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8 [Additional Counsel on Signature Page.]

9 **UNITED STATES DISTRICT COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**

11 BRADLEY MORGAN; JESSE SMITHNOSKY;
12 VINCENT LAM; ETE ADOTE; YINGZHI
13 CHUA; MATT SZYMASZEK; IAN JOHNS;
14 DOUGLAS SCHADEWALD; ROGER LU;
15 SILVESTER RUCKDASCHEL; JEFFREY
16 SLUZINSKI; ADAM NORTH; PHILIPPE LEE;
17 HIO FONG MAK; TODD SPAFFORD;
18 STEPHEN MARSHALL; KASPER LUND;
19 ANDREAS RASMUSSEN; ANTOINE
20 MEREMANS; VINCENT WONG; GEOFFREY
21 CAPELLI; RALPH PORTER; ROBERT COMO;
22 DANIEL FREEMAN; COLIN HARTLEY;
23 DANIEL LEE; HERSH STERN; ANDREAS
24 OEE; BASTIAN BLUEM; BILAL AMAJJAR;
25 CHRIS MONEY; CHRISTOPHER BEDDIE;
26 DANIEL RICEBERG; KISHAN NAZRE;
27 MIKKEL FABRICIUS; MOUSTAFA ACHEFY;
28 NELSON CHANG; THEO MOUSTROU;
TAYLOR PAUR; MARCUS HOLLAND;
SCOTT BOHLMAN; DIANA KISLITSYNA; QI
HU; SEAN GETZWILLER; MOJCA PERS;
CALVIN LEE; WILLIAM AYERS; HANSU
CHU; MATTHEW FARMER; DAVID LEE;
DOMINIQUE MARCEL COULOMBE; HUN
WEI LEE; YAËL FAZY; MAURICE TAN;
JEAN FERREIRA; ABDOU YEKINI; DHERAJ
AGARWAL; FRANKIE FAREED PATADEEN;
JAN-EIKE WILKEN; TIMOTHY BARANY;

Case No. _____

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

[Caption continued on next page.]

1 ANTHONY DEGOL; MATTHEW HOYLE;
2 LUQMAAN RAWOOT; FRANCISCO JAVIER
3 FRANCO ALGARRADA; and ZACHARY
4 GRUNEBERG, Individually, and on Behalf of
5 All Others Similarly Situated,

6
7 Plaintiffs,

8 v.

9 CONSTELLATION NETWORK, INC.;
10 BENJAMIN JORGENSEN; WYATT
11 MELDMAN-FLOCH; BENJAMIN DIGGLES;
12 MATHIAS GOLDMANN; ALTIF BROWN;
13 BRENDAN PLAYFORD AND JOHN DOES 1-
14 10.

15
16 Defendants.

1 Plaintiffs Bradley Morgan, Jesse Smithnosky, Vincent Lam, Ete Adote, Yingzhi Chua,
2 Matt Szymaszek, Ian Johns, Douglas Schadewald, Roger Lu, Silvester Ruckdaschel, Jeffrey
3 Sluzinski, Adam North, Philippe Lee, Hio Fong Mak, Todd Spafford, Stephen Marshall, Kasper
4 Lund, Andreas Rasmussen, Antoine Meremans, Vincent Wong, Geoffrey Capelli, Ralph Porter,
5 Robert Como, Daniel Freeman, Colin Hartley, Daniel Lee, Hersh Stern, Andreas Oee, Bastian
6 Bluem, Bilal Amajjar, Chris Money, Christopher Beddie, Daniel Riceberg, Kishan Nazre, Mikkel
7 Fabricius, Moustafa Achefy, Nelson Chang, Theo Moustrou, Taylor Paur, Marcus Holland, Scott
8 Bohlman, Diana Kislitsyna, Qi Hu, Sean Getzwiller, Mojca Pers, Calvin Lee, William Ayers,
9 Hansu Chu, Matthew Farmer, David Lee, Dominique Marcel Coulombe, Hun Wei Lee, Yaël Fazy,
10 Maurice Tan, Jean Ferreira, Abdou Yekini, Dheraj Agarwal, Frankie Fareed Patadeen, Jan-Eike
11 Wilken, Timothy Barany, Anthony DeGol, Matthew Hoyle, Luqmaan Rawoot, Francisco Javier
12 Franco Algarrada, and Zachary Gruneberg (collectively, “Plaintiffs”), individually and on behalf
13 of all others similarly situated, bring this Class Action Complaint (“Complaint”) against
14 Defendants Constellation Network, Inc. (“Constellation” or the “Company”), Brendan Playford,
15 Benjamin Jorgensen, Wyatt Meldman-Floch, Benjamin Diggles, Mathias Goldman, and Altif
16 Brown (the “Individual Defendants” and, together with Constellation, “Defendants”). The
17 following allegations are based upon personal knowledge as to Plaintiffs’ own facts, upon
18 investigation by Plaintiffs’ counsel, and upon information and belief where facts are solely in
19 possession of Defendants.

20 NATURE OF THE CASE

21 1. This case arises from Constellation’s refusal to allow investors to participate in a
22 “swap” that the Company had arranged from its original cryptocurrency token (the “ERC-20 DAG
23 Tokens”) to its second cryptocurrency token (the “Mainnet DAG Tokens”).¹ Defendants
24 purposefully designed the “Token Swap” in such a manner that the Company could exclude a large
25 swath of investors from exchanging their ERC-20 DAG Tokens to the Mainnet DAG Tokens.
26 These unswapped ERC-20 DAG Tokens do not, however, simply disappear. As a result of their
27

28 ¹ The ERC-20 DAG Tokens and Mainnet DAG Tokens are collectively referred to as the
“DAG Tokens.”

1 actions with the Token Swap, Defendants created a secondary market for the unswapped ERC-20
2 DAG Tokens. Defendants' simultaneous use of misleading marketing further compounded the
3 problem by artificially inflating interest in Constellation generally, which, in turn, led investors
4 seeking to invest in the Mainnet DAG Token into mistakenly purchasing the unswapped ERC-20
5 DAG Tokens. Defendants are incentivized to continue to exclude ERC-20 DAG Token holders
6 from swapping their tokens because doing so increases their proportional share of the Mainnet
7 DAG Token supply and increases the monetary value of Defendants' Mainnet DAG holdings.

8 2. A DAG token is a cryptocurrency created and maintained by Constellation. DAG
9 is a distributed ledger technology characterized as a "directed acyclic graph" that purports to
10 implement a horizontally scalable blockchain architecture known as Extended Trust Chain with a
11 peer-to-peer layer known as a gossip protocol.

12 3. Plaintiffs bring this action on behalf of all investors who purchased Constellation's
13 ERC-20 DAG Tokens after January 1, 2017 and were subsequently denied the ability to swap
14 those ERC-20 DAG Tokens for Mainnet DAG Tokens.

15 4. Following a successful initial coin offering ("ICO") that raised \$33.7 million in
16 2018, Constellation's former Chief Executive Officer ("CEO"), Defendant Branden Playford
17 mysteriously stepped down from his position. With rumors circulating that Defendant Playford
18 squandered the proceeds from the ICO day trading, investors demanded to know what had
19 occurred. Instead of disclosing the information regarding Defendant Playford and the ICO
20 proceeds to investors, Defendants engaged in a scheme to (a) render early investors' ERC-20 DAG
21 Tokens worthless and then exclude as many of those early investors as possible from swapping
22 the ERC-20 DAG Tokens with the Company's newly-minted DAG Token; and (b) lure new
23 investors into purchasing the unswapped ERC-20 DAG Tokens by using dubious online promoters
24 to engage in misleading marketing tactics aimed at pumping up the token price.

25 5. As set forth in detail below, Defendants controlled all aspects of the DAG Token
26 Swap, including its timing and promotion. Defendants failed to provide adequate notice to
27 investors and made it onerous to swap the ERC-20 DAG Tokens to Mainnet DAG Tokens. Then
28 Defendants purposefully chose to continue to move forward with the Token Swap, despite it taking

1 place on a single day at the height of the COVID-19 pandemic in April 2020. Making matters
2 worse, Defendants used the COVID-19 pandemic as a basis for not communicating with investors
3 during the lead up to the Token Swap. Finally, even after the Token Swap closed, Defendants
4 continue to allow investors to purchase the ERC-20 DAG Tokens on various decentralized
5 cryptocurrency exchanges, and they refuse to remove information on these exchanges that both
6 links the ERC-20 DAG Tokens to the Mainnet DAG Tokens and leads investors to believe they
7 are purchasing the Company's official digital asset instead of now defunct ERC-20 DAG Tokens.

8 6. Plaintiffs bring this class action on behalf of themselves and an objectively
9 identifiable class consisting of all investors that purchased Constellation's ERC-20 DAG Tokens
10 and were precluded from swapping to those ERC-20 DAG Tokens for Mainnet DAG Tokens.

11 **PARTIES**

12 **Plaintiffs**

13 7. Plaintiff Bradley Morgan is a resident and citizen of the United States, living in
14 Warsaw, Poland. Plaintiff Morgan purchased ERC-20 DAG Tokens and suffered investment
15 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

16 8. Plaintiff Jesse Smithnosky is a resident and citizen of California, living in Laguna
17 Beach, California. Plaintiff Smithnosky purchased ERC-20 DAG Tokens and suffered investment
18 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

19 9. Plaintiff Yingzhi Chua is a resident and citizen of Louisiana, living in Baton Rouge,
20 Louisiana. Plaintiff Chua purchased ERC-20 DAG Tokens and suffered investment losses as a
21 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

22 10. Plaintiff Vincent Lam is a resident and citizen of Canada, living in Vancouver,
23 Canada. Plaintiff Lam purchased ERC-20 DAG Tokens and suffered investment losses as a result
24 of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

25 11. Plaintiff Ete Adote is a resident and citizen of New York, living in Brooklyn, New
26 York. Plaintiff Adote purchased ERC-20 DAG Tokens and suffered investment losses as a result
27 of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

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1 12. Plaintiff Matt Szymaszek is a resident and citizen of California, living in Redondo
2 Beach, California. Plaintiff Szymaszek purchased ERC-20 DAG Tokens and suffered investment
3 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

4 13. Plaintiff Ian Johns is a resident and citizen of Texas, living in Austin, Texas.
5 Plaintiff Johns purchased ERC-20 DAG Tokens and suffered investment losses as a result of not
6 being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

7 14. Plaintiff Douglas Schadewald is a resident and citizen of New York, living in New
8 York, New York. Plaintiff Schadewald purchased ERC-20 DAG Tokens and suffered investment
9 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

10 15. Plaintiff Roger Lu is a resident and citizen of California, living in Long Beach,
11 California. Plaintiff Lu purchased ERC-20 DAG Tokens and suffered investment losses as a result
12 of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

13 16. Plaintiff Silvester Ruckdaschel is a resident of Portugal, living in Lisbon, Portugal.
14 Plaintiff Ruckdaschel purchased ERC-20 DAG Tokens and suffered investment losses as a result
15 of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

16 17. Plaintiff Jeffrey Sluzinski is a resident and citizen of Nevada, living in Henderson,
17 Nevada. Plaintiff Sluzinski purchased ERC-20 DAG tokens and suffered investment losses as a
18 result of not being allowed to swap the ERC-20 DAG for Mainnet DAG tokens

19 18. Plaintiff Adam North is a resident and citizen of the United Kingdom, living in
20 Derbyshire, England. Plaintiff North purchased ERC-20 DAG Tokens and suffered investment
21 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

22 19. Plaintiff Philippe Lee is a resident and citizen of California, living in Alhambra,
23 California. Plaintiff Philippe Lee purchased ERC-20 DAG Tokens and suffered investment losses
24 as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

25 20. Plaintiff Hio Fong Mak is a resident and citizen of California, living in El Monte,
26 California. Plaintiff Mak purchased ERC-20 DAG Tokens and suffered investment losses as a
27 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

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1 21. Plaintiff Todd Spafford is a resident and citizen of Nevada, living in Las Vegas,
2 Nevada. Plaintiff Spafford purchased ERC-20 DAG Tokens and suffered investment losses as a
3 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

4 22. Plaintiff Stephen Marshall is a resident and citizen of Vermont, living in
5 Morrisville, Vermont. Plaintiff Marshall purchased ERC-20 DAG Tokens and suffered investment
6 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

7 23. Plaintiff Kasper Lund is a resident and citizen of Norway, living in Stavanger,
8 Norway. Plaintiff Lund purchased ERC-20 DAG Tokens and suffered investment losses as a result
9 of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

10 24. Plaintiff Andreas Rasmussen is a resident and citizen of Denmark, living in
11 Copenhagen, Denmark. Plaintiff Rasmussen purchased ERC-20 DAG Tokens and suffered
12 investment losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet
13 DAG Tokens.

14 25. Plaintiff Antoine Meremans is a citizen of Belgium, living in Banpo-dong, South
15 Korea. Plaintiff Meremans purchased ERC-20 DAG Tokens and suffered investment losses as a
16 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

17 26. Plaintiff Vincent Wong is a resident and citizen of Thailand, living in Bangkok,
18 Thailand. Plaintiff Wong purchased ERC-20 DAG Tokens and suffered investment losses as a
19 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

20 27. Plaintiff Geoffrey Capelli is a resident and citizen of Switzerland, living in
21 Tavannes, Switzerland. Plaintiff Capelli purchased ERC-20 DAG Tokens and suffered investment
22 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

23 28. Plaintiff Ralph Porter is a resident and citizen of Washington, living in
24 Woodinville, Washington. Plaintiff Porter purchased ERC-20 DAG Tokens and suffered
25 investment losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet
26 DAG Tokens.

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1 29. Plaintiff Robert Como is a resident and citizen of California, living in La Jolla,
2 California. Plaintiff Como purchased ERC-20 DAG Tokens and suffered investment losses as a
3 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

4 30. Plaintiff Daniel Freeman is a resident and citizen of Nevada, living in Las Vegas,
5 Nevada. Plaintiff Freeman purchased ERC-20 DAG Tokens and suffered investment losses as a
6 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

7 31. Plaintiff Colin Hartley is a resident and citizen of Canada, living in Nanaimo,
8 Canada. Plaintiff Hartley purchased ERC-20 DAG Tokens and suffered investment losses as a
9 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

10 32. Plaintiff Daniel Lee is citizen of the United States, living in Seongdong-gu, South
11 Korea. Plaintiff Daniel Lee purchased ERC-20 DAG Tokens and suffered investment losses as a
12 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

13 33. Plaintiff Hersh Stern is a resident and citizen of New Jersey, living in Monroe
14 Township, New Jersey. Plaintiff Stern purchased ERC-20 DAG Tokens and suffered investment
15 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

16 34. Plaintiff Andreas Oee is a citizen of Denmark, living in Bangkok, Thailand.
17 Plaintiff Oee purchased ERC-20 DAG Tokens and suffered investment losses as a result of not
18 being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

19 35. Plaintiff Bastian Bluem is a resident and citizen of Germany, living in Bravaria,
20 Germany. Plaintiff Bluem purchased ERC-20 DAG Tokens and suffered investment losses as a
21 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

22 36. Plaintiff Bilal Amajjar is a resident and citizen of the Netherlands, living in Almere,
23 Netherlands. Plaintiff Amajjar purchased ERC-20 DAG Tokens and suffered investment losses
24 as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

25 37. Plaintiff Chris Money is a resident and citizen of the United Kingdom, living in
26 Tatenhill, England. Plaintiff Money purchased ERC-20 DAG Tokens and suffered investment
27 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

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1 38. Plaintiff Christopher Beddie is a resident and citizen of Australia, living in Sydney,
2 Australia. Plaintiff Beddie purchased ERC-20 DAG Tokens and suffered investment losses as a
3 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

4 39. Plaintiff Daniel Riceberg is a resident and citizen of California, living in Los
5 Angeles, California. Plaintiff Riceberg ERC-20 DAG Tokens and suffered investment losses as a
6 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

7 40. Plaintiff Kishan Nazre is a resident and citizen of New Jersey, living in Jersey City,
8 New Jersey. Plaintiff Nazre purchased ERC-20 DAG Tokens and suffered investment losses as a
9 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

10 41. Plaintiff Mikkel Fabricius is a resident and citizen of Denmark, living in Roskilde,
11 Denmark. Plaintiff Fabricius purchased ERC-20 DAG Tokens and suffered investment losses as
12 a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

13 42. Plaintiff Moustafa Achefy is a resident and citizen of Holland, living in Halfweg,
14 Noord, Holland. Plaintiff Achefy purchased ERC-20 DAG Tokens and suffered investment losses
15 as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

16 43. Plaintiff Nelson Chang is a resident and citizen of New Jersey, living in Livingston,
17 New Jersey. Plaintiff Chang purchased ERC-20 DAG Tokens and suffered investment losses as a
18 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

19 44. Plaintiff Theo Moustrou is a resident and citizen of France, living in Biarritz,
20 France. Plaintiff Moustrou purchased ERC-20 DAG Tokens and suffered investment losses as a
21 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

22 45. Plaintiff Taylor Paur is a resident and citizen of California, living in Oceanside,
23 California. Plaintiff Paur purchased ERC-20 DAG Tokens and suffered investment losses as a
24 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

25 46. Plaintiff Marcus Holland is a resident and citizen of the United Kingdom, living in
26 Exeter, England. Plaintiff Holland purchased ERC-20 DAG Tokens and suffered investment
27 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.
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1 47. Plaintiff Scott Bohlman is a resident and citizen of Illinois, living in Lemont,
2 Illinois. Plaintiff Bohlman purchased ERC-20 DAG Tokens and suffered investment losses as a
3 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

4 48. Plaintiff Diana Kislitsyna is a resident and citizen of Australia, living in Brisbane,
5 Australia. Plaintiff Kislitsyna purchased ERC-20 DAG Tokens and suffered investment losses as
6 a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

7 49. Plaintiff Qi Hu is a citizen of Canada, living in Ottawa, Canada. Plaintiff Hu
8 purchased ERC-20 DAG Tokens and suffered investment losses as a result of not being allowed
9 to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

10 50. Plaintiff Sean Getzwiller is a resident and citizen of Nevada, living in Las Vegas,
11 Nevada. Plaintiff Getzwiller purchased ERC-20 DAG Tokens and suffered investment losses as
12 a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

13 51. Plaintiff Mojca Pers is a citizen of Slovenia and the United Kingdom, residing in
14 Haarlem, Netherlands. Plaintiff Pers purchased ERC-20 DAG Tokens and suffered investment
15 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

16 52. Plaintiff Zaheer Ahmed is a resident and citizen of California, living in Clovis,
17 California. Plaintiff Ahmed purchased ERC-20 DAG Tokens and suffered investment losses as a
18 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

19 53. Plaintiff Calvin Lee is a resident and citizen of South Korea, living in Seoul, South
20 Korea. Plaintiff Calvin Lee purchased ERC-20 DAG Tokens and suffered investment losses as a
21 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

22 54. Plaintiff William Ayers is a resident and citizen of New York, living in Malverne,
23 New York. Plaintiff Ayers purchased ERC-20 DAG Tokens and suffered investment losses as a
24 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

25 55. Plaintiff Hansu Chu is a resident and citizen of California, living in Los Angeles,
26 California. Plaintiff Chu purchased ERC-20 DAG Tokens and suffered investment losses as a
27 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

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1 56. Plaintiff Matthew Farmer is a resident and citizen of Texas, living in Austin, Texas.
2 Plaintiff Farmer purchased ERC-20 DAG Tokens and suffered investment losses as a result of not
3 being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

4 57. Plaintiff David Lee is a resident and citizen of New York, living in New York, New
5 York. Plaintiff David Lee purchased ERC-20 DAG Tokens and suffered investment losses as a
6 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

7 58. Plaintiff Dominique Marcel Coulombe is a resident and citizen of Canada, living in
8 Kelowna, British Columbia. Plaintiff Coulombe purchased ERC-20 DAG Tokens and suffered
9 investment losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet
10 DAG Tokens.

11 59. Plaintiff Hun Wei Lee is a resident and citizen of Australia, living in North Epping,
12 Australia. Plaintiff Lee purchased ERC-20 DAG Tokens and suffered investment losses as a result
13 of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

14 60. Plaintiff Yaël Fazy is a resident and citizen of France, living in Annecy, France.
15 Plaintiff Fazy purchased ERC-20 DAG Tokens and suffered investment losses as a result of not
16 being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

17 61. Plaintiff Maurice Tan is a resident and citizen of Singapore, living in the Republic
18 of Singapore. Plaintiff Tan purchased ERC-20 DAG Tokens and suffered investment losses as a
19 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

20 62. Plaintiff Jean Ferreira is a resident and citizen of Canada, living in the Quebec,
21 Canada. Plaintiff Ferreira purchased ERC-20 DAG Tokens and suffered investment losses as a
22 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

23 63. Plaintiff Abdou Yekini is a resident and citizen of France, living in Dijon, France.
24 Plaintiff Yekini purchased ERC-20 DAG Tokens and suffered investment losses as a result of not
25 being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

26 64. Plaintiff Dheraj Agarwal is a resident and citizen of Malaysia, living in Kuala
27 Lumpur, Malaysia. Plaintiff Agarwal purchased ERC-20 DAG Tokens and suffered investment
28 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

1 65. Plaintiff Frankie Fareed Patadeen is a resident and citizen of Trinidad and Tobago,
2 living in San Juan, Trinidad and Tobago. Plaintiff Patadeen purchased ERC-20 DAG Tokens and
3 suffered investment losses as a result of not being allowed to swap the ERC-20 DAG Tokens for
4 Mainnet DAG Tokens.

5 66. Plaintiff Jan-Eike Wilken is a resident and citizen of Austria, living in Vienna,
6 Austria. Plaintiff Wilken purchased ERC-20 DAG Tokens and suffered investment losses as a
7 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

8 67. Plaintiff Timothy Barany is a resident and citizen of Illinois, living in Chicago,
9 Illinois. Plaintiff Barany purchased ERC-20 DAG Tokens and suffered investment losses as a
10 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

11 68. Plaintiff Anthony DeGol is a resident and citizen of California, living in La Jolla,
12 California. Plaintiff DeGol purchased ERC-20 DAG Tokens and suffered investment losses as a
13 result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

14 69. Plaintiff Matthew Hoyle is a resident and citizen of Florida, living in North Miami
15 Beach, Florida. Plaintiff Hoyle purchased ERC-20 DAG Tokens and suffered investment losses
16 as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

17 70. Plaintiff Luqmaan Rawoot is a resident and citizen of South Africa, living in Cape
18 Town, South Africa. Plaintiff Rawoot purchased ERC-20 DAG Tokens and suffered investment
19 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

20 71. Plaintiff Francisco Javier Franco Algarrada is a resident and citizen of Spain, living
21 in Madrid, Spain. Plaintiff Algarrada purchased ERC-20 DAG Tokens and suffered investment
22 losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet DAG Tokens.

23 72. Plaintiff Zachary Gruneberg is a resident and citizen of Pennsylvania, living in
24 Boalsburg, Pennsylvania. Plaintiff Gruneberg purchased ERC-20 DAG Tokens and suffered
25 investment losses as a result of not being allowed to swap the ERC-20 DAG Tokens for Mainnet
26 DAG Tokens.

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1 **Defendants**

2 73. Defendant Constellation Network, Inc. is a business incorporated under the laws of
3 the State of Delaware with its principal place of business at 480 5th Street, San Francisco,
4 California 94107. Constellation is engaged in the business of designing, implementing, and
5 providing cybersecurity for various “big” data sets and data sources. Constellation is
6 headquartered in San Francisco, and its marketing efforts emanate from California. Defendant
7 Constellation is a citizen of the State of California.

8 74. Defendant Benjamin Jorgenson is a resident and citizen of California, living in San
9 Francisco, California. Jorgenson currently serves as the CEO of Constellation.

10 75. Defendant Brendan Playford is a resident and citizen of California, living in San
11 Francisco, California. Playford previously served as the Company’s CEO prior to Defendant
12 Jorgenson.

13 76. Defendant Wyatt Meldman-Floch is a resident and citizen of California, living in
14 San Francisco, California. Meldman-Floch was a Co-Founder of Constellation, and he currently
15 serves as the Company’s Chief Technical Officer (“CTO”).

16 77. Defendant Benjamin Diggles is a resident and citizen of Colorado, living in Denver,
17 Colorado. Diggles was a Co-Founder of Constellation (also previously serving as Constellation’s
18 Vice President of Business Development), and he currently serves as the Company’s Chief
19 Strategy Officer.

20 78. Defendant Mathias Goldmann is a resident and citizen of California, living in San
21 Francisco, California. Goldmann was a Co-Founder of Constellation, and he currently serves as
22 the Company’s Vice President of Finance.

23 79. Defendant Altif Brown is a resident and citizen of California, living in San
24 Francisco, California. Brown was a Co-Founder and former Chief Communication Officer of
25 Constellation, and he currently serves as the Company’s Global Community Architect.

26 80. Defendants John Doe 1-10 are persons who participated in the wrongdoing alleged
27 herein but whose identities are currently unknown to Plaintiffs. Plaintiffs will identify the John
28 Doe Defendants through discovery of Constellation and/or the Individual Defendants.

1 **JURISDICTION AND VENUE**

2 81. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C.
3 §1332 because: (1) there are 100 or more (named or unnamed) class members; (2) there is an
4 aggregate amount in controversy exceeding \$5,000,000, exclusive of interest or costs; and (3) there
5 is minimal diversity because at least one Plaintiff and Defendants are citizens of different states.
6 This Court has supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. §1367.

7 82. This Court may exercise jurisdiction over Defendants because Constellation is a
8 citizen of this State and District and maintains its principle place of business in this District, has
9 continuous and systematic contacts with this District, does substantial business in this State and
10 within this District, and engages in unlawful practices in this District as described in this
11 Complaint, so as to subject itself to personal jurisdiction in this District, thus rendering the exercise
12 of jurisdiction by this Court proper and necessary.

13 83. Venue is proper in this judicial District pursuant to 28 U.S.C. §1391(b) because
14 Constellation is headquartered and operates in this District, therefore, a substantial part of the
15 events or omissions giving rise to the claims alleged herein occurred in this District.

16 84. **Division Assignment:** This action should be assigned to the San Francisco
17 Division of this Court, as the Company’s principal place of business is in San Francisco,
18 California, under Local Rule 3-2(d).

19 **FACTUAL ALLEGATIONS**

20 **Constellation Background**

21 85. Constellation’s business purportedly provides cybersecurity for large data sets and
22 sources. The Company offers “a software infrastructure tool that removes the financial and
23 organizational cost of insecure data pipelines and bad data. It provides a secure and tamper-proof
24 audit trail that simultaneously validates your data.”²

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² <https://icoholder.com/en/constellation-network-21562> (last visited Oct. 18, 2021).

1 86. According to the Company, its goal is to “build a technological world where truth
2 is apparent, power is fairly distributed and reputation matters.”³

3 87. On June 15, 2018, Constellation held its ICO, selling 720,000,000 ERC-20 DAG
4 Tokens for a total of \$33.7 million. ERC-20 DAG Tokens are blockchain-based assets that are
5 created using the Ethereum blockchain. After an ERC-20 token is created, it can be traded, spent,
6 or otherwise transacted with.

7 88. The ERC-20 DAG Tokens sold in this ICO represented 18% of the DAG tokens
8 available.⁴

9 89. The ERC-20 DAG Tokens were sold pursuant to a “whitepaper.” Whitepapers in
10 cryptocurrency are documents released by the founders of the project that gives investors technical
11 information about its concept, and a roadmap for how it plans to grow and succeed. The
12 Constellation whitepaper was entitled “Constellation, a Blockchain Microservice Operating
13 System” and nowhere mentioned that the ERC-20 DAG Tokens would be subject to swap onto the
14 Constellation mainnet.

15 90. Following the ICO, the Constellation community was abuzz with rumors that
16 Constellation’s then-CEO, Defendant Brendan Playford, inappropriately used the millions of
17 dollars that were raised in the ICO as his personal piggybank to day trade cryptocurrencies,
18 eventually losing a significant portion of it.

19 91. Defendant Playford has a long track record of being publicly acknowledged as
20 having “been involved in the crypto sector as a miner, *trader*, and data scientist.”⁵

21 92. Defendant Playford has also made public statements indicative of someone that
22 closely monitors detailed information about the cryptocurrency trading market. For example, on
23 April 12, 2018 (just two months before the Constellation ICO) Defendant Playford wrote an email
24

25 ³ LCX Press Release, *Constellation Network Chooses LCX as Partner* (Mar. 28, 2021),
26 <https://www.prnewswire.com/news-releases/constellation-network-chooses-lcx-as-partner-301257193.html>.

27 ⁴ All transactions in the ERC-20 DAG Token are recorded on the ethereum blockchain,
available at <https://etherscan.io/token/0xa8258abc8f2811dd48eccd209db68f25e3e34667>.

28 ⁵ Nulltx, *What Is Constellation Cryptocurrency*, BITNEWSBOT (June 28, 2018),
<https://bitnewsbot.com/what-is-constellation-cryptocurrency-nulltx/> (emphasis added).

1 to MarketWatch for an article entitled, “Bitcoin trading volume hits record high.”⁶ With no
2 introduction or preamble, Defendant Playford is quoted as gratuitously saying: “Over the past two
3 weeks there has been a steady increase in short positions with people betting against the price of
4 bitcoin. This was up until yesterday the total number of open bitcoin short positions on Bitfinex
5 reached a 6-month high of 40,000 open shorts, while the price remained in range.”⁷

6 93. In a different article that same day on whether bitcoin’s then-recent gains were the
7 result of a trading “short squeeze,” Defendant Playford’s email is quoted again.⁸ He expands
8 further on the technical analysis of bitcoin’s trading activity, stating: “Further, the long/short ratio
9 on bitcoin hit a record low of 0.80 and started to recover, which indicates that short risk is
10 increasing and more people in the market are gaining confidence in long positions in bitcoin. . . .
11 This is still early, and the market remains in the long-term downtrend.”⁹

12 94. Following Constellation’s ICO, Defendant Playford continued to demonstrate his
13 more-than-casual interest in highly speculative crypto trading. For example, on September 8,
14 2018, Defendant Playford shared the “Ethereum/USDshort crypto chart” on Twitter, saying:
15 “Around 100k or ~40% of all open shorts on \$ETH opened under \$290. Seems like a pretty big
16 target to me.”¹⁰

17 95. Throughout December 2018, despite having a company to run with its coffers
18 supposedly filled after a successful ICO (*i.e.*, Constellation), Defendant Playford’s only tweets
19 were about speculation in the broader cryptocurrency market, price targets and trading volume.
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23 ⁶ Aaron Hankin, *Bitcoin trading volume hits record high*, MARKETWATCH (Apr. 12, 2018),
24 <https://www.marketwatch.com/story/bitcoin-trading-volume-hits-record-high-2018-04-12>.

25 ⁷ *Id.*

26 ⁸ Aaron Hankin, *Is bitcoin’s biggest gain in 2 months a short squeeze or a change in
27 sentiment?*, MARKETWATCH (Apr. 12, 2018), [https://www.marketwatch.com/story/is-bitcoins-
28 biggest-gain-in-2-months-a-short-squeeze-or-a-change-in-sentiment-2018-04-12](https://www.marketwatch.com/story/is-bitcoins-biggest-gain-in-2-months-a-short-squeeze-or-a-change-in-sentiment-2018-04-12).

29 ⁹ *Id.*

30 ¹⁰ <https://twitter.com/BrendanPlayford/status/1038564874727632903> (last visited Oct. 18,
2021).

1 On December 2, 2018, he retweeted a post about “Bitcoin Market Sentiment.”¹¹ Then on
2 December 7, 2018, Defendant Playford announced that “\$BTC and \$ETH near-term target hit.”¹²



9 The following day on December 8, Defendant Playford tweeted his concerns about weak volume
10 in the cryptocurrency market: “Bounce volume not looking great. We still need a follow through.
11 Lots of thin air if we do not hold above here. \$BTC \$ETH”¹³ On December 13, 2018, Defendant
12 Playford congratulated himself on his ability to predict the cryptocurrency market’s price action
13 by giving the following response to an earlier tweet of his from January 1, 2018:¹⁴

14 96. Defendant Wyatt Meldman-Floch knew, or should have known, about Defendant
15 Playford’s trading activities with the Constellation ICO proceeds but did nothing about it.
16 Importantly, Defendants Meldman-Floch and Playford have a separate, long-standing relationship
17 outside of their work together at Constellation. For example, Defendants Meldman-Floch and
18 Playford were the founders of another company called Rakugo, which claimed to be building a
19 decentralized publishing platform. Defendants Meldman-Floch and Playford also served as
20 Rakugo’s CEO and CTO, respectively.

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11 <https://twitter.com/CryptoCoq/status/1069247988445384704> (last visited Oct. 18, 2021).

25 12 <https://twitter.com/BrendanPlayford/status/1071100701638422528> (last visited Oct. 18,
26 2021).

27 13 <https://twitter.com/BrendanPlayford/status/1071281663072583680> (last visited Oct. 18,
28 2021).

14 <https://twitter.com/BrendanPlayford/status/1073318212354199553> (last visited Oct. 18,
2021).

1 97. Rakugo held an ICO from August 19, 2017 to September 19, 2017,¹⁵ the
2 surrounding circumstances of which bear an eerie similarity to the Constellation ICO. Upon
3 information and belief, after taking investors' money during the Rakugo ICO, Defendants
4 Meldman-Floch and Playford inexplicably returned the money three weeks later. DAG investors
5 on the cryptocurrency forum Bitcointalk.org claimed that Rakugo executives like Defendants
6 Meldman-Floch and Playford "were trading with [the proceeds of the Rakugo ICO] for profit
7 during the time we all waited to get our tokens back."¹⁶

8 98. Around July 2019, Defendant Playford inexplicably left Constellation and stepped
9 down as the Company's CEO.

10 99. Defendants did not formally acknowledge Defendant Playford's departure until
11 months later. Only after investors demanded an official response did Defendant Brown finally
12 provide an explanation, albeit a vague and opaque one.

13 100. Specifically, on October 30, 2019, after an investor wrote to the Constellation
14 Telegram group that investors had "a right to [k]now as to why Brendan Playford is no longer
15 CEO or part of the constellation team[.]"¹⁷ Defendant Altif replied:

16 Brendan is stepping down as the CEO of Constellation Labs and as a member of
17 the Constellation Foundation board to focus his attention on his passion for the
18 consumer adoption of blockchain technology in developing economies and nations.
19 Constellation has been restructuring the organization where the founders empower
20 cross departmental alliances and decision-making. The company has named Ben
21 Jorgensen CEO and Brendan's tokens remain with the foundation.

22 As a result, Brendan sees an opportunity to leverage his strengths to other
23 blockchain and community based initiatives. Given his strengths that include
24 product development, growth and design, as well as engaging with a broad
25 community, he sees the opportunity to support Constellation and the blockchain
26 space as a whole while not being a part of the day to day operations. Stepping back
27 from Constellation will allow the organization to focus on building and deploying

25 ¹⁵ *In Depth – What is Rakugo – An Ethereum based content publishing platform*, STEEMIT,
26 [https://steemit.com/blockchain/@conradhann/in-depth-what-is-rakugo-an-ethereum-based-
content-publishing-platform](https://steemit.com/blockchain/@conradhann/in-depth-what-is-rakugo-an-ethereum-based-content-publishing-platform) (last visited Oct. 18, 2021); *see also* [https://bitcointalk.
org/index.php?topic=2044732.0](https://bitcointalk.org/index.php?topic=2044732.0) [Rakugo profile] (last visited Oct. 18, 2021).

27 ¹⁶ <https://bitcointalk.org/index.php?topic=2702538.msg29143698#msg29143698> (last
28 visited Oct. 18, 2021).

¹⁷ <https://t.me/constellationcommunity/80717> (last visited Oct. 18, 2021).

1 the Constellation mainnet. Constellation wishes Brendan the best in his future
endeavors.¹⁸

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3 101. Notably, Defendant Altif did not provide any explanation as to why Defendant
4 Playford – who was supposedly leaving on amicable terms – would seemingly abandon his DAG
5 tokens (presumably worth hundreds of thousands, if not millions, of dollars) and freely return them
6 to the Company.

7 102. When Constellation investors subsequently reached out to the Constellation team
8 via the Company’s Telegram social media account to ask about the specific circumstances
9 surrounding Playford’s departure, the Constellation administrators immediately banned these
10 investors from the Telegram group and accused them of trying to spread so-called “F.U.D.” in an
11 effort to silence and discredit the investors seeking to gain access to highly significant, undisclosed
12 information related to the Company.¹⁹

13 103. As of the filing of this action, Constellation has made no announcement to investors
14 regarding the fate of the \$33.7 million ICO investment.

15 104. Following Defendant Playford’s departure, the remaining Company executives,
16 including Defendants, began plotting ways to recoup the lost ICO proceeds without publicly
17 disclosing what had occurred.

18 105. Defendants’ first move was to downsize drastically while simultaneously hiring a
19 group of freelance online cryptocurrency promoters known as “Satsgang”²⁰ to fraudulently
20 promote the DAG tokens to unsuspecting investors.

21 106. Upon information and belief, many of Constellation’s employees left the Company
22 as a consequence of Defendant Playford’s misuse of Company funds. For example, at least three²¹

23
24 ¹⁸ <https://t.me/constellationcommunity/80721> (last visited Oct. 18, 2021).

25 ¹⁹ “F.U.D.” is an acronym for fear, uncertainty, and doubt. Those accused of spreading FUD
are generally viewed negatively by the cryptocurrency community.

26 ²⁰ The group known as Satsgang has since rebranded itself as the “Spectre Grp” in an apparent
effort to distance themselves from any associations with former Satsgang activities.

27 ²¹ Constellation’s VP of Operations, Emily Arth, does not maintain a LinkedIn profile. As of
28 the filing of this action, Ms. Arth’s other public social media indicates that she has not posted
anything about Constellation since 2018.

1 of Constellations Vice Presidents left the Company in the lead up to Defendant Playford's
2 departure around July 2019: VP of Marketing, Zac Russell (May 2019);²² VP of Product, Brion
3 Hickey (June 2019);²³ and VP of Engineering, Ryle Goehausen (July 2019). Similarly,
4 Constellation's Lead Product Designer, Giovanni Valdenegro and Marketing Manager, Gina
5 Rubino left Constellation between the ICO and Defendant Playford's official stepping down.

6 107. Even Defendant Altif Brown, Constellation's Chief Communications Officer, has
7 been demoted on the Company's website to an "Advisor," indicating that he is no longer a full-
8 time employee of the Company.²⁴

9 108. Meanwhile, as the Company was jettisoning most of its employees, Defendants
10 simultaneously entered into an arrangement with a group of skills-for-hire, the notorious Satsgang,
11 to pump the price of the Company's ERC-20 DAG Tokens.

12 109. Two of Satsgang's founders, "Bitcoin Brown" and "Lucky" actively promoted the
13 DAG tokens on Twitter, Telegram, and other platforms. For example, on July 30, 2019, Twitter
14 user @bitcoin_brown – who's profile bio indicates that he is a member of the Spectre Grp –
15 tweeted about how DAG's price chart (which was attached to the tweet) was "really impressive
16 [over] the past month, from heavy accumulation to continuous uptrend."²⁵ Notably, the
17 "#satsGang" hashtag was used in this post promoting DAG's potential for upward price
18 movement.²⁶

24 ²² <https://www.linkedin.com/in/zac-russell-62b2a923> [Zac Russell LinkedIn profile] (last
visited Oct. 18, 2021).

25 ²³ <https://www.topionetworks.com/people/brion-hickey-5c050a7c843bac303717db03>
[Brion Hickey career profile] (last visited Oct. 18, 2021).

26 ²⁴ <https://constellationnetwork.io/company/about/> (last visited Oct. 18, 2021).

27 ²⁵ https://mobile.twitter.com/bitcoin_brown/status/1156111462412300289 (last visited Oct.
18, 2021).

28 ²⁶ *Id.*

1 110. Similarly, on October 13, 2019, “Lucky” – a purported “cryptocurrency analyst” –
2 also touted the “impressive returns” (*e.g.*, “600%”) that DAG investors could receive “if you were
3 patient.”²⁷ Lucky’s bio also includes the #satsGang hashtag promotion.

4 111. On January 17, 2020, Bitcoin Brown announced on Twitter that the “Bull run” was
5 “confirmed” by Satsgang and listed several crypto-related projects including “\$DAG.”²⁸

6 112. Satsgang member, Dread Bongo, promoted Defendants’ March 12, 2020 message
7 as an “Amazing show of support to the \$DAG community” on Twitter, tagging the Constellation
8 company account and the individual Twitter accounts of Defendants Jorgensen, Goldmann,
9 Diggles, and Meldman-Floch in this posted.²⁹

10 113. Constellation did not disclose that these so-called analysts and crypto community
11 members were given massive amounts of DAG tokens and/or other consideration to promote
12 Constellation.

13 114. Defendants instead used Satsgang to engage in dubious promotion tactics to create
14 hype around the DAG tokens, and in turn, create artificial buzz to lure in new investors.

15 115. First, Defendants and Satsgang identified any possible upcoming announcements
16 for Constellation – regardless of their significance or importance – that could be used to promote
17 the DAG tokens they held along with Defendants. Satsgang then exaggerated and overstated these
18 announcements to investors in an effort to inflate the token’s price.

19 116. For example, with the DAG tokens, Constellation and Satsgang promoted an
20 alleged “Partnership” the Company entered into with the United States Air Force. In truth this
21
22

23 ²⁷ https://coin-turk.com/2019-yilinda-en-cok-yukselen-altcoinler?doing_wp_cron=1633566775.3417110443115234375000; *see also*
24 https://m.facebook.com/login.php?next=https%3A%2F%2Fm.facebook.com%2Fpages%2Fcategory%2FProduct-Service%2F813131545525521%2F&refsrc=deprecated&_rdr (last visited Nov.
25 2, 2021)

26 ²⁸ https://twitter.com/bitcoin_brown/status/1218167632484012032 (last visited Oct. 18,
27 2021).

28 ²⁹ <https://twitter.com/dreadbong0/status/1238157818903044096?lang=en> (last visited Oct.
18, 2021).

1 partnership was nothing more than a Phase 1 small business innovation research (SBIR) grant that
2 over 400 other companies also received on the same day.

3 117. Similarly, Constellation promoted an alleged “tier” partnership the Company
4 supposedly entered into with Amazon Web Services (“AWS”). One investor inquired directly
5 with AWS about this partnership with the Company, and after investigating the question, an AWS
6 representative confirmed that “constellation labs are not a tier AWS partner.”³⁰

7 118. Constellation also promoted – via Satsgang member, “Vito” – a partnership with
8 Splunk. On June 10, 2020, Vito wrote an article that was published on Medium, purporting to
9 answer “a lot of questions around the unannounced Splunk x Constellation partnership” and to
10 explain how the Company’s HyperGraph Transport Protocol (“HGTP”) was implicated by the
11 partnership.³¹ This article claimed, among other things, that Constellation’s HGTP was a
12 “revolutionary piece of technology” and a “foundation layer” for Constellation. Vito also
13 concluded that “Even more value will be introduced with the applications built out on-top of the
14 HGTP by the Constellation Team and others.”³² Notably, an examination of Vito’s Medium user
15 profile reveals that the only article written by Satsgang member Vito is this one promoting a
16 Constellation partnership.³³

17 119. Satsgang promoted these, and other similar, misleading announcements on their
18 Telegram, Twitter, and Reddit accounts.

19 120. Investors in online cryptocurrency forums described the relationship between
20 Constellation and Satsgang (including Bitcoin Brown and Lucky) as follows:

21 Constellation has 15 node operators and they get 20 MILLION DAG EACH per
22 year! With average dag price last 12 months that’s \$280,000 per satsgang member
23 per year and \$4,200,000 total per year. Only 3-4 get paid for the tech contribution,
24 but the rest that got this sweetheart deal from constellation are satsgang members
for doing “marketing” on twitter being admins on telegram. On top of that, they
get more payment for projects like making shitty amateur videos for dag. Satsgang
are dumping hard on constellation bagholders and truly fuck them over. All this

25 ³⁰ <https://i.redd.it/jdi05386pr871.jpg> (last visited Oct. 18, 2021) (emphasis in original).

26 ³¹ Vito, *HyperGraph Transport Protocol*, MEDIUM.COM (June 10, 2020), <https://medium.com/@armedvito/hypergraph-transport-protocol-180302fcd731>.

27 ³² *Id.*

28 ³³ *See* <https://medium.com/@armedvito> (last visited Oct. 18, 2021).

1 was admitted by constellation admins in their telegram group, but later deleted
2 when they realized their blunder. Normy dag bagholders are getting so fucked over
3 by these scammers.

4 Most well-known satsGang members and their alt accounts are: Bitcoin Brown,
5 Lucky, Headroom, _RN03xx_, Denny Da Rocket, papousse 47, Moonshot Josh,
6 Steven Toast, Le Chiffre Rambo, Bazerka, FauxPho, Adouble212, Johny Zcash,
7 Rufys, Tyler Durden, vito, Braggo, Jonny Reid, [D]read Bongo, Johnny etc., but
8 there are more.³⁴

9 121. Another investor on the same thread echoed that sentiment:

10 One stupid satsgang mod admitted that satsgang was behind virtually all the nodes
11 as a big thank you for their “promotional work”, in reality, ass-kissing, but soon
12 realized his error and deleted everything. After that, anyone even hinting of asking
13 about who’s behind the nodes, selection process etc, get kicked out immedately.
14 Ordinary investors are treated like paypigs with zero rights and you have a very
15 clear in-group and out-group division. Everyone that is not in the dag team or
16 satsgang belong to the out-group (paypigs)

17 More comedy gold from the Satsgang and Constellation's telegram channels.
18 Admins desperately deny that they are from Satsgang, despite every idiot can go to
19 [https://t\(d0t\)me/SPECTRE_GRP](https://t(d0t)me/SPECTRE_GRP) and see for themselves that virtually ALL their
20 admins are from satsgang and what Ben believes is the #bestcommunityincrypto is
21 in reality 80% satsgang pumpers&dumpers&scammer talking to each other while
22 banning anyone that could contribute to constellation and thereby challenge
23 Satsgangs monopoly on dag handouts, as some kind of desperate welfare queens.

24 Satsgang admin idiots even deny that they are drowning in handouts from
25 constellation for the “marketing” and “promotional work” aka desperate pumping
26 and dumping, but if anyone asks about satsgang and 1,6 MILLION DAG per month
27 nodes or if anyone can see the wallet transfers, - satsgang drama queens will
28 instaban. They say that Constellation paypigs are not “investors” but just some
random cucks holding utility tokens with no right to ask satsgang members
anything. Gee, wonder why the price is falling like a rock and their community is
shit.³⁵

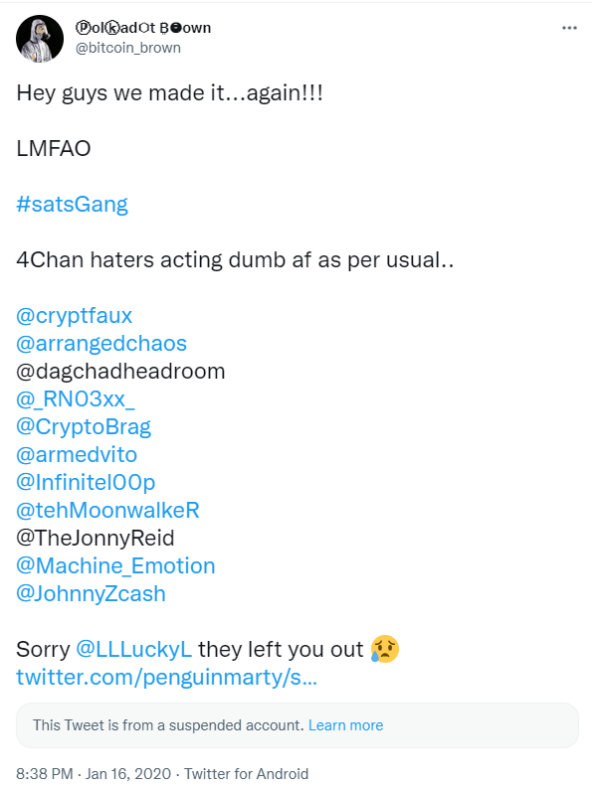
122. Upon information and belief, Constellation Director Adriaan Mellegers is also the
Satsgang member known as “Headroom.” Satsgang founder, Bitcoin Brown, in the following
tweet from January 16, 2020, bragged about the success of “#satsgang” and tagged, upon
information and belief, various Satsgang members, including one member with the handle
“@dagchadheadroom.”³⁶

³⁴ <https://warosu.org/biz/thread/S20043499> (last visited Oct. 18, 2021).

³⁵ *Id.*

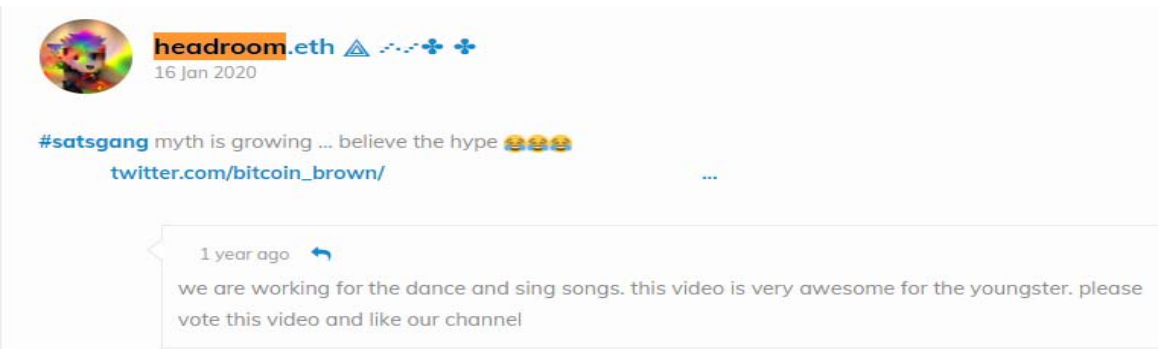
³⁶ https://twitter.com/bitcoin_brown/status/1217984439600533504 (last visited Oct. 18, 2021).

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123. Twitter user “@armedvito” was also tagged in this tweet as “#satsgang” member.

124. That same day, an account named “Headroom.eth” responded to the Bitcoin Brown tweet as follows:³⁷



125. Notably, the profile page for Adriaan Mellegers on the Medium.com website is directly linked to a profile for “Headroom.”³⁸ Moreover, Mellegers profile has only two followers:

³⁷ <http://www.crossvideodays.com/hashtag/satsGang?src=hash> (last visited Oct. 18, 2021).

³⁸ Significantly, Mellegers’ profile address has “@headroom” in the url. *See* https://medium.com/@headroom_eth. (last visited Oct. 15, 2021).



1 a member named Ashish and a member named Headroom.³⁹ Conversely, the Headroom profile
2 on Medium also has only two followers: Anish and Mellegers.⁴⁰ Finally, both the Mellegers and
3 Headroom profiles have the same image for their respective profile pictures/avatar.

4 Adriaan Mellegers 2 Followers About Follow  Sign in Get started 

5
6 2 Followers

7
8  Ashish 
Startups, Venture capital, Web 3.0

9
10  Headroom 

11
12
13 Headroom 2 Followers About Follow  Sign in Get started 

14
15 2 Followers

16
17  Ashish 
Startups, Venture capital, Web 3.0

18
19  Adriaan Mellegers 

20 126. Up until early October 2021, Mellegers was featured on the Constellation website
21 as being a member of the “Constellation Core Team” and listed as the Company’s “Product
22 Designer & Director.”⁴¹

23
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26 ³⁹ See https://medium.com/@headroom_eth/followers (last visited Oct. 18, 2021).

27 ⁴⁰ *Id.*

28 ⁴¹ <https://web.archive.org/web/20210619074934/https://constellationnetwork.io/company/about/> (last visited Oct. 18, 2021).

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Constellation Core Team

Headquartered in San Francisco but spread across the globe, Constellation's core team is a diverse collection of passionate humans looking to change the world for the better.



Ben Jorgensen
CEO & CO-FOUNDER



Wyatt Meldman-Floch
CTO & CO-FOUNDER



Benjamin Diggles
CSO & CO-FOUNDER



Mathias Goldmann
COO & CO-FOUNDER



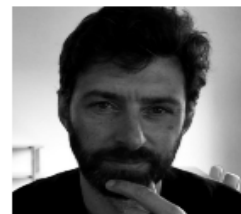
Anna Dimitrova
TECHNICAL PM



Frank Fox
SENIOR SOFTWARE TECH



Christy Lai
PRODUCT DESIGNER



Adriaan Mellegers
PRODUCT DESIGNER & DIRECTOR

127. Constellation's current website has scrubbed any reference to or connection with Mellegers, apparently in an attempt to distance Constellation from its association with Satsgang.

128. At least one member of Satsgang's successor Spectre Grp currently serves as an administrator of Constellation's Telegram account. Various other Satsgang members actively post in the Constellation Telegram group.

DAG Token Swap

129. In the months and years following Constellation's ICO, the Company posted numerous spam-like announcements on its website (*i.e.*, so-called "updates" that had little to no substance other than promises of "big" things in Constellation's future). And Satsgang amplified the noise by overly hyping these announcements as being significant catalysts for positive DAG token price movement.

130. Importantly, while Defendants were willing to provide information about relatively inconsequential events for Constellation on a monthly basis, they were conspicuously silent in the

1 lead up to the Token Swap. Whatever information about the Token Swap that was provided by
2 Defendants was either scant, incorrect, or narrowly disseminated such that it would be unlikely to
3 be seen or acted upon by Plaintiffs and other Constellation ECR-20 DAG Token investors.

4 131. For example, on December 20, 2019, Defendant Goldman first posted the “Token
5 Swap Information” on the Company’s website, which indicated that “[t]he swap is planned for the
6 27th of January 2020.”⁴²

7 132. That post also provided investors with a hyperlink to a blog by Defendant
8 Goldman on another non-Company website that reported information about the Token Swap. But
9 while the Company’s own website erroneously told investors that the swap was set to occur in
10 January 2020, the blog indicated that the swap would occur in April 2020.⁴³

11 133. Notably, in March 2020, the month prior to the scheduled Token Swap,
12 Constellation’s webpage provided zero official updates to investors.

13 134. On March 12, 2020, the Constellation Twitter account, in response to the COVID-
14 19 pandemic that was sweeping the globe, posted the following message: “To the
15 #bestcommunityincrypto You are a truly amazing community and it shows especially in times like
16 this! Thank you! As a team our work is not impacted. Much of our work is decentralized anyway
17 and we are on target with all our efforts. Stay safe out there. \$DAG #coronavirus”⁴⁴

18 135. In April 2020, Constellation only provided a single so-called “update” to investors.
19 In particular, on April 22, 2020, just one week before the swap was scheduled to occur, Defendant
20 Goldman posted a “Token Swap Update” on the Constellation website that contained virtually
21 no information. The entire three-sentence message is as follows:

22 Token Swap – 29th April 2020 6am UTC What an amazing few years this has been
23 as we have built an incredibly vibrant and intelligent community like no other. WE
24
25

26 ⁴² See Mathias Goldman, *Token Swap Information*, Constellation (Dec. 20, 2019),
<https://constellationnetwork.io/token-swap-information/>.

27 ⁴³ See *id.*

28 ⁴⁴ <https://twitter.com/Constellation/status/1238149453606838274> (last visited Oct. 18,
2021).

1 ARE THE FUTURE and it starts with the Mainnet Swap. This is a historical
2 moment for all of us and for.⁴⁵

3 136. That same day Defendant Jorgenson posted an “update” video on Constellation’s
4 YouTube page regarding the token swap. This video was hardly viewed by the Constellation
5 community and investors.⁴⁶

6 137. Constellation did not provide sufficient or direct communications about the Token
7 Swap to all of its investors that purchased and held the Company’s ERC-20 DAG Tokens prior to
8 April 2020 despite having the ability to identify these investors. In sum, Plaintiffs and other
9 members of the class did not receive adequate notice of the Token Swap.

10 **The Aftermath of the Token Swap**

11 138. Following the closing of the purposefully narrow window for the underpromoted
12 Token Swap, Constellation investors who were unaware that the Token Swap had occurred slowly
13 learned of the situation and made attempts to contact Constellation in order to participate in the
14 Token Swap. One of the most common methods these investors used to reach out to the Company
15 was through the Company’s official Telegram account.

16 139. Constellation provided a near uniform response to all such inquiries from their
17 investors about retroactively participating in the Token Swap. First, Constellation/Satsgang
18 administrators would tell ERC-20 Token investors both literally and figuratively: “you snooze you
19 lose.” Occasionally, Constellation would elaborate by saying that there was “nothing” the
20 Company could do. Notably, Constellation shamelessly relayed that false statement to several of
21 its earliest investors, who provided significant funding to Constellation for its operations. Without
22 these early investors, the Company could not have started and would be unable to continue
23 operating.

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26 ⁴⁵ See Mathias Goldman, *Token Swap Update*, Constellation (Apr. 22, 2020),
<https://constellationnetwork.io/2020/04/>.

27 ⁴⁶ As of the filing of this Complaint, this video only has around 1,500 views. Notably,
28 Constellation’s YouTube account has approximately 3,800 subscribers. It appears then that less
than half of Constellation’s target audience actually saw this message about the Token Swap, even
a year and a half after the video’s initial posting.

1 140. Next, like clockwork, Constellation would ban or block these investors from
2 communicating with the Company further via Telegram or by email.

3 141. Simultaneously, Constellation continued to use the services of Satsgang to promote
4 DAG and artificially increase the price of its tokens even after the Token Swap. But this promotion
5 compounded the problems with the Token Swap. In particular, after the Token Swap period
6 closed, there were millions of unswapped ERC-20 DAG Tokens leftover.

7 142. By refusing to grant investors' requests to participate in the Token Swap,
8 Defendants created a secondary market for the unswapped ERC-20 DAG Tokens. These ERC-20
9 DAG Tokens are currently available for trading on the various cryptocurrency exchanges and are
10 easily confused with the Mainnet DAG Tokens as they both have the DAG/Constellation name
11 affiliation and remain tethered to each other on the Ethereum blockchain.

12 143. Furthermore, the ERC-20 DAG Tokens have a connection to the Mainnet DAG
13 Tokens via the Company's website which is listed as the "Official Site" for the ERC-20 on
14 Etherscan, a digital asset search platform that allows users to track and view transactions that have
15 occurred and are recorded on the Ethereum blockchain ledger.⁴⁷ Additionally, the Mainnet DAG
16 Tokens are still tethered to the ERC-20 DAG Tokens on the Ethereum blockchain.

17 144. Defendants could have closed out their portion of the Ethereum blockchain that
18 used the ERC-20 DAG Tokens entirely prior to the Token Swap, or alternatively simply not
19 tethered the ERC-20 DAG Tokens to the newly issued Mainnet DAG Tokens. Instead, Defendants
20 opted to allow the secondary market for the ERC-20 DAG Tokens to flourish and continue to lure
21 in investors who end up mistakenly purchasing the worthless ERC-20 DAG Tokens.

22 145. Furthermore, Defendants' continued use of Satsgang shill accounts to promote its
23 DAG tokens after the Token Swap made it difficult for investors to understand that they should
24 purchase the Mainnet DAG Tokens and not the ERC-20 DAG Tokens if they wanted to invest in
25 the active Constellation network.

26
27
28 ⁴⁷ <https://etherscan.io/token/0xa8258abc8f2811dd48eccd209db68f25e3e34667> (last visited Oct. 18, 2021).

1 146. Constellation had and continues to have the ability and means to allow investors to
2 participate in the Token Swap, but Defendants purposefully chose to exclude Plaintiffs and class
3 members for their personal gain. Constellation continues to have the ability to swap the Unused
4 Mainnet DAG Tokens for the unswapped ERC-20 DAG Tokens but refuses to do so in order to
5 retain their significant monetary windfall.

6 **Constellation Purposefully Designed and Profited from Its Improper Conduct**

7 147. Constellation is fully aware that many of its investors did not receive adequate
8 notice and thus were unable to participate in the Token Swap. As noted above, the Company had
9 direct contact from such investors, but instead of granting their repeated requests, Constellation
10 rejected and silenced their investors. By deleting comments left by their investors and banning
11 them, Defendants were able to conceal the consequences of the Token Swap from Plaintiffs and
12 members of the Class.

13 148. Additionally, Defendants, like everyone else on the planet, were surely aware of
14 the COVID-19 pandemic that exploded during March and April of 2020. During the height of the
15 pandemic, Constellation's website made zero posts in March 2020 and only one post in April 2020.
16 To the extent Constellation sent any emails concerning the Token Swap directly to investors, this
17 constituted only a small portion of the ERC-20 Token holders. The majority of early investors in
18 Constellation's ERC-20 DAG Tokens did not provide their email addresses to the Constellation
19 team, but rather to the syndicators that were given allotments of the ERC-20 DAG Tokens to sell
20 on Constellation's behalf.

21 149. Despite the fact that ERC-20 Token investors were not given adequate notice and
22 were preoccupied with sickness, quarantines, lockdowns, childcare, and employment issues related
23 to the COVID-19 pandemic, Defendants purposefully chose not to delay or even extend the timing
24 of the Token Swap.

25 150. Consequently, Constellation investors were at a severe disadvantage given
26 Defendants' chosen timing for the Token Swap. Besides being virtually silent during the lead up
27 to the Token Swap, Constellation used a swapping process that was so onerous and overly
28

1 complicated that certain investors were unable to complete the Token Swap process even while
2 the brief swap period was open.

3 151. Constellation’s conduct after the Token Swap adds another layer to an already
4 confusing situation. Constellation’s callous response to the investors that communicated with the
5 Company about their respective (yet uniform) dilemma regarding being unable to participate in
6 the Token Swap, coupled with the complete silencing of any questions about the Token Swap,
7 indicate that Defendants purposefully designed the schedule and process for the Token Swap to be
8 narrow and onerous in order to exclude investors. Then once they had an artificially created
9 excuse, Defendants could coldly dismiss any complaints from Plaintiffs and the Class about the
10 Token Swap process while falsely pretending that there was “nothing” the Company could do to
11 make their investors whole.

12 152. Indeed, Defendants arranged the Token Swap in order to retain the Mainnet DAG
13 Tokens that were minted for the Token Swap but were not swapped for the corresponding ERC-
14 20 DAG Tokens (the “Unused Mainnet DAG Tokens”).

15 153. Constellation misleadingly told Plaintiffs that there is “nothing” the Company can
16 do to remedy this situation. Importantly, Constellation does not disclose what it did with the
17 Unused Mainnet DAG Tokens. In truth, only two things could have occurred: (1) Constellation
18 “burned” the Unused Mainnet DAG Tokens, rendering them worthless; or (2) kept the Unused
19 Mainnet DAG Tokens for themselves. Either way, Defendants benefit at the expense of Plaintiffs
20 and the Class members. On the one hand, burning the Unused Mainnet DAG Tokens decreases
21 the overall supply of DAG tokens thereby increasing the value of Defendants’ DAG holdings. On
22 the other hand, Defendants would increase the size (and corresponding value) of their DAG
23 holdings by simply taking the Unused Mainnet DAG Tokens for themselves.

24 154. Constellation’s suggestions of futility and statements that there is nothing it can do
25 are false.

26 155. Because Constellation can identify the eligible investors who did not participate in
27 the Token Swap and may in fact still have the Unused Mainnet DAG Tokens in its possession,
28 Constellation could simply open up the Token Swap period again. Constellation has set aside

1 hundreds of millions of Mainnet DAG tokens to be given as rewards for network participants for
2 their contribution to the network. Alternatively, Constellation could mint new, replacement tokens
3 for any that were burned.

4 156. On information and belief, Constellation – a highly sophisticated participant in the
5 technology industry which monitors and tracks large data sets and sources – possesses other means
6 and technology to determine which holders of ERC-20 DAG Tokens purchased those tokens prior
7 to April 29, 2020.

8 157. Despite such means and technology, Constellation uniformly and consistently
9 informs investors there is nothing that Constellation can do now that the Token Swap period has
10 expired. Constellation knows that representation is false.

11 158. Constellation’s actions regarding the Token Swap, as set forth above, are
12 intentional and done for the purpose of increasing the size and/or value of Defendants’ DAG
13 holdings at the expensive of investors. This served Defendants’ larger goal of being able to recoup
14 a portion of the Company’s ICO funding that had been squandered by Defendant Playford.

15 159. Simultaneously, Defendants’ promotional activities with Satsgang have misled new
16 investors into buying the unswapped ERC-20 DAG Tokens that are still available for purchase on
17 various decentralized cryptocurrency exchanges and are still associated with the Mainnet DAG
18 Tokens.

19 160. As a direct and proximate result of Constellation’s conduct, misrepresentations, and
20 omissions described herein, Plaintiffs and Class members suffered damages including the amount
21 of the value of what the ERC-20 DAG Tokens would be worth had they been swapped for the
22 Mainnet DAG Tokens as part of the Token Swap.

23 161. In sum, Defendants fall far short of their stated goal of building a world where
24 “truth is apparent, power is fairly distributed and reputation matters.”⁴⁸

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27 ⁴⁸ Press Release, *Constellation Network Chooses LCX as Partner* (Mar. 28, 2021),
28 <https://www.prnewswire.com/news-releases/constellation-network-chooses-lcx-as-partner-301257193.html#:~:text=SAN%20FRANCISCO%2C%20March%2028%2C%202021,fintech%20company%20headquartered%20in%20Liechtenstein.>

1 **TOLLING OF STATUTES OF LIMITATIONS**

2 162. Plaintiffs and the Class members had no way of knowing about Defendants’
3 conduct with respect to Defendant Playford’s conduct and Defendants’ response thereto.

4 163. Neither Plaintiffs nor any members of the Class, through the exercise of reasonable
5 diligence, could have discovered the conduct alleged herein. Further, Plaintiffs and members of
6 the Class did not discover and did not know of facts that would have caused a reasonable person
7 to suspect that Defendants were engaged in the conduct alleged herein.

8 164. For these reasons all applicable statutes of limitations have been tolled by discovery
9 rule with respect to the claims asserted by Plaintiffs and the Class.

10 165. Additionally, by failing to disclose the circumstances surrounding Defendant
11 Playford’s departure and Defendants’ strategic responses thereto, Defendants concealed their
12 conduct and the existence of the claims asserted herein from Plaintiffs and the members of the
13 Class.

14 166. Upon information and belief, Defendants intended their acts to conceal the facts
15 and claims from Plaintiffs and members of the Class. Plaintiffs and the members of the Class were
16 unaware of the facts alleged herein without any fault or lack of diligence on their part and could
17 not have reasonably discovered Defendants’ conduct. For this additional reason, any statute of
18 limitations that otherwise may apply to the claims of Plaintiffs or members of the Class should be
19 tolled.

20 **CLASS ALLEGATIONS**

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

23 All persons who, during the Class Period, purchased Constellation’s ERC-20 DAG
24 Tokens and were subsequently barred by Defendants from swapping the ERC-20
DAG Tokens to the Mainnet DAG Tokens.

25 168. The Class Period is defined as the period between January 1, 2017 and the
26 commencement of this action.⁴⁹

27
28 ⁴⁹ Plaintiffs reserve the right to expand or amend the Class Period based on discovery
produced in this matter.

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

6 170. **Numerosity**: Upon information and belief, the Class is so numerous that joinder of
7 all members is impracticable. While the exact number and identity of individual members of the
8 Class is unknown at this time, such information being in the sole possession of Constellation and/or
9 third parties and obtainable by Plaintiffs only through the discovery process, Plaintiffs believe, and
10 on that basis allege, that the Class consists of at least hundreds of people. The number of Class
11 members can be determined based on Constellation’s and other third party’s records.

12 171. **Commonality**: Common questions of law and fact exist as to all members of each
13 Class. These questions predominate over questions affecting individual Class members. These
14 common legal and factual questions include, but are not limited to:

- 15 a. whether Constellation failed to inform investors about the circumstances involving
16 Defendant Playford’s departure as CEO and what was done with the \$33.7 million
17 raised in the Company’s ICO;
- 18 b. whether Constellation improperly engaged online promoters to misleadingly
19 market DAG tokens;
- 20 c. whether Defendants purposefully created a process for the Token Swap that was
21 onerous and could only occur during a limited time in order to exclude as many
22 ERC-20 DAG Token holders as possible from swapping those tokens for the
23 Unused Mainnet DAG Tokens;
- 24 d. whether Constellation provided inadequate notice of the Token Swap to ERC-20
25 DAG Token investors;
- 26 e. whether Constellation misrepresents that there is nothing that Constellation can do
27 for investors wanting to swap ERC-20 DAG Tokens for Mainnet DAG Tokens after
28 the DAG token swap period ended;

- 1 f. whether Constellation burned the Unswapped Mainnet DAG Tokens;
- 2 g. whether Constellation's conduct violates the state consumer protection statutes
- 3 asserted herein;
- 4 h. whether Constellation has been unjustly and wrongfully enriched as a result of its
- 5 conduct;
- 6 i. whether money and/or value of the Mainnet DAG Tokens that the Company
- 7 obtained as a result of the token swap rightfully belongs to Plaintiffs and Class
- 8 members;
- 9 j. whether Constellation should be required to return money it received as a result of
- 10 the Token Swap to Plaintiffs and Class members;
- 11 k. whether Constellation breached the implied covenant of good faith and fair dealing;
- 12 and
- 13 l. whether Plaintiffs have suffered damages, and, if so, the nature and extent of those
- 14 damages.

15 172. **Typicality:** Plaintiffs have the same interest in this matter as all Class members,
16 and Plaintiffs' claims arise out of the same set of facts and conduct as the claims of all Class
17 members. Plaintiffs' and Class members' claims all arise out Constellation's uniform
18 misrepresentations, omissions, and unlawful, unfair, and deceptive acts and practices related to the
19 DAG Token Swap.

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

24 174. **Superiority:** A class action is superior to all other available means of fair and
25 efficient adjudication of the claims of Plaintiffs and members of the Class. The injury suffered by
26 each individual Class member is relatively small compared to the burden and expense of individual
27 prosecution of the complex and extensive litigation necessitated by Constellation's conduct. It
28 would be virtually impossible for individual Class members to effectively redress the wrongs done

1 to them. Even if Class members could afford individualized litigation, the court system could not.
2 Individualized litigation would increase delay and expense to all parties, and to the court system,
3 because of the complex legal and factual issues of this case. Individualized rulings and judgments
4 could result in inconsistent relief for similarly situated individuals. By contrast, the class action
5 device presents far fewer management difficulties, and provides the benefits of single adjudication,
6 economy of scale, and comprehensive supervision by a single court.

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

10 **CALIFORNIA LAW APPLIES TO THE ENTIRE CLASS**

11 176. California's substantive laws apply to every member of the Class, regardless of
12 where in the United States the Class members reside.

13 177. California's substantive laws may be constitutionally applied to the claims of
14 Plaintiffs and the Class under the Due Process Clause, 14th Amend. §1, and the Full Faith and
15 Credit Clause, Art. IV §1 of the U.S. Constitution. California has significant contact, or significant
16 aggregation of contacts, to the claims asserted by Plaintiffs and all Class members, thereby creating
17 state interests that ensure that the choice of California state law is not arbitrary or unfair.

18 178. Constellation's headquarters and principal place of business is located in
19 California. Upon information and belief, Constellation also owns property and conducts
20 substantial business in California, and therefore California has an interest in regulating
21 Constellation's conduct under its laws. Constellation's decision to reside in California and avail
22 itself of California's laws, and to engage in the challenged conduct from and emanating out of
23 California, renders the application of California law to the claims herein constitutionally
24 permissible.

25 179. California is also the state from which Constellation's alleged misconduct
26 emanated. On information and belief, the decision-making regarding the parameters of DAG
27 Token Swap and the subsequent response thereto, occurred in and emanated from California. As
28

1 such, the conduct complained of herein emanated from California. This conduct similarly injured
2 and affected Plaintiffs and all other Class members.

3 180. The application of California laws to the Class is also appropriate under
4 California's choice of law rules because California has significant contacts to the claims of
5 Plaintiffs and the proposed Class, and California has a greater interest in applying its laws here
6 than any other interested state.

7 **FIRST CAUSE OF ACTION**
8 **Violation of the California Unfair Competition Law**
9 **Cal. Bus. & Prof. Code §17200**
10 **(On Behalf of the Nationwide Class)**

11 181. Plaintiffs restate and reallege all preceding allegations above as if fully set forth
12 herein.

13 182. Plaintiffs Hansu Chu, Hio Fong Mak, Robert Como, Anthony DeGol, Philippe Lee,
14 Daniel Riceberg, Taylor Paur, Roger Lu, Jesse Smithnosky, Matt Szymaszek, and Zaheer Ahmed
15 are residents of the State of California.

16 183. At all relevant times there was in full force and effect the California Unfair
17 Competition Law ("UCL"), Cal. Bus. & Prof. Code §17200, *et seq.*, which prohibits, *inter alia*,
18 "any unlawful, unfair, or fraudulent business act or practice" and "unfair, deceptive, untrue, or
19 misleading advertising."

20 184. Constellation also engaged in business acts and practices deemed "unfair" under
21 the UCL, because the conduct, statements, and omissions described above, and by knowingly and
22 intentionally creating an unreasonably onerous and short process to participate in the DAG Token
23 Swap, and by knowingly and intentionally retaining and/or burning the Mainnet DAG Tokens that
24 were specifically minted for the DAG Token Swap. Unfair acts under the UCL have been
25 interpreted using different tests, including : (1) whether the public policy which is a predicate to a
26 consumer unfair competition action under the unfair prong of the UCL is tethered to specific
27 constitutional, statutory, or regulatory provisions; (2) whether the gravity of the harm to the
28 consumer caused by the challenged business practice outweighs the utility of the defendant's
conduct; and (3) whether the consumer injury is substantial, not outweighed by any countervailing

1 benefits to consumers or competition, and is an injury that consumers themselves could not
2 reasonably have avoided. Defendant's conduct is unfair under each of these tests.

3 185. As a direct and proximate result of Constellation's unlawful, unfair, and deceptive
4 practices, Plaintiffs and Class members suffered damages. Constellation's activities with Satsgang
5 and the Token Swap and concealment of the financial impact that the loss of the ICO funding due
6 to Defendant Playford's misappropriation had on the Company caused Plaintiffs and the Class
7 members to purchase and/or hold the ERC-20 DAG Tokens when they otherwise would not have
8 done so.

9 186. Plaintiffs seek to enjoin further unlawful, unfair, and/or fraudulent acts or practices
10 by Constellation, to obtain restitution and disgorgement of all monies generated as a result of such
11 practices, and for all other relief allowed under California Business & Professions Code section
12 17200.

13 187. Plaintiffs specifically seek restitution in the form of either (1) a one-for-one swap
14 of their ERC-20 DAG Tokens with the Unused Mainnet DAG Tokens; or (2) the monetary value
15 of the difference between the purchase price of the ERC-20 DAG Tokens and the price of the
16 Mainnet DAG Tokens at the time of the filing of this action.

17 **SECOND CAUSE OF ACTION**
18 **Violation of the California Consumers Legal Remedies Act**
19 **Cal. Code Civ. Proc. §1770**
20 **(On behalf of the Nationwide Class)**

21 188. Plaintiffs restate and reallege all preceding allegations above as if fully set forth
22 herein.

23 189. Plaintiffs Hansu Chu, Hio Fong Mak, Robert Como, Anthony DeGol, Philippe Lee,
24 Daniel Riceberg, Taylor Paur, Roger Lu, Jesse Smithnosky, Matt Szymaszek, and Zaheer Ahmed
25 are residents of the State of California.

26 190. At all relevant times there was in full force and effect Cal. Civil. Code §1770, which
27 prohibits, *inter alia*, various methods of "unfair or deceptive acts or practices undertaken by any
28 person in a transaction intended to result or that results in the sale or lease of goods or services to
any consumer," including, but not limited to, "[m]isrepresenting the affiliation, connection, or

1 association with, or certification by, another” and “[r]epresenting that goods or services have
2 sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not
3 have or that a person has a sponsorship, approval, status, affiliation, or connection that the person
4 does not have.” Cal. Civil Code §1770(a)(3) & (5).

5 191. Constellation engaged in business acts and practices deemed “deceptive” because
6 of the conduct, statements, and omissions described above, including, but not limited to, the
7 following:

8 (a) knowingly and intentionally concealing the circumstances involving Defendant
9 Playford and his misuse of the \$33.7 million raised in the Constellation ICO;

10 (b) knowingly and intentionally using and/or failing to disclose the use of Satsgang
11 online promoters to exaggerate the importance of various Company
12 announcements, including but not limited to, so-called partnerships with the United
13 States Air Force and Amazon Web Services, in an effort to manipulate and
14 artificially inflate the price of the DAG tokens;

15 (c) knowingly and intentionally creating an unreasonably onerous, short, and
16 underpromoted process to participate in the DAG Token Swap in order to exclude
17 as many ERC-20 DAG Token investors as possible and retain any unswapped
18 Mainnet DAG Tokens; and

19 (d) intentionally or recklessly creating a secondary market for the unswapped ERC-20
20 DAG Tokens and failing to adequately warn investors against purchasing the
21 unswapped ERC-20 DAG Tokens instead of the Mainnet DAG Tokens.

22 192. As a direct and proximate result of Constellation’s unlawful, unfair, and deceptive
23 practices, Plaintiffs and Class members suffered damages. Constellation’s activities caused
24 Plaintiffs and the Class members to purchase and/or retain the ERC-20 DAG Tokens when they
25 otherwise would not have done so.

26 193. Plaintiffs seek to enjoin further unlawful, unfair, and/or fraudulent acts or practices
27 by Constellation, to obtain restitution and disgorgement of all monies generated as a result of such
28 practices, and for all other relief allowed under Cal. Civil Code §1780.

1 194. Plaintiffs specifically seek restitution in the form of either (1) a one-for-one swap
2 of their ERC-20 DAG Tokens with the Unused Mainnet DAG Tokens; or (2) the monetary value
3 of the difference between the purchase price of the ERC-20 DAG Tokens and the price of the
4 Mainnet DAG Tokens at the time of the filing of this action.

5 195. Plaintiffs additionally seek punitive damages under Cal. Civil Code §1770(a)(4).

6 196. Plaintiffs have complied with Cal. Civil Code §1780(d), which requires the
7 concurrent filing of an “affidavit stating facts showing that the action has been commenced in a
8 county described in this section as a proper place for the trial of the action.”

9 **THIRD CAUSE OF ACTION**
10 **Violation of Florida’s Deceptive and Unfair Trade Practices Act (“FDUTPA”)**
11 **Ch. 501, §211(1), Fla. Stat. Ann.**
12 **(On behalf of the Nationwide Class)**

13 197. Plaintiffs restate and reallege all preceding allegations above as if fully set forth
14 herein.

15 198. Plaintiff Matthew Holye is a resident of the State of Florida.

16 199. Chapter 501, Fla. Stat., FDUTPA is to be liberally construed to protect the
17 consuming public, such as Plaintiffs in this case, from those who engage in unfair methods of
18 competition, or unconscionable, deceptive or unfair acts or practices in the conduct of any trade or
19 commerce.

20 200. Plaintiffs are “consumers” within the meaning of Fla. Stat. §501.203(7).

21 201. By soliciting investor funds in the manner in which they did, Defendants engaged
22 in “trade and commerce” within the meaning of Fla. Stat. §501.203(8).

23 202. While FDUTPA does not define “deceptive” and “unfair,” it incorporates by
24 reference the Federal Trade Commission's interpretations of these terms. The FTC has found that
25 a “deceptive act or practice” encompasses “a representation, omission or practice that is likely to
26 mislead the consumer acting reasonably in the circumstances, to the consumer’s detriment.”

27 203. The federal courts have defined a “deceptive trade practice” as any act or practice
28 that has the tendency or capacity to deceive consumers and have defined an “unfair trade practice”

1 as any act or practice that offends public policy and is immoral, unethical, oppressive,
2 unscrupulous, or substantially injurious to consumers.

3 204. Defendants' deceptive and unfair trade practices include, but are not limited to, the
4 following acts and omissions:

5 (a) knowingly and intentionally concealing the circumstances involving Defendant
6 Playford and his misuse of the \$33.7 million raised in the Constellation ICO;

7 (b) knowingly and intentionally using and/or failing to disclose the use of Satsgang
8 online promoters to exaggerate the importance of various Company
9 announcements, including but not limited to, so-called partnerships with the United
10 States Air Force and Amazon Web Services, in an effort to manipulate and
11 artificially inflate the price of the DAG tokens;

12 (c) knowingly and intentionally creating an unreasonably onerous, short, and
13 underpromoted process to participate in the DAG Token Swap in order to exclude
14 as many ERC-20 DAG Token investors as possible and retain any unswapped
15 Mainnet DAG Tokens; and

16 (d) intentionally or recklessly creating a secondary market for the unswapped ERC-20
17 DAG Tokens and failing to adequately warn investors against purchasing the
18 unswapped ERC-20 DAG Tokens instead of the Mainnet DAG Tokens.

19 205. These acts and omissions constitute both deceptive and unfair trade practices
20 because the false representations and omissions made by Defendants have a tendency or capacity
21 to deceive consumers, such as Plaintiffs, into investing in the ERC-20 DAG Tokens and refusing
22 to exchange the unswapped Mainnet Tokens (which were minted precisely for a 1-to-1 swap of
23 available ERC-20 DAG Tokens) is immoral, unethical, oppressive, unscrupulous, or substantially
24 injurious to consumers.

25 206. As a result of Defendants' deceptive trade practices, Plaintiffs were deceived into
26 retaining functionally worthless cryptocurrencies and/or investing their cryptocurrency and/or fiat
27 currency with a company that functioned solely as an engine of fraud -- thus causing significant
28 economic damage to Plaintiffs.

1 207. The materially false statements and omissions as described above, and the fact that
2 this was a misleading investment, were unfair, unconscionable, and deceptive practices perpetrated
3 on Plaintiffs which would have likely deceived a reasonable person under the circumstances.

4 208. Defendants were on notice at all relevant times that the false representations of
5 material facts described above were being communicated to prospective investors (such as
6 Plaintiffs) by their authorized agents.

7 209. As a result of the false representations and violations of the laws described above,
8 Plaintiffs have been damaged by, among other things losing the true value of their invested
9 cryptocurrency.

10 210. Plaintiffs have also been damaged in other and further ways subject to proof at trial.

11 211. Therefore, Defendants engaged in unfair and deceptive trade practices in violation
12 of Florida Statute Section 501.201, *et seq.*

13 212. Plaintiffs specifically seek restitution in the form of either (1) a one-for-one swap
14 of their ERC-20 DAG Tokens with the Unused Mainnet DAG Tokens; or (2) the monetary value
15 of the difference between the purchase price of the ERC-20 DAG Tokens and the price of the
16 Mainnet DAG Tokens at the time of the filing of this action.

17 213. Pursuant to Florida Statute Sections 501.211(1) and 501.2105, Plaintiffs are entitled
18 to recover from Defendants the reasonable amount of attorneys' fees Plaintiffs have had to incur
19 in representing their interests in this matter.

20 **FOURTH CAUSE OF ACTION**
21 **Violation of the Illinois Consumer Fraud and Deceptive Business Practices Act**
22 **815 Ill. Comp. Stat. Ann. 505**
 (On behalf of the Nationwide Class)

23 214. Plaintiffs restate and reallege all preceding allegations above as if fully set forth
24 herein.

25 215. Plaintiffs Timothy Barany and Scott Bohlman are residents of the State of Illinois.

26 216. The ERC-20 DAG Tokens are commodities and thus constitute "merchandise"
27 under ILCS 505/1(b).

28 217. Plaintiffs are "consumers" within the meaning of ILCS 505/1(e).

1 218. Defendants engaged in “unfair or deceptive acts or practices” to the detriment of
2 Plaintiffs as that term is defined by Section 505/2 of the Illinois Consumer Fraud and Deceptive
3 Business Practices Act by Defendants’ use or employment of deception, fraud, false pretense, false
4 promise, misrepresentation or the concealment, suppression or omission of any material fact,
5 including but not limited to, in the following ways:

6 (a) by knowingly and intentionally concealing the circumstances involving Defendant
7 Playford and his misuse of the \$33.7 million raised in the Constellation ICO;

8 (b) by knowingly and intentionally using and/or failing to disclose the use of Satsgang
9 online promoters to exaggerate the importance of various Company
10 announcements, including but not limited to, so-called partnerships with the United
11 States Air Force and Amazon Web Services, in an effort to manipulate and
12 artificially inflate the price of the DAG tokens;

13 (c) by knowingly and intentionally creating an unreasonably onerous, short, and
14 underpromoted process to participate in the DAG Token Swap in order to exclude
15 as many ERC-20 DAG Token investors as possible and retain any unswapped
16 Mainnet DAG Tokens; and

17 (d) by intentionally or recklessly creating a secondary market for the unswapped ERC-
18 20 DAG Tokens and failing to adequately warn investors against purchasing the
19 unswapped ERC-20 DAG Tokens instead of the Mainnet DAG Tokens.

20 219. Plaintiffs have been economically damaged thereby and, as such, are entitled to
21 actual damages pursuant to ISCL 505/10a.

22 220. Plaintiffs specifically seek restitution in the form of either (1) a one-for-one swap
23 of their ERC-20 DAG Tokens with the Unused Mainnet DAG Tokens; or (2) the monetary value
24 of the difference between the purchase price of the ERC-20 DAG Tokens and the price of the
25 Mainnet DAG Tokens at the time of the filing of this action.

26 221. Plaintiffs additionally seek reasonable attorney’s fees and costs pursuant to ICLS
27 505/10a(c).

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1 222. This action is properly before this Court since “[s]uch action may commenced in
2 the county in which the person against whom it is brought resides, has his principal place of
3 business, or is doing business, or in the county where the transaction or any substantial portion
4 thereof occurred.” ISCL 505/10a(b).

5 **FIFTH CAUSE OF ACTION**
6 **Violations of the Nevada Consumer Fraud laws**
7 **N.R.S. 41.6000**
8 **(On behalf of the Nationwide Class)**

9 223. Plaintiffs restate and reallege all preceding allegations above as if fully set forth
10 herein.

11 224. Plaintiffs Sean Getzwiller, Jeffrey Sluzinski, Todd Spafford, and Daniel Freeman
12 are residents and citizens of the State of Nevada.

13 225. At all relevant times there was in full force and effect N.R.S. 41.600, which
14 provides that “[a]n action may be brought by any person who is a victim of consumer fraud.”
15 N.R.S. 41.600(1). “Consumer fraud” is defined as, among other things, a “deceptive trade
16 practice” enumerated under N.R.S. 598.0923. See N.R.S. 41.600(1)(e). According to Section
17 598.0915, a person engages in a “deceptive trade practice” when, in the course of business, the
18 person, inter alia, knowingly uses “an unconscionable practice” or “coercion, duress or
19 intimidation” in a transaction. N.R.S. 41.600(1)(d)-(e).

20 226. Defendants engaged in an “unconscionable practice” to the detriment of Plaintiffs
21 as that term is defined by Section 41.600(2)(b) of the Nevada Revised Statutes, by (1) taking
22 advantage of the lack of knowledge, ability, experience, or capacity of Plaintiffs to a grossly unfair
23 degree and (2) arbitrarily or unfairly excluding the access of Plaintiffs to a good or service,
24 including but not limited to, in the following ways:

- 25 (a) by knowingly and intentionally concealing the circumstances involving Defendant
26 Playford and his misuse of the \$33.7 million raised in the Constellation ICO from
27 investors;
- 28 (b) by knowingly and intentionally using and/or failing to disclose the use of Satsgang
 online promoters to exaggerate the importance of various Company

1 announcements, including but not limited to, so-called partnerships with the United
2 States Air Force and Amazon Web Services, in an effort to manipulate and
3 artificially inflate the price of the DAG tokens;

4 (c) by knowingly and intentionally creating an unreasonably onerous, short, and
5 underpromoted process to participate in the DAG Token Swap in order to unfairly
6 exclude as many ERC-20 DAG Token investors as possible from accessing the
7 DAG Token Swap in order to retain any unswapped Mainnet DAG Tokens; and

8 (d) by intentionally or recklessly creating a secondary market for the unswapped ERC-
9 20 DAG Tokens and failing to adequately warn investors against purchasing the
10 unswapped ERC-20 DAG Tokens instead of the Mainnet DAG Tokens.

11 227. Defendants' acts and omissions are deemed deceptive under N.R.S. 41.600(2)(b)(1)
12 and (3).

13 228. As a direct and proximate result of Constellation's unfair and deceptive practices,
14 Plaintiffs and Class members suffered damages. Constellation's activities caused Plaintiffs and
15 the Class members to purchase and/or retain the ERC-20 DAG Tokens when they otherwise would
16 not have done so.

17 229. Plaintiffs specifically seek restitution in the form of either (1) a one-for-one swap
18 of their ERC-20 DAG Tokens with the Unused Mainnet DAG Tokens; or (2) the monetary value
19 of the difference between the purchase price of the ERC-20 DAG Tokens and the price of the
20 Mainnet DAG Tokens at the time of the filing of this action. N.R.S. 41.600(3)(a)-(b).

21 230. Pursuant to Sections 41.600(3)(c) of the Nevada Revised Statutes, Plaintiffs are
22 also entitled to recover from Defendants the reasonable amount of attorneys' fees and costs
23 Plaintiffs have had to incur in representing their interests in this matter.

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SIXTH CAUSE OF ACTION
Violation of New York's General Business Law
Art. 22-A, §349, *et seq.*
(On behalf of the Nationwide Class)

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4 231. Plaintiffs restate and reallege all preceding allegations above as if fully set forth
5 herein.

6 232. Plaintiffs David Lee, Ete Adote, William Ayers, and Douglas Schadewald are
7 residents of the State of New York.

8 233. For the reasons discussed herein, Defendants violated and continued to violate
9 Section 349(a) of the New York General Business Law by engaging in the herein described unfair
10 or deceptive acts or practices. Defendants acts and practices, including its material omissions,
11 described herein, were likely to, and did in fact, deceive and mislead members of the public,
12 including consumers acting reasonably under the circumstances, to their detriment.

13 234. Defendants engaged in deceptive acts and practices under New York law by taking
14 advantage of the lack of knowledge, ability, experience, or capacity of Plaintiffs to a grossly unfair
15 degree, including but not limited to, in the following ways:

- 16 (a) by knowingly and intentionally concealing the circumstances involving Defendant
17 Playford and his misuse of the \$33.7 million raised in the Constellation ICO;
- 18 (b) by knowingly and intentionally using and/or failing to disclose the use of Satsgang
19 online promoters to exaggerate the importance of various Company
20 announcements, including but not limited to, so-called partnerships with the United
21 States Air Force and Amazon Web Services, in an effort to manipulate and
22 artificially inflate the price of the DAG tokens;
- 23 (c) by knowingly and intentionally creating an unreasonably onerous, short, and
24 underpromoted process to participate in the DAG Token Swap in order to exclude
25 as many ERC-20 DAG Token investors as possible and retain any unswapped
26 Mainnet DAG Tokens; and
- 27
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1 (d) by intentionally or recklessly creating a secondary market for the unswapped ERC-
2 20 DAG Tokens and failing to adequately warn investors against purchasing the
3 unswapped ERC-20 DAG Tokens instead of the Mainnet DAG Tokens.

4 235. As a direct and proximate result of Constellation's unfair and deceptive practices,
5 Plaintiffs and Class members suffered damages. Constellation's activities caused Plaintiffs and
6 the Class members to purchase and/or retain the ERC-20 DAG Tokens when they otherwise would
7 not have done so.

8 236. Pursuant to GBL §349(h), Plaintiffs seek restitution of the actual damages suffered
9 by Plaintiffs and the Class in the form of either (1) a one-for-one swap of their ERC-20 DAG
10 Tokens with the Unused Mainnet DAG Tokens; or (2) the monetary value of the difference
11 between the purchase price of the ERC-20 DAG Tokens and the price of the Mainnet DAG Tokens
12 at the time of the filing of this action.

13 237. In addition, Plaintiffs are entitled to reasonable attorney's fees and exemplary
14 damages not exceeding three times the value of the consideration given by the consumer, and any
15 other relief this Court determined is appropriate. *See* GBL §349(h).

16 **SEVENTH CAUSE OF ACTION**
17 **Violation of the Texas Deceptive Trade Practices Act ("TDTPA")**
18 **Tex. Business and Commerce Code, Tit. 2, Ch. 17, §17.41, *et seq.***
19 **(On behalf of the Nationwide Class)**

20 238. Plaintiffs restate and reallege all preceding allegations above as if fully set forth
21 herein and further allege the following:

22 239. Plaintiffs Matthew Farmer and Ian Johns are residents and citizens of the State of
23 Texas.

24 240. Plaintiffs and the Class intend to assert a claim under the TDTPA against
25 Defendants. Plaintiffs intend to provide Defendant written notice of the specific complaint and
26 damages to Defendants in accordance with the Tex. Bus. & Commerce Code §17.505. Subject to
27 the response, if any, by Defendants within 60 days of the notice, Plaintiffs, on behalf of themselves
28 and the Classes, shall amend the Complaint to include this Claim for Relief and demand all
appropriate relief under the TDTPA.

1 241. Plaintiffs Matthew Farmer and Ian Johns are residents of the State of Texas.

2 242. At all material times, Defendant Constellation engaged in “trade” and “commerce”
3 as defined by the TDTPA.

4 243. Plaintiffs are “consumers” as defined by Section 17.45(4) of the Tex. Bus. &
5 Commerce Code.

6 244. For the reasons discussed herein, Defendants violated and continued to violate the
7 TDTPA by engaging in the herein described unconscionable, deceptive, unfair acts or practice
8 proscribed by the TDTPA. Defendants acts and practices, including its material omissions,
9 described herein, were likely to, and did in fact, deceive and mislead members of the public,
10 including consumers acting reasonably under the circumstances, to their detriment.

11 245. Defendants engaged in an "unconscionable action or course of action" to the
12 detriment of Plaintiffs as that term is defined by Section 17.45(5) of the Tex. Bus. & Commerce
13 Code, by taking advantage of the lack of knowledge, ability, experience, or capacity of Plaintiffs
14 to a grossly unfair degree, including but not limited to, in the following ways:

15 (a) by knowingly and intentionally concealing the circumstances involving Defendant
16 Playford and his misuse of the \$33.7 million raised in the Constellation ICO;

17 (b) by knowingly and intentionally using and/or failing to disclose the use of Satsgang
18 online promoters to exaggerate the importance of various Company
19 announcements, including but not limited to, so-called partnerships with the United
20 States Air Force and Amazon Web Services, in an effort to manipulate and
21 artificially inflate the price of the DAG tokens;

22 (c) by knowingly and intentionally creating an unreasonably onerous, short, and
23 underpromoted process to participate in the DAG Token Swap in order to exclude
24 as many ERC-20 DAG Token investors as possible and retain any unswapped
25 Mainnet DAG Tokens; and

26 (d) by intentionally or recklessly creating a secondary market for the unswapped ERC-
27 20 DAG Tokens and failing to adequately warn investors against purchasing the
28 unswapped ERC-20 DAG Tokens instead of the Mainnet DAG Tokens.

1 246. Defendants' acts and omissions are deemed deceptive under Tex. Bus. &
2 Commerce Code §17.46(b)(5), (12) & (24), thereby entitling Plaintiffs to relief pursuant to
3 §17.50(a)(1) & (3).

4 247. Pursuant to Tex. Bus. & Commerce Code §17.50(b)(3), Plaintiffs seek restitution
5 in the form of either (1) a one-for-one swap of their ERC-20 DAG Tokens with the Unused
6 Mainnet DAG Tokens; or (2) the monetary value of the difference between the purchase price of
7 the ERC-20 DAG Tokens and the price of the Mainnet DAG Tokens at the time of the filing of
8 this action.

9 248. In addition, pursuant to Tex. Bus. & Commerce Code §17.50(b)(1), Plaintiffs are
10 entitled to economic damages, costs, attorney's fees, additional damages up to three times actual
11 damages, and any other relief this Court determines is appropriate.

12 **EIGHTH CAUSE OF ACTION**
13 **Violations of Vermont's Consumer Protection laws**
14 **Vt. Stat. Ann. tit. 9, §2451, *et seq.***
15 **(On behalf of the Nationwide Class)**

16 249. Plaintiffs restate and reallege all preceding allegations above as if fully set forth
17 herein.

18 250. Plaintiff Stephen Marshall is a resident of the State of Vermont.

19 251. At all material times, Defendant Constellation was a "seller" as defined by 9 V.S.A.
20 §2451a(3).

21 252. Plaintiffs are "consumers" as defined by 9 V.S.A. §2451a(1).

22 253. The ERC-20 DAG Tokens constitute "goods" or "services" under 9 V.S.A.
23 §2451a(2).

24 254. For the reasons discussed herein, Defendants violated and continued to violate the
25 Vermont's consumer protection laws by engaging in the herein described unfair or deceptive acts
26 or practices. Defendants acts and practices, including its material omissions, described herein,
27 were likely to, and did in fact, deceive and mislead members of the public, including consumers
28 acting reasonably under the circumstances, to their detriment.

1 255. “Whether an act is ‘unfair’ is guided by consideration of several factors, including
2 (1) whether the act offends public policy, (2) whether it is immoral, unethical, oppressive or
3 unscrupulous, and (3) whether it causes substantial injury to consumers.” *See Drake v. Allergan,*
4 *Inc.*, 63 F. Supp. 3d 382, 393 (D. Vt. 2014).

5 256. Defendants engaged in an “immoral, unethical, oppressive and unscrupulous”
6 conduct that offends public policy and causes injury to consumers like Plaintiffs, by taking
7 advantage of the lack of knowledge, ability, experience, or capacity of Plaintiffs to a grossly unfair
8 degree, including but not limited to, in the following ways:

- 9 (a) by knowingly and intentionally concealing the circumstances involving Defendant
10 Playford and his misuse of the \$33.7 million raised in the Constellation ICO;
- 11 (b) by knowingly and intentionally using and/or failing to disclose the use of Satsgang
12 online promoters to exaggerate the importance of various Company
13 announcements, including but not limited to, so-called partnerships with the United
14 States Air Force and Amazon Web Services, in an effort to manipulate and
15 artificially inflate the price of the DAG tokens;
- 16 (c) by knowingly and intentionally creating an unreasonably onerous, short, and
17 underpromoted process to participate in the DAG Token Swap in order to exclude
18 as many ERC-20 DAG Token investors as possible and retain any unswapped
19 Mainnet DAG Tokens; and
- 20 (d) by intentionally or recklessly creating a secondary market for the unswapped ERC-
21 20 DAG Tokens and failing to adequately warn investors against purchasing the
22 unswapped ERC-20 DAG Tokens instead of the Mainnet DAG Tokens.

23 257. Pursuant to 9 V.S.A. §2461(b), Plaintiffs seek restitution in the form of either (1) a
24 one-for-one swap of their ERC-20 DAG Tokens with the Unused Mainnet DAG Tokens; or
25 (2) the monetary value of the difference between the purchase price of the ERC-20 DAG Tokens
26 and the price of the Mainnet DAG Tokens at the time of the filing of this action.

- 1 (c) by knowingly and intentionally creating an unreasonably onerous, short, and
2 underpromoted process to participate in the DAG Token Swap in order to exclude
3 as many ERC-20 DAG Token investors as possible and retain any unswapped
4 Mainnet DAG Tokens; and
- 5 (d) by intentionally or recklessly creating a secondary market for the unswapped ERC-
6 20 DAG Tokens and failing to adequately warn investors against purchasing the
7 unswapped ERC-20 DAG Tokens instead of the Mainnet DAG Tokens.

8 265. As a direct and proximate result of Constellation's unfair and deceptive practices,
9 Plaintiffs and Class members suffered damages. Constellation's activities caused Plaintiffs and
10 the Class members to purchase and/or retain the ERC-20 DAG Tokens when they otherwise would
11 not have done so.

12 266. Plaintiffs have been economically damaged thereby and, as such, are entitled to
13 actual damages pursuant to RCWA 19.86.090.

14 267. Plaintiffs specifically seek restitution in the form of either (1) a one-for-one swap
15 of their ERC-20 DAG Tokens with the Unused Mainnet DAG Tokens; or (2) the monetary value
16 of the difference between the purchase price of the ERC-20 DAG Tokens and the price of the
17 Mainnet DAG Tokens at the time of the filing of this action.

18 268. In addition, pursuant to RCWA 19.86.090 Plaintiffs are entitled to costs, attorney's
19 fees, additional damages up to three times actual damages, and any other relief this Court
20 determines is appropriate.

21 **TENTH CAUSE OF ACTION**
22 **Unjust Enrichment/Restitution**
23 **(In the Alternative)**
24 **(On behalf of the Nationwide Class)**

24 269. Plaintiffs restate and reallege all preceding allegations above as if fully set forth
25 herein.

26 270. Plaintiffs and members of the Class conferred a monetary benefit on Constellation
27 as a result of being excluded from participating in the DAG Token Swap.

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1 (3) refusing to allow Plaintiffs and the Class to swap their eligible ERC-20 DAG Tokens for
2 Mainnet DAG Tokens.

3 278. Plaintiffs and Class members lack an adequate remedy at law.

4 279. Constellation cannot, as a matter of law, disclaim or assign the liability of loss,
5 conversion, or destruction of the value of the Unused Mainnet DAG Tokens when Constellation
6 knows that the ERC-20 DAG Tokens were eligible to participate in the DAG Token Swap,
7 Constellation purposefully created an extremely narrow window under onerous conditions for
8 ERC-20 DAG Token holders to swap their tokens, Constellation purposefully and repeatedly
9 refuses to allow Plaintiffs and the Class to swap their ERC-20 DAG Tokens for the Unused
10 Mainnet DAG Tokens that were minted specifically for that purpose, and Constellation knowingly
11 did all this to retain the value of the Unused Mainnet DAG Tokens at the expense of Plaintiffs and
12 Class members.

13 280. Constellation's attempt to disclaim liability is unconscionable and unenforceable
14 as to Plaintiffs and Class members, and Plaintiffs seek a declaration to that effect.

15 **PRAYER FOR RELIEF**

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

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

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

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

25 D. Award post-judgment interest on such monetary relief;

26 E. Grant appropriate injunctive and/or declaratory relief, including, without limitation,
27 an order that requires Defendants to open another DAG Token Swap period to allow Plaintiffs and
28 Class members to swap their ERC-20 DAG Tokens for either the Unused Mainnet DAG Tokens

1 or newly minted Mainnet DAG Tokens in the event that the Unused Mainnet DAG Tokens were
2 burned by Defendants;

3 F. Award reasonable attorneys' fees and costs; and

4 G. Grant such further relief that this Court deems appropriate.

5 **JURY DEMAND**

6 Plaintiffs, on behalf of themselves and the putative Class demand a trial by jury on all
7 issues so triable.

8 DATED: November 16, 2021

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