it frequently transfers LGBCoin to Wallet Address 0x4374f318ea2f8cc50ee177e3c6344c102fedbd9f ("Wallet 0x437"). For example, on December 3, 2021, Coral Pass Through 1 sent Wallet 0x437 822.1 billion in two transactions. Shortly thereafter, Wallet 0x437 begins making eleven separate transfers to CoralDeFi's pass-through wallet, Coral Pass Through 2, from December 5, 2021 to December 22, 2021.

158. The LGBCoin flow from Carter Wallet 3 and the related transaction history on the Ethereum blockchain indicate that Defendant Mascioli also received LGBCoin from Carter, Koutoulas, and/or Michalopoulos and subsequently sold off before the price collapsed. For example, on November 23, 2021, Carter Wallet 3 transferred 38.1 trillion tokens to Wallet Address `0xe949360d2a2e69a89ab240e37e45ca1e0c2cd037` (“Mascioli Private Wallet”). Upon information and belief, the Mascioli Private Wallet is owned and/or controlled by Mascioli.

159. According to publicly available information on the NFT exchange Open Sea, Mascioli’s public wallet address is Wallet Address `0x5ef6cfb6c7b1a33bda09e8f9afe18cc6eab56110` (“Mascioli Public Wallet”).

160. On November 26, 2021, the Mascioli Public Wallet received approximately 565 billion LGBCoins from the Mascioli Private Wallet, which subsequently transferred the LGBCoins it received to several pass-through wallets that promptly cashed out. Similarly, the Mascioli Public Wallet received 2.03 trillion LGBCoin from the Mascioli Private Wallet on January 28, 2022 and then sold.

161. Specifically, over the course of fifty-nine transactions between November 26, 2021 and January 30, 2021, Mascioli sold and/or transferred to other pass-through wallets (which subsequently sold) at least 2.31 trillion LGBCoins that he had received from Carter, Koutoulas, and Michalopoulos. In exchange, Mascioli received 84.1 Wrapped Ethereum worth \$335,936.92.

162. Mascioli knew or should have known that the transactions in Mascioli's public and private wallets were inappropriate and should not have been executed because of Mascioli's status as an insider. In 2014, the Securities and Exchange Commission ("SEC") filed a complaint against Mascioli, charging him and his company with making false statements and representations in conjunction with an attempted acquisition. Mascioli consented to the judgment against him (without admitting guilt) for misleading investors in violation of the Securities Exchange Act of 1934. Mascioli was ordered to pay a civil penalty of \$100,000 and was "permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5]." In particular, Mascioli is specifically enjoined from employing a "scheme" to defraud investors in connection with the sale of any security and from engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person."

163. Likewise, Carter and Koutoulas used the Hub Wallet to sell and/or transfer their LGBCoins to unidentified wallets that also sold off. In total, Carter Wallet 1 transferred 23 trillion LGBCoin in four separate transactions to the Hub Wallet: November 1, 2021 (1T); November 2, 2021 (5T); November 3, 2021 (15T); and November 9, 2021 (2T). Shortly after receiving each of those deposits from Carter Wallet 1, the Hub Wallet either sold or transferred those LGBCoins to unidentified wallets, which also sold off. For example, within two hours of



receiving the 1 trillion LGBCoins from Carter Wallet 1 on November 1, the Hub Wallet sold them for \$22,284.27 of Wrapped Ethereum.

164. On November 2, 2021, the Hub Wallet sold over 1 trillion of the 5 trillion LGBCoins it received from Carter Wallet 1 for \$27,589.31 of Wrapped Ethereum.

165. On November 3, 2021 the Hub Wallet sold about 5 trillion of 19 trillion LGBCoins it held that day for approximately \$396,906.06 of Wrapped Ethereum.

166. On November 4, 2021 – with 14 trillion LGBCoins still held within the Hub Wallet – Carter and Koutoulas sold 1.2 trillion LGBCoins for about \$291,881.73 in Wrapped Ethereum. Then on November 7, 2021 the Hub Wallet sold another 226.6 billion LGBCoins for \$60,033.59 in Wrapped Ethereum.

167. Similarly, on November 11, 2021 (two days after the November 9 deposit from Carter Wallet 1) the Hub Wallet sold approximately 57 billion LGBCoins for 10 Wrapped Ethereum, which was worth \$47,478.26 at the time.

168. On November 13, 2021, the Hub Wallet sold 126.9 billion LGBCoins for \$116,394.33 worth of Wrapped Ethereum. The next day, November 14, the Hub Wallet sold another 54.9 billion LGBCoins for \$46,365.37 in Wrapped Ethereum. On November 21, 2021, the Hub Wallet continued to sell off, selling 46.8 billion LGBCoins for \$44,452 in Wrapped Ethereum.

169. On January 3, 2022 – the Hub Wallet sold 119 billion LGBCoins for 37 Wrapped Ethereum worth \$139,749.29. In a similar transaction on January 4, 2022, the Hub wallet 157 billion LGBCoins for 36.6 Wrapped Ethereum worth

\$139,352.02. On January 5, 2022, the Hub Wallet sold 53.5 billion LGBCoins for \$190,706.56 worth of Wrapped Ethereum in two transactions.<sup>58</sup>

170. In total, the Hub Wallet directly sold over \$1.5 million worth of LGBCoins for Wrapped Ethereum between November 2021 and January 2022.

171. As executive officers of a hedge fund, Carter, Koutoulas (who also touts himself as an “investor protection” attorney), and Michalopoulos knew or should have known that their promotional activities were misleading and improperly inducing retail investors like Plaintiffs and the class to purchase LGBCoins.

172. For example, in a recorded zoom interview with Carter and Koutoulas where they were discussing LGBCoin and its origins, Carter recounts how he created LGBCoin and gifted Koutoulas 1 trillion LGBCoins. Koutoulas enthusiastically says “Let’s go Brandon. 1 trillion coins. Yeah baby! Rocket to the moon!” while clapping his hands and pumping his fist. A few moments later, Koutoulas composes himself and then disclaims “please note, it has no value. It is a digital collectible only. Don’t spend money on it unless you want to light it on fire but [Koutoulas pauses at this point for a moment then says] . . . **to the moon.**”

173. The cliché “this is not financial advice” disclaimer Koutoulas gives in this interview (similar to the “just a meme coin” disclaimer in the Company’s pseudo whitepaper) is immediately undercut by the declaration by Koutoulas to

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<sup>58</sup> Both of these transactions appear to be taken directly from the LGBCoin liquidity pool.

reassure investors that the price of LGBCoins was nevertheless going to go up “to the moon.”

174. Likewise, the following December 29, 2021 post and comment from Koutoulas and Cawthorn, respectively, from Koutoulas’ Instagram account gives the same messaging:



175. Further to this point, Koutoulas and Norden repeatedly made public statements about how fast the LGBCoin market cap had grown since launch. For example, during his Roundtable interview on December 14, 2021, Koutoulas bragged that “the [LGBCoin’s] five weeks old, we’ve been trading around \$340 million in market cap already without even being on a centralized exchange, [with]

only 5,000 holders.”<sup>59</sup> One-week later Koutoulas similarly proclaimed on David J. Harris Jr.’s podcast that “the coin is already about \$350 million in market cap.”<sup>60</sup> The following week, on December 29, 2021, Defendant Norden gave the same promotional talking point on the UnBossed Reporting podcast that LGBCoins “went from \$0 to \$330 million.”<sup>61</sup>

176. These promotional pitches, along with the “to the moon” exclamations, speak only to the value of the LGBCoin and how it is poised for continued growth. As financial advisors themselves, Carter, Koutoulas, Michalopoulos, and Norden were aware, or should have been aware, that their promotional activities undermined any of their boilerplate disclaimers.

177. Concurrently, the complex web of transactions among the wallets described above strongly suggests that this was purposefully designed to obscure the true owners of significant portions of LGBCoin Float and provide Carter, Koutoulas, Michalopoulos (along with McLaughlin and the Coral entities) plausible deniability to investors when those owners sold. There are dozens of additional wallet addresses that have received LGBCoins from the Carter Wallets, the Hub Wallet, McLaughlin’s Wallets, Mascioli’s Wallets, and the Coral Wallets.

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<sup>59</sup> Roundtable Crypto, *Let’s Go Brandon Meme Coin Gains Traction In Conservative Circles*, ROUNDTABLE CRYPTO, Dec. 14, 2021, <https://roundtablecrypto.io/political/lets-go-brandon-new-coin>.

<sup>60</sup> See The David J. Harris Jr. Show, DJHJ MEDIA INC., Dec. 22, 2021, <https://podcasts.apple.com/us/podcast/the-david-j-harris-jr-show/id1485932439>, 15:51.

<sup>61</sup> Brendon Leslie, *We’re hanging out the Let’s Go Brandon Coin guys discussing conservative news in Florida*. UNBOSSSED REPORTING, Dec. 29, 2021, <https://twitter.com/i/broadcasts/1eaKbNyjrOjKX>.

Upon information and belief, several of these wallets are similarly owned and/or controlled by Defendants and have been used to sell off LGBCoins.

178. Another example of Koutoulas-related insiders receiving coins and selling off at the perfect time (*i.e.*, prior to the announcement that LGB team would officially sponsor NASCAR driver Brown and subsequent LGBCoin price surge) can be seen within the transaction history of Madison Cawthorn's wallet (Wallet Address `0x8a4037f3954E9FD79fF2c18488ab269a7ff095e1` (the "Cawthorn Wallet"). During December 2022, while Koutoulas used his relationship with Congressman Cawthorn to promote LGBCoin as investments with high growth potential, Cawthorn (as well as the Coral Defendants) was able to time his own exit from LGBCoin at its price high.

179. Initially, Carter Wallet 1 sent 12 trillion LGBCoin to Wallet `0x85e116b86839440c1e162c24a488b61e71d69207` ("Wallet `0x85e`") on November 22, 2021. Then on December 21, 2021, Wallet `0x85e` sent the Cawthorn Wallet 180 billion LGBCoins. 10 days later, right after the LGBCoin team announced a sponsorship of NASCAR driver Brandon Brown, the Cawthorn Wallet sells off 65.8 billion LGBCoins worth approximately \$105,000 in Wrapped Ethereum. Cawthorn's December 29, 2021 comment on Instagram to Koutoulas that "Tomorrow we go to the moon!" indicates that Cawthorn knew about the impending announcement directly from Koutoulas and sold off on the run up.

180. Notably, on May 23, 2022, the Congressional House Committee on Ethics announced it would be investigating the possibility that, among other

things, Cawthorn “improperly promoted a cryptocurrency [*i.e.* LGBCoin] in which he may have had an undisclosed financial interest.” Cawthorn partially disclosed his LGBCoin transactions on May 27, 2022. While Cawthorn did not include his specific wallet details, his disclosure nonetheless paints a picture of a crypto trader who cashed out a six-figure profit at just the right time.

181. The promotion by Cawthorn and Cawthorn’s purchase increased the available trading volume of LGBCoin and provided exit liquidity for the sales by the Executive Defendants (who also sold all the way up to the price peak).

182. The announcement by NASCAR that LGBCoin would not be allowed to sponsor Brown and the attendant liquidation by investors including the Executive and Coral Defendants reduced LGBCoin’s value to zero.

183. The LGBCoin price still has not recovered and trading volume remains down significantly. The *Daily Beast* bluntly noted, LGBCoin amounted to a “dumpster fire” and were “effectively worthless.”<sup>62</sup>

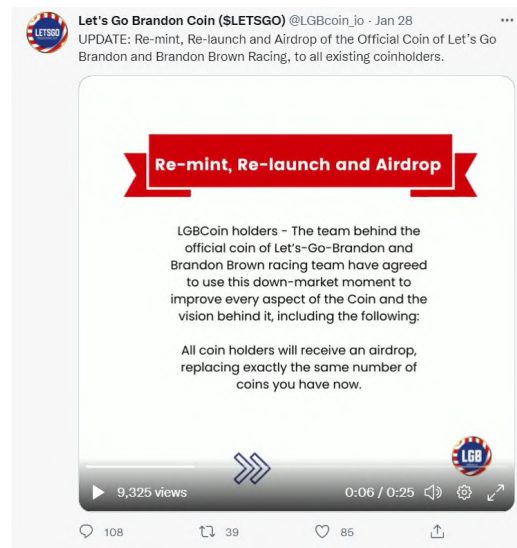
### **The re-Pump and Dump – the Relaunch of LGBCoin**

184. On January 28, 2022, the Executive Defendants took a snapshot of LGBCoin and then drained the remaining liquidity as part of plan to remint and relaunch the LGBCoin into a second meme coin, which caused both the price and transaction volume of LGBCoin to plummet to near \$0 by January 30, 2022.

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<sup>62</sup> See *id.*

185. The Company posted a video on the Company’s Twitter and Instagram accounts on January 28, 2022, from the “Brandon Brown and #68 racing and LGBCoin Team,” promoting this “Re-Mint, Re-launch and Airdrop” of LGBCoin as an intent to “improve” what it described as a “down-market moment.”



186. Upon information and belief, this decision to relaunch LGBCoin was part of a February 2022 agreement reached in Miami, Florida, that was “forged in part by the media executive James Heckman, representatives of the NASCAR racer Brandon Brown, and LGB’s former de facto leader . . . James Koutoulas.”<sup>63</sup>

187. Koutoulas discussed this agreement during a February 2022 interview with *The Daily Beast* claiming that other key coin holders attempted to have him purged from LGBCoin to launch their own LGB “copycat.” “Koutoulas alleged . . . that major coin holders had fueled the decline [of LGBCoin] by rapidly selling large

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<sup>63</sup> See n.46, *supra*.



volumes of [LGBCoin].”<sup>64</sup> The article quotes two of the unnamed LGBCoin founders explaining that the rift with Koutoulas stemmed from his political antagonism: “Guys hanging out in Puerto Rico don’t want to antagonize the government. It’s the opposite.”<sup>65</sup>

188. Between February 22, 2022, and February 24, 2022, the Executive Defendants then “relaunched” the LGBCoin into a second version of the LGBCoin. The Executive Defendants created a second Company website at <https://www.lets gobrandon.com/> (hereafter “Second Company Website”), which — like the earlier Company Website — promotes LGBCoin as the “Official Partner of NASCAR Xfinity Series Driver Brandon Brown and Car No. 68.”

189. The Company also released a new logo for this LGBCoin substantially resembling the former Company Logo:



190. On February 24, 2022, the Company issued a Press Release announcing a “new leadership team” and the creation of a “LetsGoBrandon Foundation” that:

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<sup>64</sup> See *id.*

<sup>65</sup> Given the transaction history with Wallets owned by McLaughlin and CoralDefi and their location in Puerto Rico, Plaintiffs believe the unnamed coin holders who Koutoulas blames for draining LGBCoin’s liquidity are McLaughlin and CoralDefi.

has committed already several million dollars in cash, to secure assets, fill the liquidity pool, and support marketing. The Foundation has also confirmed and funded the previously announced sponsorship for \$5 Million per year, securing a long-term relationship with Brandon Brown and his racing team, in addition to investing in a world-class media, licensing, marketing and crypto-architectural team to ensure stability and longevity of the coin.<sup>66</sup>

191. This Press Release also outlined some of the Company's concepts and expectations for this "new" LGBCoin, including the following excerpts:

**Crypto and Digital Media Leadership Team Additions**

Significant HODLers invested in world-class leadership to recreate, launch and help manage the improved official coin, correct tokenomic deficiencies and ensure reputational excellence. The team is filled with crypto pioneers, senior media executives and licensing experts. . . .

**New Tokenomics**

The initial coin project was architected in such a way that large pre-sale buyer [sic] ***were able to damage the value at their will, and so while the coin was one of the most-covered crypto projects in history, some "Whales" were selling in size on every positive announcement.*** This will no longer be technically possible. The new team has dramatically improved the tokenomics, with smart contracts restricting large holders and added marketing allocations for the project's growth. Previous holders of up to 200B coins as of 2/22/2022 will be rewarded for holding for 6 months with a 10% bonus and the liquidity pool has been refilled and supplemented. The team began airdrops a few weeks ago for smaller wallets, and began dropping the remaining coins on 2/24/2022. Whales will be allocated their coins directly, to ensure authenticity and accuracy. . . .

**LetsGoBrandon's Future, Plans and Commitment**

***LetsGoBrandon.com*** is a forever project. All significant holders of the coin have agreed to restrict their selling for at least two years, because the vision of this project is to prioritize the movement for protecting free speech [sic] and fighting de-platforming.<sup>67</sup>

[Emphasis added.]

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<sup>66</sup> See Press Release, <https://www.lets gobrandon.com/press> (last visited Mar. 1, 2022).

<sup>67</sup> *Id.* (last visited Jul. 19, 2022).

192. The Executive Defendants also created a second Company Twitter account under the @officialletsgo handle,<sup>68</sup> which uses the Brandon Brown racecar graphics that NASCAR previously rejected as its wallpaper:



193. In addition, on or about March 4, 2022, the Executive Defendants also created a second Company Instagram account under the @letsgo handle,<sup>69</sup> which uses the new logo for the “new” LGBCoin.

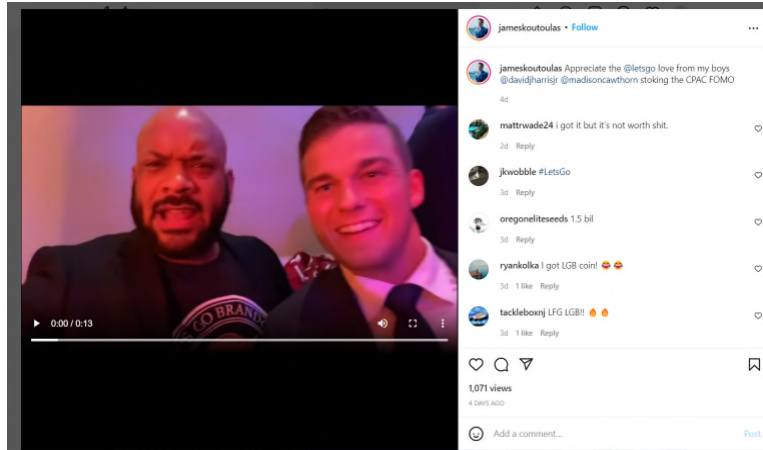
194. According to data from CoinMarketCap, the “new” LGBCoin had an opening price of \$0.00000009744 on March 1, 2022 — 65% lower than the opening price of its previous iteration of LGBCoin.

195. Despite this, Koutoulas, Harris, Cawthorn, and others still promoted the “new” LGBCoin, including in the following video from the Conservate Political Action Conference in Orlando that Koutoulas posted to his Instagram account on February 27, 2022<sup>70</sup>:

<sup>68</sup> See Official \$LETSGO, <https://twitter.com/officialletsgo> (last visited Mar. 1, 2022).

<sup>69</sup> See Official \$LETSGO, <https://www.instagram.com/letsgo/> (last visited Mar. 9, 2022).

<sup>70</sup> See Feb. 27, 2022, Koutoulas Instagram Post, <https://www.instagram.com/p/CafZYEKgnK3/> (last visited Mar. 3, 2022).



Harris: I got Let's Go Brandon coin. Do you got Let's Go Brandon coin?

Cawthorn: I got Let's Go Brandon coin.

Harris: You got some Let's Go Brandon coin?

Cawthorn: It's working out very well. Very well.

Harris: So do you have Let's Go Brandon coin? <laughter>

Cawthorn: That's the question — That's the question we all want to know.

Harris: Get you some. Get you some. <laughter>

Cawthorn: Yes sir!

196. Similarly, on March 7, 2022, Harris conducted an interview with former President Donald J. Trump on his podcast, The David J. Harris Jr. Show.<sup>71</sup> In an effort to promote LGBCoin to all of the listeners tuning in for Trump and to lead retail investors into believing that Trump was personally associated with LGBCoin, Harris announced that Koutoulas would be gifting Trump 500 billion LGBCoins. Trump responded to this promotional gifting by saying, “that sounds good” and that “those groups are the right groups to support” because “they’re

<sup>71</sup> The David J. Harris Show, <https://www.audacy.com/podcasts/the-david-j-harris-jr-show-39252/exclusive-my-second-interview-with-president-trump-1296066681>. Minute 19:45-22:20. (last visited Jul. 19, 2022).

great patriots, great people.” The video of the interview was then posted on Twitter by both Harris<sup>72</sup> and Koutoulas<sup>73</sup> on March 9, 2022:



197. As United Kingdom’s Financial Conduct Authority director Charles Randall noted in a recent speech, “social media influencers are routinely paid by scammers to help them pump and dump new tokens on the back of pure speculation.”<sup>74</sup>

198. Randall further observed that the hype around speculative digital assets like the LGBCoin “generates a powerful fear of missing out from some consumers who may have little understanding of their risks. There is no shortage of stories of people who have lost savings by being lured into the crypto bubble

<sup>72</sup> See Mar. 9, 2022, Harris Instagram Post, Post, <https://twitter.com/DavidJHarrisJr/status/1501709784793374720?cxt=HHwWgICz5fjFktcpAAAA> (last visited Jul. 19, 2022).

<sup>73</sup> See Mar. 9, 2022, Koutoulas Instagram Post, Post, <https://twitter.com/jameskoutoulas/status/1501745962548703234> (last visited Mar. 9, 2022).

<sup>74</sup> Charles Randell, *Speech to the Cambridge International Symposium on Economic Crime* (June 9, 2021), <https://www.fca.org.uk/news/speeches/risks-token-regulation>.

with delusions of quick riches, sometimes after listening to their favourite influencers, ready to betray their fans' trust for a fee.”<sup>75</sup>

199. United States President Joseph Biden similarly observed in a cryptocurrency executive order executed on March 9, 2022, that:

The increased use of digital assets and digital asset exchanges and trading platforms may increase the risks of crimes such as fraud and theft, other statutory and regulatory violations, privacy and data breaches, unfair and abusive acts or practices, and other cyber incidents faced by consumers, investors, and businesses. The rise in use of digital assets, and differences across communities, may also present disparate financial risk to less informed market participants or exacerbate inequities.<sup>76</sup>

200. Former U.S. Securities and Exchange Commission Chairman Jay Clayton similarly warned prospective investors about the dangers of cryptocurrency and cautioned:

market participants against promoting or touting the offer and sale of coins without first determining whether the securities laws apply to those actions. ***Selling securities generally requires a license, and experience shows that excessive touting in thinly traded and volatile markets can be an indicator of “scalping,” “pump and dump” and other manipulations and frauds.***<sup>77</sup>

[Emphasis added.]

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<sup>75</sup> See *id.*

<sup>76</sup> See Presidential Actions, *Executive Order on Ensuring Responsible Development of Digital Assets*, Mar. 9, 2022, <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/03/09/executive-order-on-ensuring-responsible-development-of-digital-assets/>.

<sup>77</sup> See U.S. Securities and Exchange Commission, *Statement on Cryptocurrencies and Initial Coin Offerings*, Dec. 11, 2017, <https://www.sec.gov/news/public-statement/statement-clayton-2017-12-11>. In fact, these emerging cryptocurrency dangers compelled the SEC to create a Crypto Assets and Cyber Unit in 2017, which “has brought more than 80 enforcement actions related to fraudulent and unregistered crypto asset offerings and platforms.” See U.S. Securities and Exchange Commission, *SEC Nearly Doubles Size of Enforcement’s Crypto Assets and Cyber Unit*, May 3, 2022, <https://www.sec.gov/news/press-release/2022-78>. The SEC recently expanded its Crypto Assets and Cyber Unit under the leadership of the SEC’s current Chairman Gary Gensler.

### **CLASS ACTION ALLEGATIONS**

201. Plaintiffs bring this action, individually, and on behalf of a nationwide class, pursuant to Federal Rules of Civil Procedure 23(a), 23(b)(2), and/or 23(b)(3), defined as follows:

All persons who, during the Class Period, purchased the Company's LGBCoin and were subsequently damaged thereby.

202. The Class Period is defined as the period between November 2, 2021, and March 15, 2022.<sup>78</sup>

203. Excluded from the Class are: (a) Defendants; (b) Defendants' affiliates, agents, employees, officers and directors; (c) Plaintiffs' counsel and Defendants' counsel; and (d) the judge assigned to this matter, the judge's staff, and any member of the judge's immediate family. Plaintiffs reserve the right to modify, change, or expand the various class definitions set forth above based on discovery and further investigation.

204. **Numerosity**: The Class is so numerous that joinder of all members is impracticable. On January 4, 2022, there were more than 10,000 unique account holders of LGBCoin.

205. **Commonality**: Common questions of law and fact exist as to all members of each Class. These questions predominate over questions affecting

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<sup>78</sup> Plaintiffs reserve the right to expand or amend the Class Period based on discovery produced in this matter.



individual Class members. These common legal and factual questions include, but are not limited to:

- a. Whether NASCAR represented that it would approve a LGBCoin Sponsorship or whether it informed the Executive Defendants, the Company and BMS in November that it would not approve any variation of “Let’s go Brandon!” on a race car;
- b. Whether the Executive Defendants fraudulently marketed LGBCoin as affiliated with BMS, Brown and NASCAR;
- c. Whether Executive Defendants conspired to artificially inflate the price to LGBCoin and then sell their LGBCoin to unsuspecting investors;
- d. Whether Defendants have been unjustly and wrongfully enriched as a result of their conduct;
- e. Whether the proceeds that the Defendants obtained as a result of the sale of LGBCoin rightfully belong to Plaintiffs and class members;
- f. Whether Defendants should be required to return money they received as a result of the sale of LGBCoin to Plaintiffs and class members; and
- g. Whether Plaintiffs and class members have suffered damages, and, if so, the nature and extent of those damages.

206. **Typicality**: Plaintiffs have the same interest in this matter as all Class members, and Plaintiffs’ claims arise out of the same set of facts and conduct as the claims of all Class members. Plaintiffs’ and Class members’ claims all arise out

of uniform misrepresentations, omissions, and unlawful, unfair, and deceptive acts and practices related to the sale of LGBCoin.

207. **Adequacy**: Plaintiffs have no interest that conflicts with the interests of the Class and are committed to pursuing this action vigorously. Plaintiffs have retained counsel competent and experienced in complex consumer class action litigation. Accordingly, Plaintiffs and their counsel will fairly and adequately protect the interests of the Class.

208. **Superiority**: A class action is superior to all other available means of fair and efficient adjudication of the claims of Plaintiffs and members of the Class. The injury suffered by each individual Class member is relatively small compared to the burden and expense of individual prosecution of the complex and extensive litigation necessitated by Defendants' conduct. It would be virtually impossible for individual Class members to effectively redress the wrongs done to them. Even if Class members could afford individualized litigation, the court system could not. Individualized litigation would increase delay and expense to all parties, and to the court system, because of the complex legal and factual issues of this case. Individualized rulings and judgments could result in inconsistent relief for similarly situated individuals. By contrast, the class action device presents far fewer management difficulties, and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.

209. Defendants have acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive relief and corresponding declaratory relief with respect to the Class as a whole.

### **FIRST CAUSE OF ACTION**

#### **COMMON LAW FRAUD (Against NASCAR Concerning the November 5 Approval)**

210. Plaintiffs restate and reallege the following allegations as if fully set forth herein: ¶¶1-12, 43-47, 65-85, 120-121.

211. On November 5, 2021, Mascioli, Koutoulas and BMS co-owner Jerry Brown met with NASCAR executives at the NASCAR Xfinity Series Champion Race in Phoenix, Arizona discussing the potential for a partnership.<sup>79</sup>

212. According to an unnamed NASCAR official, the NASCAR executives told Mascioli, Koutoulas and BMS co-owner Jerry Brown “that it would not allow any variation on the euphemism for a profane insult on a racecar.”<sup>80</sup>

213. According to Koutoulas, however, the parties reached an agreement that should the Company not use the phrase “Let’s Go Brandon,” and instead just

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<sup>79</sup> Liz Clarke, *NASCAR rejects sponsorship deal based on ‘Let’s go, Brandon’ chant*, THE WASHINGTON POST, Jan 5, 2022, <https://www.washingtonpost.com/sports/2022/01/04/LGBCoin-lets-go-brandon-nascar-rejected/#:~:text=Moreover%2C%20the%20official,on%20a%20racecar.>

<sup>80</sup> *Id.*

use the abbreviated coin name, LGBCoin.io, that NASCAR would approve a sponsorship.<sup>81</sup>

214. The NASCAR executives either made this representation without knowledge of its truth or falsity or should have known that the representation was false.

215. On information and belief, the NASCAR executives intended that Mascioli, Koutoulas and BMS co-owner Jerry Brown believe their representation that a LGBCoin sponsorship would be approved should the Company use the abbreviated coin name, LGBCoin.io, and to act in reliance of that representation by consummating a partnership with BMS and promoting BMS racing and NASCAR.

216. On information and belief, Mascioli, Koutoulas and BMS co-owner Jerry Brown relied on the NASCAR executives' statement that a LGBCoin sponsorship would be approved.

217. Throughout November and December 2021, as detailed above, the Company, Koutoulas and BMS promoted LGBCoin using race car imagery, and promoted NASCAR and BMS alluding to the impending partnership between the Company and BMS. This promotion was so extensive that it was "pretty obvious"

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<sup>81</sup> Josh Peter, *NASCAR driver Brandon Brown's new paint scheme that references vulgar anti-Biden meme in limbo*, USA TODAY, Dec. 31, 2021, <https://www.usatoday.com/story/sports/nascar/2021/12/31/nascar-driver-brandon-browns-new-anti-biden-paint-scheme-limbo/9059843002/>.

for anyone paying attention that there would be a collaboration between LGBCoin and BMS.<sup>82</sup>

218. Finally, on December 30, 2021, the Company, along with Brandon Brown and BMS, issued press releases touting the sponsorship and disseminating the materially false and misleading statement that LGBCoin was an official sponsor of BMS.

219. As a result of the dissemination of the materially false information that LGBCoin was an official sponsor of BMS, the market price of LGBCoin was artificially inflated. Upon the announcement on December 30, 2021, the price of LGBCoin jumped 75% briefly reaching a market capitalization of \$570 million.

220. In ignorance of the fact that the market price of LGBCoin was artificially inflated due to the misrepresentation that LGBCoin was an official sponsor of BMS, Plaintiffs and class members acquired LGBCoin at artificially high prices.

221. Plaintiff De Ford purchased LGBCoin on December 31, 2021 and LGBCoin on January 1, 2022 in reliance on the statement that LGBCoin was an official sponsor of BMS.

222. Plaintiff Bader purchased LGBCoin on January 1, 2022 in reliance on the statement that LGBCoin was an official sponsor of BMS.

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<sup>82</sup> Matt Stieb, *Madison Cawthorn's Crypto Guru Goes Bust In the hyperworld of Miami's crypto right, the "Let's Go Brandon" coin sounded as good as gold*, NEW YORK MAGAZINE, May 12, 2022, <https://nymag.com/intelligencer/2022/05/lets-go-brandon-coins-james-koutoulas-on-madison-cawthorn.html#:~:text=Koutoulas%20explained%20that,a%20few%20hours>.

223. Had the Plaintiffs and the other members of the Class known the truth, Plaintiffs and other members of the Class would not have purchased or otherwise acquired their LGBCoin, or, if they had acquired LGB during the Class Period, they would not have done so at the artificially inflated prices which they paid.

224. On January 4, 2022, NASCAR announced that LGBCoin was rejected as a sponsor of BMS.

225. Following NASCAR's announcement that the sponsorship was rejected, the price of LGBCoin fell 63% from a high of \$.000001612 to a low of \$.0000005992.

226. Plaintiff De Ford's purchases of LGBCoins on December 31, 2021 and January 1, 2022 have subsequently lost a significant amount of their original value since the NASCAR announcement.

227. Plaintiff Bader's purchase of LGBCoin on January 1, 2022 has subsequently lost a significant amount of their original value since the NASCAR announcement.

228. As a direct and proximate result of Defendants' wrongful conduct, Plaintiffs and other members of the class suffered damages in connection with their purchases of LGBCoin.

## **SECOND CAUSE OF ACTION**

### **COMMON LAW FRAUD (Against the Company, Koutoulas, and BMS, in the alternative to the First Cause of Action)**

229. Plaintiffs restate and reallege the following allegations as if fully set forth herein: ¶¶1-38, 43-183.

230. Plaintiffs allege this Count in the alternative to Count I in accordance with Fed. R. Civ. P. 8(d)(2).

231. On November 5, 2021, Mascioli, Koutoulas and BMS co-owner Jerry Brown met with NASCAR executives at the NASCAR Xfinity Series Champion Race in Phoenix, Arizona discussing the potential for a partnership.

232. According to an unnamed NASCAR official, the NASCAR executives told Mascioli, Koutoulas and BMS co-owner Jerry Brown “that it would not allow any variation on the euphemism for a profane insult on a racecar.”<sup>83</sup>

233. Nevertheless, throughout November and December 2021, as detailed above, the Company, Koutoulas and BMS falsely promoted LGBCoin using race car imagery, and promoted NASCAR and BMS alluding to the impending partnership between the Company and BMS. This promotion was so extensive that it was “pretty obvious” for anyone paying attention that there would be a collaboration between LGBCoin and BMS.

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<sup>83</sup> Liz Clarke, *NASCAR rejects sponsorship deal based on ‘Let’s go, Brandon’ chant*, THE WASHINGTON POST, Jan 5, 2022, <https://www.washingtonpost.com/sports/2022/01/04/LGBCoin-lets-go-brandon-nascar-rejected/#:~:text=Moreover%2C%20the%20official,on%20a%20racecar.>



234. Finally, on December 30, 2021, the Company, along with Brandon Brown and BMS, issued press releases touting the sponsorship and disseminating the materially false and misleading statement that LGBCoin was an official sponsor of BMS.

235. As a result of the dissemination of the materially false information that LGBCoin was an official sponsor of BMS, the market price of LGBCoin was artificially inflated. Upon the announcement on December 30, 2021, the price of LGBCoin jumped 75% briefly reaching a market capitalization of \$570 million.

236. In ignorance of the fact that the market price of LGBCoin was artificially inflated due to the misrepresentation that LGBCoin was an official sponsor of BMS, Plaintiffs and class members acquired LGBCoin at artificially high prices.

237. Plaintiff De Ford purchased LGBCoin on December 31, 2021 and LGBCoin on January 1, 2022 in reliance on the statement that LGBCoin was an official sponsor of BMS.

238. Plaintiff Bader purchased LGBCoin on January 1, 2022 in reliance on the statement that LGBCoin was an official sponsor of BMS.

239. Had the Plaintiffs and the other members of the Class known the truth, Plaintiffs and other members of the Class would not have purchased or otherwise acquired their LGBCoin, or, if they had acquired LGBCoin during the Class Period, they would not have done so at the artificially inflated prices which they paid.

240. On January 4, 2022, NASCAR announced that LGBCoin was rejected as a sponsor of BMS.

241. Following NASCAR announcement that the sponsorship was rejected, the price of LGBCoin fell 63% from a high of \$.000001612 to a low of \$.0000005992.

242. Plaintiff De Ford's purchases of LGBCoins on December 31, 2021 and January 1, 2022 have subsequently lost a significant amount of their original value since the NASCAR announcement.

243. Plaintiff Bader's purchase of LGBCoin on January 1, 2022 has subsequently lost a significant amount of their original value since the NASCAR announcement.

244. As a direct and proximate result of Defendants' wrongful conduct, Plaintiffs and other members of the class suffered damages in connection with their purchases of LGBCoin.

### **THIRD CAUSE OF ACTION**

#### **COMMON LAW FRAUD**

#### **(Against NASCAR Concerning the December 26 Approval)**

245. Plaintiffs restate and reallege the following allegations as if fully set forth herein: ¶¶1-12, 43-47, 65-85, 120-121.

246. On December 26, 2021, Dale Howell, NASCAR Racing Operations Senior Manager, acting in his capacity as an employee of NASCAR, represented to

Mac MacLeod, acting as an agent of the Company, that LGBCoin's sponsorship of Brandon Brown's car was approved.

247. Dale Howell either made this representation without knowledge of its truth or falsity or should have known that the representation was false.

248. On information and belief, Dale Howell intended Mac MacLeod to believe his representation that the LGBCoin sponsorship was approved and to edit the decal design to improve its readability at 170 mph.

249. Dale Howell made this representation to Mac MacLeod by email sent from an official NASCAR email address with a signature that indicated Dale Howell's position in NASCAR Operations.

250. On information and belief, Mac MacLeod believed that Dale Howell was authorized to approve the sponsorship.

251. On information and belief, Mac MacLeod, the Company and BMS relied on Dale Howell's statement that the LGBCoin's sponsorship was approved. Mac MacLeod edited the decal design as requested.

252. On December 30, 2021, the Company, along with Brandon Brown and BMS, issued press releases touting the sponsorship and disseminating the materially false and misleading statement that LGBCoin was an official sponsor of BMS.

253. As a result of the dissemination of the materially false information that LGBCoin was an official sponsor of BMS, the market price of LGBCoin was artificially inflated.

254. In ignorance of the fact that the market price of LGBCoin was artificially inflated due to the misrepresentation that LGBCoin was an official sponsor of BMS, Plaintiffs and class members acquired LGBCoin at artificially high prices.

255. Plaintiff De Ford purchased LGBCoin on December 31, 2021 and LGBCoin on January 1, 2022 in reliance on the statement that LGBCoin was an official sponsor of BMS.

256. Plaintiff Bader purchased LGBCoin on January 1, 2022 in reliance on the statement that LGBCoin was an official sponsor of BMS.

257. Had the Plaintiffs and the other members of the Class known the truth, Plaintiffs and other members of the Class would not have purchased or otherwise acquired their LGBCoin, or, if they had acquired LGBCoin during the Class Period, they would not have done so at the artificially inflated prices which they paid.

258. On January 4, 2022, NASCAR announced that LGBCoin was rejected as a sponsor of BMS and that Dale Howell did not have authority to approve the sponsorship.

259. Following NASCAR announcement that the sponsorship was rejected, the price of LGBCoin fell 63% from a high of \$.000001612 with a trading volume of \$6.7 million to a low of \$.0000005992 with a trading volume of \$2.6 million.

260. Plaintiff De Ford's purchases of LGBCoins on December 31, 2021 and January 1, 2022 have subsequently lost a significant amount of their original value since the NASCAR announcement.

261. Plaintiff Bader's purchase of LGBCoin on January 1, 2022 has subsequently lost a significant amount of their original value since the NASCAR announcement.

262. As a direct and proximate result of NASCAR's wrongful conduct, Plaintiffs and other members of the class suffered damages in connection with their purchases of LGBCoin.

#### **FOURTH CAUSE OF ACTION**

##### **CIVIL CONSPIRACY (Against All Defendants (Except for NASCAR))**

263. Plaintiffs restate and reallege the following allegations as if fully set forth herein: ¶¶1-38, 43-80, 86-183.

264. Plaintiffs allege this Count in the alternative to Count I in accordance with Fed. R. Civ. P. 8(d)(2).

265. On information and belief, on or about November 2, 2021, the Executive Defendants agreed to fraudulently promote the LGBCoin as associated with Brown, BMS and NASCAR in an effort to artificially inflate the value and liquidity of the LGBCoin while they worked to liquidate the retained LGBCoin to maximize their joint and individual returns.

266. In furtherance of this conspiracy, Carter created the code for the smart contract and LGBCoin itself. Carter purposefully did not include any “locking” or vesting mechanism within the code to protect investors from insiders immediately selling off the coins they received from Carter pre-launch. The purpose of this overt act was to enable Carter, Koutoulas, Michalopoulos, along with Mascioli, McLaughlin, the Coral entities, and other insiders, to sell as much of their respective portions of the LGBCoin Float as possible.

267. In furtherance of this conspiracy, Carter, Koutoulas, Michalopoulos transferred or caused to be transferred trillions of LGBCoins between October 2021 and March 2022 to various insiders, including Mascioli, McLaughlin, and the Coral entities. The purpose of these overt acts was to provide each of these Defendants with the actual LGBCoins that they would subsequently sell and/or transfer to other wallet addresses that, in turn, sold.

268. In furtherance of this conspiracy, Koutoulas, Norden, and Mascioli falsely promoted LGBCoin and recruited others to falsely promote LGBCoin. In particular, in November and December of 2021, Koutoulas and Norden repeatedly touted the rapid increase in the market capitalization of LGBCoins since launch. Similarly, Koutoulas and the Racing Defendants repeatedly teased an officially sanctioned sponsorship of NASCAR driver Brandon Brown and the LGB team. The purpose of these overt acts was to lead investors to believe that there was massive growth potential for LGBCoins generally and with a NASCAR partnership specifically, and, thus, a financial benefit to investing in LGBCoins.

269. Defendants' actions falsely promoting LGBCoin enriched themselves to the detriment of Plaintiffs and class members. As seen in the transaction history publicly available on the Ethereum blockchain, the Carter Wallets, Koutoulas Wallet, Hub Wallet, Mascioli Wallets, McLaughlin Wallets, and Coral Wallets collectively sold trillions of LGBCoins directly to investors. While the Coral Defendants and Mascioli made millions of dollars, investors were left with LGBCoins that were a worthless "dumpster fire."

270. As a direct and proximate result of Defendants' actions, Plaintiffs and class members were damaged in the amount of the difference between the fair market price of their LGBCoin but for the Defendants' actions and the price they paid for their LGBCoin.

### **FIFTH CAUSE OF ACTION**

#### **Unjust Enrichment/Restitution (Florida Common Law, in the Alternative) (Against the Executive Defendants, Coral Defendants, and Individual Defendant Mascioli)**

271. Plaintiffs restate and reallege the following allegations as if fully set forth herein: ¶¶1-38, 43-83, 86-196.

272. Plaintiffs and Class members conferred a monetary benefit on Defendants by raising the price and trading volume of LGBCoin, which allowed Defendants to sell their LGBCoin to Plaintiffs and Class members at inappropriately and artificially inflated prices.



273. Defendants received a financial benefit from the sale of their LGBCoin at inflated prices and are in possession of this monetary value that was intended to be used for the benefit of, and rightfully belongs to, Plaintiffs and members of the Class.

274. Plaintiffs and Class members seek restitution in the form of the monetary value of the difference between the purchase price of LGBCoin and the price those LGBCoin sold for.

### **SIXTH CAUSE OF ACTION**

#### **Violation of the 1933 Securities Act (Against the Company and the Executive Defendants)**

275. Plaintiffs restate and reallege the following allegations as if fully set forth herein: ¶¶43-64, 120-121, 131-170, 197-200.

276. Section 12(a)(1) of 15 U.S.C. §§77l(a)(1) (the “Securities Act”) provides a private cause of action against any person who offers or sells a security in violation of Section 5 of 15 U.S.C. §§77e.

277. The following elements must be established to prevail on a Section 5 claim: “(1) absence of an effective registration statement covering the securities in question; (2) the offer or sale of the securities; and (3) the use of the mails, or any means or instruments of transportation or communication in interstate commerce in connection with the sale or offer.” *Hodges v. Harrison*, 372 F. Supp. 3d 1342, 1347-48 (S.D. Fla. 2019).

278. LGBCoins are securities within the meaning of Section 2(a)(1) of the Securities Act, 15 U.S.C. §77b(a)(1) because they are investment contracts subject to federal securities laws, including the registration requirements promulgated thereunder. The term “investment contract” “embodies a flexible rather than a static principle, one that is capable of adaptation to meet the countless and variable schemes devised by those who seek the use of the money of others on the promise of profits.” *Tippens v. Round Island Plantation L.L.C.*, No. 09-CV-14036, 2009 WL 2365347, at \*7 (S.D. Fla. July 31, 2009) (quoting *S.E.C. v. W.J. Howey Co.*, 328 U.S. 293, 299 (1946)). “An offering is an investment contract if there is: (1) an investment of money, (2) in a common enterprise, (3) with the expectation of profits to come solely from the efforts of others.” *Id.*

279. Plaintiffs invested money into the common enterprise of LGBCoin with the expectation of profits to come solely from the efforts of others.

280. The funds Plaintiffs and Class members paid to purchase LGBCoin were pooled by the Company and the Executive Defendants to secure a profit for themselves and the investors. As a result, the investors, including Plaintiffs and Class members, shared in the risks and benefits of the investment.

281. Plaintiffs and Class members relied on, and are dependent upon, the expertise and efforts of the Company and the Executive Defendants for their investment returns.

282. Plaintiffs and Class members expected that they would receive profits from their investments in the Company and the Executive Defendants’ efforts.

283. No Defendant or other person filed with the U.S. Securities and Exchange Commission a registration statement for the offer and sale of LGBCoin through or following the LGBCoin launch, no registration statement was in effect at the time of the LGBCoin launch, and no exemption to the registration statement was available.

284. By virtue of the foregoing, without registration statement in effect as to the LGBCoin, the Company and the Executive Defendants, directly or indirectly made use of means or instruments of transportation or communication in interstate commerce to offer to sell or to actually sell securities, or to carry or cause such securities to be carried through in interstate commerce for the purpose of sale or for delivery after sale, securities for which no registration statement has been filed and no exemption to the registration statement was available. *See Hodges v. Harrison*, 372 F. Supp. 3d 1342, 1348 (S.D. Fla. 2019).

285. The Company and the Executive Defendants are “sellers” within the meaning of the Securities Act because they or their agents solicited Plaintiffs’ investments in LGBCoin.

286. By reason of the foregoing, the Company and the Executive Defendants participated in the offer and sale of unregistered securities in violation of the Securities Act.

287. As a direct and proximate result of the Company’s and the Executive Defendants’ unregistered sale of securities, Plaintiffs and Class members suffered damages in connection with his respective purchases of LGBCoin, and the

Company and the Executive Defendants are liable to Plaintiffs and Class members for rescission and/or compensatory damages.

**SEVENTH CAUSE OF ACTION**

**FRAUD**

**(Against the Company and the Executive Defendants)**

288. Plaintiffs restate and reallege the following allegations as if fully set forth herein: ¶¶1-38, 43-64, 120-121, 184-196.

289. On January 28, 2022, the Company stated that it was launching a new token and that all owners of LGBCoin would be issued a corresponding number of new tokens.

290. However, the Company did not deliver on this promise. All LGBCoin holders were not issued a corresponding number of new tokens.

291. Plaintiff De Ford never received a corresponding number of new tokens from the Company or Executives despite their representations to the contrary.

292. As a direct and proximate result of the Company's and the Executive Defendants' fraudulent conduct, Plaintiffs and Class members suffered damages in connection with the compelled exchange of their respective purchases of LGBCoin, and the Company and the Executive Defendants are liable to Plaintiffs and Class members for compensatory damages.

## **EIGHTH CAUSE OF ACTION**

### **CONVERSION**

#### **(Against the Company and the Executive Defendants)**

293. Plaintiffs restate and reallege the following allegations as if fully set forth herein: ¶¶1-38, 43-64, 120-121, 184-196.

294. As set forth above, Plaintiffs are the rightful owners of the LGBCoins that they respectively purchased during the Relevant Period. At all relevant times, Plaintiffs maintained a possessory interest in the LGBCoins in their respective wallets, including those old LGBCoins purchased on the day of the “air drop” of new tokens.

295. On January 28, 2022, the Company suddenly announced that it was launching a new token and that all owners of LGBCoin would be required to swap their old LGBCoins for the new version of the LGBCoin, LETSGO. The Company and Executive Defendants promised to issue a corresponding number of new tokens via an “air drop” to investors that held the old LGBCoins as of January 28, 2022.

296. However, these new tokens were worth significantly less than the value of the LGBCoin at the time of the announcement.

297. LGBCoin had an opening price on January 28, 2022 of \$0.0000001968. The “new” LGBCoin had an opening price of \$0.00000009744 on March 1, 2022 — approximately 50% lower than the price of its previous iteration of LGBCoin on its last trading day.

298. The Company and the Executive Defendants had no rights, claims, or title to Plaintiffs' LGBCoins, and the forced exchange of Plaintiffs' old LGBCoins for the Company's newer LGBCoins is therefore inconsistent with the Company's alleged right to compel investors to swap their more valuable, old LGBCoins with less valuable new coins.

299. As a direct and proximate result of the willful, grossly negligent, and/or fraudulent conduct of the Company and Executive Defendants relating to the January 28, 2022 token swap, Plaintiffs have been injured and suffered damages.

300. Accordingly, Plaintiffs seek compensatory damages, reasonable attorney's fees and costs, and any other relief the Court deems necessary.

### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs, individually, and on behalf of all others similarly situated, respectfully requests that this Court:

A. Determine that the claims alleged herein may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and issue an order certifying one or more of the Classes defined above;

B. Appoint Plaintiffs as representatives of the Class and their counsel as Class counsel;

C. Award all actual, general, special, incidental, statutory, punitive, and consequential damages and restitution to which Plaintiffs and class members are entitled;

- D. Award post-judgment interest on such monetary relief;
- E. Grant appropriate injunctive and/or declaratory relief;
- F. Award reasonable attorneys' fees and costs; and
- G. Grant such further relief that this Court deems appropriate.

**JURY DEMAND**

Plaintiffs, individually and on behalf of the putative Class, demands a trial by jury on all issues so triable.

DATED: July 19, 2022

s/ Aaron M. Zigler

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