

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

ERIC DE FORD, SANDRA BADER,
SHAWN R. KEY, Individually and on
Behalf of All Others Similarly Situated,

Plaintiffs,

v.

JAMES KOUTOULAS,
LETSGOBRANDON.COM
FOUNDATION d/b/a/ LGBCOIN
FOUNDATION, LGBCoin, LTD,
PATRICK BRIAN HORSMAN, and
NATIONAL ASSOCIATION FOR STOCK
CAR AUTO RACING, LLC,

Defendants.

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

CLASS ACTION

JURY TRIAL DEMANDED

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

Plaintiffs, individually and on behalf of all others similarly situated, bring this action against James Koutoulas (“Koutoulas”), LetsGoBrandon.com Foundation d/b/a LGBCoin Foundation, LGBCoin, LTD, Patrick Horsman (“Horsman”), and National Association for Stock Car Auto Racing, LLC (“NASCAR”). The following allegations are based upon personal knowledge as to Plaintiffs’ own facts, upon investigation by Plaintiffs’ counsel, upon public information, and upon information and belief where facts are solely in possession of Defendants.

I. NATURE OF THE CASE

1. This case involves the marketing and sale of the unregistered security, LGBCoin cryptocurrency (defined below), through, among other things, falsely claiming LGBCoin was a sponsor approved by NASCAR and NASCAR’s approval of, and then withdrawal of its approval of the sponsorship, damaging Plaintiffs and a Class of purchaser investors.

2. The scheme had its origins on October 2, 2021, when an NBC reporter incorrectly described attendees at the NASCAR Sparks 300 race at Talladega Superspeedway who were expressing their distaste for President Biden as

chanting “Let’s go Brandon!” in support of the race’s eventual winner, Brandon Brown.

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

4. For Koutoulas, CEO of the hedge fund Typhon Capital Management, LLC and a Republican influencer, it was the basis for a Halloween costume.



5. Alex Giuliani, a/k/a Alexandra Georgaklis, a/k/a Alexandra Koutsogiannopoulos (“Giuliani”), suggested creating a “Let’s go Brandon!” cryptocurrency token (a digital currency that’s value rises with its demand) (“LGBCoin”) and associating it with high-profile conservative influencers and NASCAR.

6. Koutoulas immediately began reaching out to business acquaintances with experience in cryptocurrencies for help to develop the token and in making overtures to Brandon Brown’s racing team, Brandonbilt Motorsports (“BMS”) to discuss a partnership. Koutoulas made contact with Alexander H. Mascioli (“Mascioli”), a self-proclaimed cryptocurrency investments expert and co-founder of Trade the Chain, then a current sponsor and co-owner of BMS, through Rick Latona, an acquaintance of Horsman.

7. NASCAR rules provide that all sponsors must be approved by NASCAR.

8. A meeting was set between BMS and NASCAR on November 6, 2021 at the NASCAR Xfinity Series Champion Race in Avondale, Arizona, to discuss how to handle the interest of, as Matt Humphrey, NASCAR Director of Racing

Communications, described them, “quick-buck cryptocurrency hucksters trying to cash in on Let’s Go Brandon.”

9. On Saturday November 6, 2021, at around 11:15 a.m. Pacific Time, the prospect of a Let’s Go Brandon inspired sponsorship was discussed between Eric Nyquist (“Nyquist”), NASCAR Senior Vice President and Chief Communications & Social Responsibility Officer, Jennifer Knoeppel (“Knoeppel”), NASCAR Senior Director, Team, Driver & Industry Communications, and Justin Swilling (“Swilling”), NASCAR Senior Manager, Driver & Team Marketing, and BMS driver Brandon Brown, BMS owners Jerry Brown and David Clarke, BMS Director of Marketing Mac MacLeod (“MacLeod”), and Mascioli, Co-founder of Trade the Chain, the current BMS sponsor, in the NASCAR Xfinity hauler garage in Avondale, Arizona.

10. Witness accounts differ. According to BMS, Nyquist, stated at that meeting that while he did not recommend it, BMS was free to use “Let’s Go Brandon” in any way it wanted off the track, but NASCAR would not approve the use the slogan “Let’s Go Brandon” on a race car as they were trying to steer away from political issues. Moreover, NASCAR was willing to help BMS in any way it could to distance itself from the “Let’s Go Brandon” slogan, including holding a

joint press conference. But no one at that meeting stated or inferred that BMS could not have a sponsor that sold “Let’s Go Brandon” merchandise.

11. According to NASCAR, Nyquist made it unambiguously clear to BMS at that meeting that “Let’s Go Brandon!” or any derivative of that phrase/chant would not be allowed in any type of NASCAR advertising or sponsorship.

12. BMS declined NASCAR’s assistance in distancing itself from “Let’s Go Brandon.” Instead, Koutoulas, BMS, Mascioli, and others spent the next two months promoting LGBCoin to the public using race car imagery and inside access to Brandon Brown and to additional conservative influencers by, among other things, providing them purported insider information, gifting them LGBCoins and benefiting from their further promotion of the coin.

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

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



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

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

17. On January 5, 2022, BMS announced that NASCAR had revoked its sponsorship. Insiders sold and the value of LGBCoin fell to zero.

Let's Go Brandon to USD Chart

18. Plaintiffs bring this action their own behalf and on behalf of purchasers of LGBCoin between November 2, 2021, to March 15, 2022.

II. PARTIES

A. Plaintiffs

19. Plaintiff Eric De Ford ("De Ford") is a resident and citizen of Missouri. During the class period, De Ford purchased LGBCoins in several transactions dating December 31, 2021, January 1, 2022, January 11, 2022, January 26, 2022, January 28, 2022, February 24, 2022, February 26, 2022, and February 27, 2022, via the U.S.-based cryptocurrency exchanges Coinbase and Uniswap. De Ford suffered investment losses as a result of Defendants' conduct.

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

21. Plaintiff Shawn R. Key (“Key”) is a resident and citizen of Virginia. During the relevant period, and specifically on December 30, 2021, Key purchased LGBCoins via the U.S.-based cryptocurrency exchanges Coinbase and Uniswap. Key suffered investment losses as a result of Defendants’ conduct.

B. Defendants

22. Defendant Koutoulas is a resident and citizen of Florida, living in Miami Beach, Florida. Koutoulas is the co-founder/creator of LGBCoin, served as a public spokesman for LGBCoin, is a LGBCoin holder, and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public.

23. Koutoulas’s primary occupation is being the CEO of Typhon Capital Management, LLC (“Typhon”), a commodity trading advisory firm that he founded in 2008. In 2017, Typhon became a Florida corporation with its principal address in Miami Beach, Florida. Koutoulas is also a lawyer, who graduated from

Northwestern Law School in 2006, admitted to practice in Illinois in November 2006 and New York in April 2021.

24. In October 2011, Koutoulas learned that nearly all the funds Typhon was managing (\$55 million of Typhon's \$70 million under management) had been dragged into the MF Global bankruptcy proceedings. Koutoulas loudly threw himself into the proceedings by filing an emergency motion arguing for MF Global customers' (Typhon's investors) funds to be unfrozen. Although his motion was denied, his picture appeared on the cover of *The New York Times* business section the next day and he became the figurehead for the MF Global customers whose funds were frozen. He and another broker organized fundraising calls with affected customers and hired a securities lawyer to represent their interests in the bankruptcy.¹ The bankruptcy court eventually released the customers' funds and Koutoulas touted a \$6.7 billion victory, *pro bono*. Koutoulas parlayed that notoriety into a spot on the National Futures Association's Board of Directors. Critics claimed "a 'toxic' environment [was] created [at the NFA], damaging the interests

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

of those [Koutoulas] purports to represent by engaging in the equivalent of spitting vitriol at anyone who opposes {Koutoulas} as [Koutoulas] continues on a self-promotional tour.” An industry writer labeled Koutoulas a “bombastic loose cannon” who was “incapable of being trustworthy.”²

25. Koutoulas now frequently promotes his association with notable conservative public figures such as Peter Thiel and Donald Trump, Jr. In his most recent court experience, he served as one of the plaintiffs’ counsel in a securities fraud class action concerning the issuance and promotion of a cryptocurrency, EOS Tokens, which his client alleges was “an unregulated security” that violated several provisions of the Securities Act of 1933 and the Exchange Act of 1934. *Williams v. Block.one*, No. 20-cv-2809 (S.D.N.Y.). Koutoulas touted that the *Williams* case concerned a multi-billion-dollar fraud. The parties have proposed to settle prior to a ruling on the motion to dismiss for \$22 million.

26. Defendant LetsGoBrandon.com Foundation, d/b/a LGBCoin Foundation, is a Cayman Islands foundation company owned by LGBCoin, LTD,

² Mark Melin, *MF Global Advocate Koutoulas at Center Of Controversy Again*, VALUEWALK, Dec. 22, 2015.

another Cayman Islands Corporation that, on information and belief, is wholly owned by Koutoulas.

27. In March 2022, LetsGoBrandon.com Foundation entered into a settlement agreement regarding LGBCoin and its successor coin \$LETSGO, which Florida law applied and governed in all respects.

28. Defendant LGBCoin, LTD, d/b/a LGBCoin Foundation, is a Cayman Islands foundation company that is purported to be the sole director of LetsGoBrandon.com Foundation, and on information and belief, is wholly controlled by Koutoulas.

29. In March 2022, LGBCoin, LTD entered into a settlement agreement regarding LGBCoin and its successor coin \$LETSGO, which Florida law applied and governed in all respects. Koutoulas signed this agreement as an “authorized signer of LGBCoin, LTD.”

30. LetsGoBrandon.com Foundation and LGBCoin, LTD were both created by Koutoulas on January 5, 2022 to be the face of the LGBCoin operations in an effort to shield himself and other founders from personal liability. Prior to that time, the creation, marketing, and promotional activities of LGBCoin were conducted through a de facto partnership between certain defendants and others.

Although LetsGoBrandon.com Foundation and LGBCoin, LTD maintain a maildrop in San Juan, Puerto Rico, their principal place of business is Koutoulas's home in Miami, Florida. According to a Florida state court complaint verified by Koutoulas (the "State Court Action"), LetsGoBrandon.com Foundation conducted the majority of its operations during the relevant period in Miami, Florida.³

31. Horsman is the Managing Partner and Co-Founder of Coral DeFi, LP, an investment platform focused on decentralized finance ("DeFi") and cryptocurrency.

32. In 2002, Horsman co-founded Blue Sand Securities, a placement agent for Alternative Investment funds that has raised over \$15 billion from institutional investors. Horsman was forced to resign from Blue Sands after being accused of misrepresentation and fraud.⁴ In addition, FINRA temporarily suspended and fined him \$20,000 based on his concealment of 11 IPO purchases while employed

³ *LetsGoBrandon.com Foundation v. National Assoc. for Stock Car Auto Racing*, No. 2023-002831-CA-01(11th Cir. Ct. 2023), Verified Compl., ¶32.

⁴ *See Blue Sands Terminates Stockbroker for Alleged Fraud*, <https://securitiesarbitrations.com/patrick-horsman/> (last visited Jan. 27, 2023).

at Blue Sands,⁵ and he was sanctioned by Massachusetts's Securities Division based upon the FINRA findings.

33. In 2022, Horsman was accused of fraud in connection with Horsman's involvement in a business called Integrated CBD. According to the lawsuit, Horsman made material misrepresentations to solicit investments and then funneled those funds to himself. The suit also alleges that Horsman defrauded the federal Paycheck Protection Program (PPP).⁶

34. Horsman is a co-founder/creator of LGBCoin, served as a consultant, developer, and spokesman for LGBCoin; is an LGBCoin holder; and exercised control of LGBCoin and directed and/or authorized, directly or indirectly, the initial offering, sale, and/or solicitations of LGBCoin to the public.

35. Horsman maintains continuous and significant contacts with Florida. Horsman has two condominiums in Bay Harbor Islands, Florida, one in his personal capacity and one through a revocable trust that bears his name, and Horsman is the director of the HOA for those condominiums. Horsman is the Managing Partner of Horsman Holdings, his family office is based in Miami,

⁵ See Financial Industry Regulatory Authority Letter of Acceptance, Waiver and Consent No. 20160488854001.

⁶ See *Gatoff v. Horsman*, 22-cv-21310 (S.D. Fla. Apr. 27, 2022).

Florida. Horsman is connected to several limited liability companies that operate in Florida; as one example, Horsman is a member and the registered agent for Tathata Holdings LLC, a Florida domestic limited liability company. Horsman also transacted business in Florida in connection with LGBCoin by, among other things, promoting the sale of LGBCoin. For example, Horsman promoted LGBCoin at Mar-a-Lago in Palm Beach, Florida, on or about December 6, 2021, when meeting with former U.S. Representative Madison Cawthorn, Koutoulas, major conservative influencer Rogan O'Handley (a/k/a DC Draino) and others. And Horsman used at least one of his Florida based companies, Horsman Holdings, to solicit and recruit others into investing in LGBCoin.

36. Defendants Koutoulas and Horseman are hereinafter referred to as the "Individual Defendants."

37. NASCAR is a Florida corporation with its principal place of business in Daytona Beach, Florida, where it controls, oversees, promotes, and markets the NASCAR brand and sanctioned stock car racing events and series and throughout the United States, Canada, Mexico, and Europe.

C. Relevant Non-Parties

38. Non-party Erik Norden is a resident and citizen of Florida, living in Boca Raton, Florida. Norden served as a consultant, developer, strategist, and spokesman for the LGBCoin, is an LGBCoin holder, and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public. Norden was brought in to the LGBCoin team through his friend Koutoulas, whom Norden affectionately refers to as his “crypto daddy.”

39. Norden is also the founder, president, treasurer, secretary, and director of Norden, Inc., a Florida corporation with its principal place of business in Boca Raton, Florida.

40. Non-party Alex Giuliani, a/k/a Alexandra Giuliani, a/k/a Alexandra Georgaklis, a/k/a Alexandra Koutsogiannopoulos (“Giuliani”) is a former Florida resident and believed to reside in Montreal, Canada. Giuliani is a co-founder/creator of LGBCoin, served as a consultant, developer, and spokesperson for LGBCoin, is an LGBCoin holder, and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public.

41. Non-party Thomas McLaughlin, Jr. (“McLaughlin”) is a resident and citizen of Puerto Rico, living in San Juan, Puerto Rico. McLaughlin served as a

consultant, is an LGBCoin holder, and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public. McLaughlin is also the co-founder and Chief Investment Officer of defendant Coral DeFi. McLaughlin visited Florida around the time of LGBCoin's announcement of its sponsorship agreement with BMS.

42. Non-party Coral DeFi LP ("Coral DeFi") is a Delaware Limited Partnership with its principal place of business located in Puerto Rico. Coral DeFi LP operates as an "Alternative Investment Platform" and digital asset manager. Coral DeFi was founded by Horsman, McLaughlin, and David Namdar, and is specifically focused on decentralized financial applications and investment opportunities.

43. Non-party Rick Latona ("Latona") is a resident and citizen of Puerto Rico. Latona is a principle of LGBCoin, served as a consultant, developer, and spokesperson for LGBCoin, is an LGBCoin holder, and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public.

44. Latona has several operating businesses including Site Matrix, LLC a domain name monetization company and asset management firm, Latona's, a

business brokerage firm that specializes in online properties, and Island Liquidity, a company that provides liquidity and services to the Crypto DeFi space.

45. In March 2022, Latona entered into an agreement regarding LGBCoin and its successor coin \$LETSGO, which Florida law applied and governed in all respects.

46. Non-party Alex Mascioli ("Mascioli") is a resident and citizen of Puerto Rico, living in San Juan, Puerto Rico. Mascioli served as a consultant and spokesman for LGBCoin, is an LGBCoin holder, and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public.

47. Mascioli was convicted of forgery and criminal impersonation in Connecticut in 2002, and also has an investment history that is consistent with stock price manipulation.

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

49. In May 2012, Mascioli and North Street Capital again made an offer to purchase a publicly traded company, that was widely reported, for which Mascioli was without the ability to consummate the transaction. On May 9, 2012, Mascioli sent Winnebago (“WGO”) an unsolicited offer letter to acquire all of Winnebago’s common stock for \$11 per share, or approximately \$321 million. The \$11 per share represented a \$2.11 (or 23.7%) premium to WGO’s closing price on May 8, 2012.

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

51. In March 2014, the SEC filed a securities fraud complaint against Mascioli and North Street Capital for their actions in connection with the Winnebago offer. *See U.S. Securities and Exchange Commission v. Alexander H.G. Mascioli*, No. 3:14-cv-325 (D. Conn. Mar. 12, 2014). Mascioli and North Street Capital agreed to a consent judgment assessing a civil penalty of \$100,000 and

permanently enjoining Mascioli from acting as an officer or director of any issuer of securities. *Securities and Exchange Commission v. Alexander H.G. Mascioli*, No. 3:14-cv-325, ECF No. 9 (D. Conn. Mar. 20, 2014).

52. In 2017, Mascioli shifted his attention to cryptocurrencies, as head of institutional services for Bequant, a crypto prime broker, overseeing the trading, execution, margin financing and lending for institutional players in crypto. In 2020, Mascioli co-founded Trade the Chain, a Florida Limited Liability Company with a principal office address in Jupiter, Florida, that offers an alerts-based dashboard of crypto markets. Mascioli now markets himself as a crypto fund and institutional digital assets educator, speaker, and entrepreneur. At some point prior to December 30, 2021, Mascioli became co-owner of BMS. Mascioli used his Trade the Chain resources, including but not limited to his Trade the Chain email address, to conduct LGBCoin business.

53. Mascioli regularly travels to Florida and makes use of its resources, including during the Class Period when significant events related to LGBCoin occurred.

54. Non-Party Trade the Chain, LLC (“Trade the Chain”) is a Florida corporation with its principal place of business in Jupiter, Florida, that offers an

alerts-based dashboard of crypto markets. Trade the Chain's registered agent is Douglas DeRosa, a citizen of Florida. Trade the Chain, through its employee Mascioli, served as a consultant and spokesman for LGBCoin, is an LGBCoin holder, and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public.

55. Non-party Scott Walker ("Walker") is a resident and citizen of Puerto Rico, living in San Juan, Puerto Rico, and served as a consultant, developer, and spokesperson for LGBCoin, is an LGBCoin holder, and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public.

56. Non-party James Heckman ("Heckman") is a resident and citizen of Washington State, and served as a consultant, developer, and spokesperson for LGBCoin, is an LGBCoin holder, and directed and/or authorized, directly or indirectly, the sale and/or solicitations of LGBCoin to the public. On information and belief, Heckman is responsible for soliciting more than \$10 million in LGBCoin sales.

57. Non-party Dave Gillels a/k/a Pyro Brain ("Pyro Brain") is a resident and citizen of New Jersey, and served as a consultant and spokesperson for LGBCoin, is an LGBCoin holder, and directed and/or authorized, directly or

indirectly, the sale and/or solicitations of LGBCoin to the public. Gillels was responsible for, among other things, moderating LGBCoin chatrooms.

58. Non-party XBTO includes any of the entities of XBTO Ventures, LLC, XBTO Ventures 2955, LLC, XBTO Capital GP, LLC, XBTO Capital, LP, XBTO Capital Advisors, Ltd., XBTO Crypto Index Fund, LLC, XBTO Crypto Opportunities Fund SAC Ltd., XBTO International Ltd., and XBTO Global Ltd. XBTO Ventures, LLC, and XBTO Ventures 2955, LLC are Delaware corporations with their principal place of business in Miami, Florida. XBTO was founded by Walton Comer and Philippe Bekhazi and advertises itself as the “liquidity provider of choice to the digital asset market.”

59. Non-Party Jeffrey R. Carter (“Carter”) is a resident and citizen of Florida, living in Miami Beach, Florida. Carter served as consultant, and spokesman for the Company, is an LGBCoin holder, and directed the sale and/or solicitations of LGBCoin to the public.

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

61. Non-party George Michalopoulos (“Michalopoulos”) is a resident and citizen of Florida, living in Miami Beach, Florida. Michalopoulos served as consultant for Koutoulas with regard to LGBCoin and is an LGBCoin holder receiving 10% of the total coin minted in exchange for his consulting. Michalopoulos is the founder and CEO of Empeopled, a social networking website that has been inactive since 2017, and the chief investment officer of Leonidas Cryptocurrency Fund at Koutoulas’s Typhon Capital Management.

62. Non-Party Brandon Brown (“Brown”) is a resident and citizen of Virginia living in Stafford County, Virginia. Brandon Brown is a NASCAR driver and an LGBCoin holder and acted as a promotor of LGBCoin.

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

III. JURISDICTION AND VENUE

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

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

62. The Court has personal jurisdiction over Koutoulas because he is a resident of the State of Florida and thus “at home” in the forum. The Court also has personal jurisdiction over Koutoulas because Koutoulas operates, conducts, engages, and carries on business and business ventures in Florida, committed a tortious act within Florida, and entered into a March 2022 contract related to this action that complies with Fla. Stat. §685.102. *See* Fla. Stat. §48.193(1)(a).

63. The Court has personal jurisdiction over Defendant LetsGoBrandon.com Foundation because LetsGoBrandon.com Foundation’s principal place of business is Florida, and it operated and conducted the majority of its business in Florida, committed a tortious act within Florida, and availed itself to Florida through the filing of the State Court Action. *See* Fla. Stat. §48.193(1)(a). The Court also has personal jurisdiction over LetsGoBrandon.com Foundation because LetsGoBrandon.com Foundation entered into a March 2022 contract

related to this action that complies with Fla. Stat. §685.102. *See* Fla. Stat. §48.193(1)(a).

64. The Court has personal jurisdiction over LGBCoin, LTD because LGBCoin, LTD's principal place of business is Florida, and it operated and conducted the majority of its operations in Florida, represents itself as the sole director of LetsGoBrandon.com Foundation, which operated and conducted the majority of its operations in Florida, and committed a tortious act within Florida. *See* Fla. Stat. §48.193(1)(a). The Court also has personal jurisdiction over LGBCoin, LTD because LGBCoin, LTD entered into a March 2022 contract related to this action that complies with Fla. Stat. §685.102. *See* Fla. Stat. §48.193(1)(a).

65. The Court has personal jurisdiction over Horsman because Horsman operates, conducts, engages, and carries on business and business ventures in Florida, owns real property in Florida, and committed tortious acts in Florida. *See* Fla. Stat. §48.193(1)(a). As part of this tortious conduct, Horsman made electronic communications into Florida – including to Koutoulas – and physically met Koutoulas and others in Florida to discuss the funding, sale, and promotion of LGBCoin. Plaintiffs' claims against Horsman arise out these communications and meetings, along with Horsman's extensive LGBCoin transactions. Horsman also

has extensive contacts and business operations in Florida and should reasonably anticipate being hauled into court here.

66. The Court has personal jurisdiction over NASCAR because it is a resident of the State of Florida and thus “at home” in the forum. The Court also has personal jurisdiction over NASCAR because NASCAR operates, conducts, engages, and carries on business and business ventures in Florida. *See* Fla. Stat. §48.193(1)(a).

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

IV. FACTUAL ALLEGATIONS

A. Cryptocurrency and the Blockchain

68. “Cryptocurrency,” or “crypto,” is a form of currency that exists digitally or virtually and uses cryptography to secure transactions. Cryptocurrencies use a decentralized system to record transactions and issue new units. The first cryptocurrency was Bitcoin, which was founded in 2009. By March

2022, there were 18,465 cryptocurrencies in existence.⁷ Some of the largest include: Ethereum, XRP, Dogecoin, and Shiba Inu.

69. Anyone can create a new cryptocurrency. An internet search will provide you step-by-step instructions with video for creating a new cryptocurrency in less than an hour. Once created, the new cryptocurrency can be traded on cryptocurrency exchanges. Exchanges can be centralized such as Coinbase, Crypto.com, Gemini, BitMart and others, or decentralized (Dex) such as Uniswap, Pancake Swap, and others.

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

71. Transactions of cryptocurrencies are recorded in a "blockchain" which serves as a distributed public ledger. Each transaction is recorded in a "block," which is cryptographically secured and linked to the previous block, forming a chain of blocks (hence the name "blockchain"). Each block in the

⁷ Josh Howarth, *How Many Cryptocurrencies are There in 2022?* Jul. 19, 2022, <https://explodingtopics.com/blog/number-of-cryptocurrencies> (last visited Jul. 19, 2022).

blockchain contains a unique digital signature, called a hash, that is created using advanced cryptographic techniques. This hash is a fixed-length string of characters that represents the contents of the block. Even a small change to the contents of the block will result in a completely different hash. Furthermore, each block in the blockchain also contains a reference (or “pointer”) to the previous block in the chain. This means that changing the contents of one block would require changing the hash of that block as well as the hashes of all subsequent blocks in the chain.

72. The amount of cryptocurrency transacted, the sender’s wallet address, the recipient’s wallet address and the date and time of the transfer for every transfer of cryptocurrency between digital wallets can be publicly viewed on the blockchain by using any number of websites like www.blockchain.com/explorer or www.etherscan.io.

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

B. LGBCoin Background

74. LGBCoin is a cryptocurrency token created by certain defendants, and others. Specifically, LGBCoins are blockchain-based digital assets known as “ERC-20 tokens” that are created using the Ethereum blockchain. After an ERC-20 token is created, it can be traded, spent, or otherwise transacted with. LGBCoin were primarily traded against Ether, (“ETH”) the native currency of the Ethereum blockchain network on Binance, Coinbase, Uniswap, and other decentralized exchanges that allow anyone to list a token.

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

76. The idea of selling the cryptocurrency LGBCoin came about when Koutoulas’s friend, Alex Giuliani, a/k/a Alexandra Georgaklis, a/k/a Alexandra Koutsogiannopoulos (“Giuliani”), suggested that Koutoulas’s Let’s Go Brandon themed Halloween costume should be the theme of a cryptocurrency marketed to

conservatives and NASCAR enthusiasts. From there, Koutoulas sought out friends, colleagues, and business contacts for assistance in the creation and marketing of a new cryptocurrency associated with the Let's Go Brandon slogan. He started with Giuliani and Norden to assist with the marketing of the token and Typhon employee George Michalopoulos as someone he could trust to review the technical code.

77. Koutoulas then enlisted his business associate and mutual friend of Norden, Horsman, who runs a cryptocurrency hedge fund to assist with the creation, marketing, and solicitation of LGBCoins. Koutoulas also recruited two others with direct connections to NASCAR driver Brandon Brown – Latona and Mascioli – to bring Brandon Brown and his racing team into their get rich quick crypto scheme.⁸

⁸ Latona and Mascioli currently reside in Puerto Rico. While they both are alleged to have been active participants in the alleged misconduct, Latona and Mascioli are currently believed to be outside the jurisdiction of the Middle District of Florida and, thus, not named as Defendants in this action. Plaintiffs are evaluating bringing claims against the Coral corporate entities and Thomas McLaughlin within the District of Puerto Rico. Plaintiffs are also mindful of the Court's reminder that including Norden as a named defendant in an amended complaint requires a motion for reconsideration (*see* ECF No. 244). As detailed herein, Norden is alleged to have directly and actively participated in the sale and promotion of LGBCoins.

78. Some of this discussion is reflected in the transcript of a Telegram group chat thread between Koutoulas, Horsman, Latona, and Mascioli that occurred between October 30, 2021 and November 18, 2021 titled LGBCoin Racing Team (“Founding Telegram Chat”) that demonstrates their agreement to promote the sale of LGBCoin. 03102023PRODQ260014

79. The chat was created by Latona and/or Mascioli so that they could discuss the launch and promotion of LGBCoins.⁹ Horsman invited Koutoulas to this Telegram Chat, stating Koutoulas was “my buddy who is behind the project.” Latona then introduced Mascioli as the “owner of Brandon’s team and car.” The group went on to make plans to have a conference call to further discuss their plan for LGBCoins, and Horsman posted a picture of the LGBCoin logo.

80. On November 1, 2021, Horsman, Koutoulas, Latona, and Mascioli discussed specific details surrounding the LGBCoin launch on the Telegram Chat thread. Latona inquired if the team behind LGBCoin (namely, the four individuals on the group thread: Koutoulas, Horsman, Latona, and Mascioli) would remain anonymous and whether there would be a formal corporate structure behind the token. Upon information and belief, Koutoulas and Horsman confirmed that the

⁹ 03102023PRODQ26014.

founders' identities would be hidden and that there would be no corporate entity behind the token's launch. Latona responded, "Ok great, it needs to be that way for Alex's side."

81. Latona then discussed the percentage of the Float that would be "used for liquidity on Uniswap" and whether Koutoulas and Horsman intended to lock that liquidity. Koutoulas stated that he and Horsman were "open to locking liquidity" but did not confirm that this was actually done. Latona offered the following concerning the importance of the liquidity pool:

The more liquidity the better. If we want this to turn into a 9-digit coin, we'll need pretty deep liquidity. We can certainly add to it as it goes but if a founder pulls the liquidity it could kill the project. The ultimate example of this is dogelonmar.com. They locked 5M in ETH and half the tokens and because of that they have been they have been able to grow a 1.2 billion market cap and you can trade in and out of it with low slippage at up to \$1m at a time. I'm not saying to go that deep but you get my point. I'm just recommending that a lot of the funds raised go towards liquidity.

82. In response, Horsman assured Latona that "Everything [we are] raising right now is going into liquidity and building the project. Think we brought in \$100k and plus today." Koutoulas confirmed, "yeah 115k and have another 20k coming tomorrow at least. Am also meeting with two main guys at XBTO tomorrow to get behind it, one of them is very tight with me (had MF Global exposure)." Koutoulas further stated that the developers he enlisted to write the

LGBCoin smart contract were “super class acts” who would not “rug pull” the members of the group.

83. On November 3, 2021, Koutoulas and Horsman continued planning the LGBCoin launch with Mascioli and Latona within the Telegram Chat thread. Koutoulas informed the group that he and Horsman were able to recruit several “meme lords” and social media influencers to promote LGBCoin. Latona then stated “After the call with Brandon, can the 4 of us hop back on and hammer out the deal?” Koutoulas, Horsman, and Mascioli agreed to have a google meet discussion between the four of them, and Latona circulated a link for the group to use.

84. On November 4, 2021, Horsman wrote to confirm the terms of their agreement to promote and sell LGBCoins (the “Agreement”):

ok guys here is the plan to move forward. There is 10% not going to either side its market making and future influencers.

22% - Sold OTC (\$500k more added to liquidity pool last night another \$300k coming this afternoon)

5% - GSR they are starting on boarding process, and both founders who we know are excited about it

5% - Treasury for future influencers (we can mutually agree on who these people will be) - I’m talking to Peter Thiel’s team today

68% Left Over- Split 50:50 for 34% each party

85. In response to Horsman and the terms of the Agreement that Horsman recounted, Latona stressed “No more OTC please!” He then confirmed “We think everyone is being reasonable. We agree to the deal. But, please no more changes [to the terms, particularly the percentage of permitted OTC sales].” Horsman replied:

Great we do too and we're excited to partner with you guys and make this a huge success!
We're about to trademark Let's Go Brandon for crypto use. And LGB Coin and LGB Token
What entity should we put on the trademark ownership?

86. Later in the Telegram chat thread from November 4, 2021, Latona posted a picture of himself and Jon Najarian, stating “Got a CNBC anchor ready to shill us.” Koutoulas quickly replied “don't use the s word haha” and “I know [N]ajarian too haha tell him whats up.” Horsman chimed in “Me too he's a board member of my company Innovation sh[]ares.” Notably, Horsman explicitly said to Latona “Don't tell [Najarian] our names. Want to keep quiet.”

87. The next day, on November 5, 2021, Koutoulas offered himself up, stating in the group text thread that he was “happy to use my name as a major recipient of coin.” Notably, Koutoulas already was working on a way to publicly associate himself with LGBCoin (while also obscuring his role as a founder and his significant allocation of the total LGBCoin Float). On October 29, 2021,

Koutoulas contacted Jeffrey Carter (“Carter”), the managing partner of West Loop Ventures, a venture capital fund and a board member of Koutoulas’s Typhon, by text message to propose that Koutoulas transfer one trillion LGBCoin tokens to Carter in exchange for Carter publicly taking credit for the coin and announcing that Carter is giving 500 billion LGBCoin to Koutoulas to commemorate the tenth anniversary of the MF Global bankruptcy. Thirteen minutes later, at Koutoulas’s direction, LGBCoin Wallet #1 0x373 transfers two trillion LGBCoin to Carter’s Ethereum wallet address: 0x70305bcbf231e96bbc0a80f6e892a401ad7e83e2. Carter and Koutoulas then begin collaborating by email on the content of a post for Carter’s blog *Points and Figures*.

88. As their plans to launch the LGBCoin were being discussed, Koutoulas and Horsman also recruited others for assistance in promoting LGBCoin. For example, in addition to Carter, Koutoulas recruited George Michalopoulos (“Michalopoulos”) who worked as the portfolio manager of the Leonidas Cryptocurrency Fund at Koutoulas’s hedge fund. Michalopoulos received 10% of all LGBCoin tokens minted (33 trillion tokens) and indemnification in exchange for “early technical assistance” in creating LGBCoin

(*i.e.*, making sure the developer Koutoulas hired to code the smart contract did not program a back door to allow the developer unauthorized access).

89. Koutoulas also retained Social Ally Media, a digital marketing agency run by Natalie Speers, in November 2021 to handle the social media presence necessary to promote LGBCoin. Koutoulas promised it 256 billion LGBCoin tokens for a six-month term.

90. Heckman was given one trillion LGBCoins to promote LGBCoin and 7.5% of the USD value of the OTC transactions that were made the result of Heckman's efforts.

91. Koutoulas also connected with Walton Comer at XBTO and XBTO associate Phil Potter on November 3, 2021 through a private Telegram chat. Potter is the former chief strategy officer at cryptocurrency exchange Bitfinex as well as the co-founder of stablecoin company Tether.¹⁰ Potter offered to use his connections to help Koutoulas get LGBCoin listed on CoinGecko, CoinMarketCap, and Etherscan.

¹⁰ In April 2019, New York Attorney General Letitia James launched an investigation accusing Bitfinex of using the reserves of Tether, an affiliated company, to cover up a loss of \$850 million to a Panamanian payment processor.

92. By November 17, 2021, Koutoulas claimed to have 80 people on staff promoting LGBCoin.

93. Eventually the principles of scheme came to include Koutoulas, Horsman, Mascioli, Latona, Norden, Scott Walker, and James Heckman.

1. The Creation and Distribution of LGBCoin

94. On October 28, 2021, at Koutoulas's direction, 330 trillion LGBCoin tokens were minted under the creator smart contract 0x21E783bcf445B515957A10E992aD3c8E9FF51288 ("LGBCoin Contract") by Wallet address 0x00e17962016c74876580dc9d925a5849b50eaadc ("Contract Wallet"). Earlier that day, Wallet Address 0xcD39Fd52d7998D30A77903FF31229B4cDbc7805B owned by Michalopoulos¹¹ sent .51 ETH¹² to the Contract Wallet.

95. On November 10, 2021, the Contract Wallet transfers 33 trillion LGBCoins (10% of the total number of tokens), and .2 ETH to by Michalopoulos at

¹¹ This wallet owns the domain name "empeopled.eth" – Michalopoulos' social networking business is called "empeopled."

¹² The minting and transfer of cryptocurrencies incur fees called Gas Fees that are paid in ETH.

Wallet Address 0xc9150014a3cab1ff3ffcb031b5bc2570b07d4a53 (Michalopoulos Wallet "0xc9").

96. It is best practice for tokens to be sold as part of time-locked smart contracts with controls to prevent fraud. And although Koutoulas claimed to be working with "super class act" developers who were experienced in crypto, they did not implement any fraud prevention controls. Moreover, despite being put on notice of importance of implementing a time-lock mechanism for the liquidity pool during the group text thread with Latona, both Koutoulas and Horsman purposefully chose to not instruct the LGBCoin developers to include a time lock in the LGBCoin Contract.

97. Additionally, Koutoulas and Horsman took steps to obfuscate the source of their tokens and conceal their true roles within the scheme.

98. First, the Contract Wallet, transferred 165 trillion LGBCoins, 50% of the total number of tokens, in two transfers on October 29, 2021 to Wallet Address 0x37364ca1fd526ed06c6e0a36b8d471919b0e273f (LGBCoin Wallet #1 "0x373").

99. Later that day, Koutoulas contacts Carter regarding the MF Global commemoration cover story. Thirteen minutes later, at Koutoulas's direction LGBCoin Wallet #1 0x373 transfers two trillion LGBCoin to Carter's wallet

0x70305bcbf231e96bbc0a80f6e892a401ad7e83e2. On November 1, 2021, at Koutoulas's direction, Carter transfers one trillion LGBCoin tokens back to Koutoulas at Wallet address 0x65ad6f29bec4b298f83c8b75ce7a6687522419de ("Koutoulas Wallet #1"). About 12 hours later, Carter's blog post *Congratulations to an unsung American Hero*, <https://jeffreycarter.substack.com/p/congratulations-to-an-unsung-american> goes live where Carter misleadingly writes that Carter is giving Koutoulas one trillion LGBCoin and promotes the token.

100. Koutoulas further spreads this false origin story by sharing Carter's LinkedIn link to Carter's blog post and thanking Carter for making Koutoulas a LGBCoin.io trillionaire.



101. At Koutoulas's direction, the LGBCoin.io website is launched linking back to Carter's misleading blog post *Congratulations to an unsung American Hero* as the LGBCoin.io "Origin Story."

102. Norden also shared Carter's blog post to his Instagram account @realeriknorden so people could learn about "all the hype behind LGBCoin.io":



103. Meanwhile, LGBCoin tokens are being distributed to founders and others in exchange for promotion of the coin or washed through other wallets obscuring their origin.

104. On October 29, 2021, LGBCoin Wallet #1 0x373 transfers 20.05 trillion LGBCoin tokens to wallet address 0x74a97a1D5a268498d67F91f14008B1c673DF0258, which belongs to Horsman (the

“Horsman Wallet #1). On November 1, 2021, LGBCoin Wallet #1 0x373 transfers 5.28 trillion LGBCoin tokens to another wallet owned and controlled by Horsman – wallet address 0x9725BDd039FCFE6DEE3de5398C3ba06113390aEc (the “Horsman Wallet #2”). In the following days and weeks, Horsman used these two wallets and at least three other pass-through wallets owned and/or controlled by Horsman to sell his portion of the LGBCoin allocation.

105. On October 29, 2021, LGBCoin Wallet #1 0x373 transfers 100 billion LGBCoin tokens to wallet address 0xed33bf53db3349db27f9bF54d29460Ad10567206, which belongs to Koutoulas’ friend Alex Giuliani (the “Giuliani Wallet”).

106. On October 30, 2021, LGBCoin Wallet #1 0x373 transfers 50 billion LGBCoin tokens to Norden’s wallet 0xfee7cd8f1891941abd6604a87c79f22a3b284858 (the “Norden Wallet”).

107. Wallet Address 0x619e91cf4bbd4a78f8207192d6fb5c347bee1a1d (“0x619”) received 132 trillion LGBCoins on November 11, 2021. Upon

information and belief, this wallet is owned and/or controlled by Mascioli and Latona.¹³

108. Other LGBCoin tokens are washed through other wallets.

109. On November 1, 2021, LGBCoin Wallet #1 sends one trillion LGBCoin tokens to another wallet controlled by Koutoulas, Wallet Address 0x2986534b03b87d358224daee9e1585c32b7725db (“Koutoulas Wallet 2”).¹⁴

110. That same day, an additional wallet is set up to act as a pass-through, Wallet Address: 0x40ecf54ad6339e0b346a48f4907661bde67dd4d0 (the “Hub Wallet”), enabling Koutoulas and Horsman to further obscure the transfer and sale of LGBCoins. To begin, Koutoulas provided \$4,292.06 worth of eth for gas fees to

¹³ This wallet interacts with the Mascioli Private Wallet discussed further herein. For example, on November 23, 2021 this wallet sends 38.1 trillion LGBCoin tokens to the Mascioli Private Wallet – about 30% of the entire amount transferred to Wallet 0x619.

¹⁴ Further demonstrating that this wallet is under Koutoulas’ control is its February 23, 2022 transaction sending 500 billion LGBCoins to a newly created wallet. This new wallet only holds these 500 billion LGBCoins and it appears to be the same one Koutoulas set aside for, and gave to, former President Trump (discussed further below). Additionally, during an interview with the Daily Beast, Koutoulas recounted a story about how he had personally attempted to stabilize the price of the LGBCoin during a sell-off period by purchasing roughly \$70,000 worth of LGBCoin while he was in the bathroom at Peter Thiel’s home. The following transaction on the Ethereum blockchain shows the Koutoulas Wallet making a purchase for similar amount around the same timeframe: <https://etherscan.io/tx/0x661d7df5433f25cbc98a883b1fa5ef0f6a038fe16f9aa2bfca307d3136c0fde5>.

the Hub Wallet. Shortly thereafter, two additional wallet addresses, one owned by McLaughlin and the other by Horsman's firm Coral DeFi, sent eth to cover gas fees to the Hub Wallet.¹⁵ Koutoulas's Typhon works with McLaughlin and Horsman's Coral DeFi. Around two and a half hours later, LGBCoin Wallet #1 made the first of transfer of several trillion LGBCoin tokens to the Hub Wallet. Within an hour, the Hub Wallet sold one trillion LGBCoin tokens.

111. On November 2, 2021, LGBCoin became available to the public with a transaction volume of \$100 million and an opening price of \$0.000000034.

112. On November 3, 2021, the Hub Wallet transfers two trillion LGBCoin tokens to Norden.

113. On November 3, 2021, LGBCoin Wallet #1 transfers one billion LGBCoin tokens to Norden.

¹⁵ Wallet Address 0x9725bdd039fcfe6dee3de5398c3ba06113390aec provides \$40,000 in USDC for initial gas fees to the Hub Wallet. Wallet 0x97 owns the domain name "CoralDefi." It is owned by Coral DeFi. (the "Coral Wallet"). See <https://etherscan.io/tx/0xdc0328b07ae47542a185311ee4ae36da4e49ae305b595e50b6ccfe25ef5ac86> Wallet Address. 0xaa130e5a43cadbe2eaa4e58ede61e39874e3ead7 provides \$10,000 in USDC for gas fees to the Hub Wallet. Wallet 0xaa owns the domains of thomasmclaughlin.eth, tmcg.eth, and tmclaughlin.eth, and owns the same penguin NFT as Thomas McLaughlin displays as his twitter avatar. It is owned by Thomas McLaughlin. See <https://etherscan.io/tx/0x702bd76e51bd858277367c237b9312932db4a1d4cc7e2863d611c967e5768763>; <https://opensea.io/fhsunvds> ("McLaughlin Main Wallet").

114. On November 3, 2021, LGBCoin Wallet #1 transfers 13.2 trillion to wallet address 0xdbc13e67f678cc00591920cece4dca6322a79ac7, which, upon information and belief, is owned and/or controlled by Horsman (the “Horsman Wallet #3”). This wallet interacts frequently with Horsman’s other wallets and pass-through wallets, including but not limited to:

- 0x663f230b60c16cd1b1290959bfebddb8b9e89211 (Horsman Pass #1)
- 0x4374F318eA2f8Cc50EE177E3c6344c102FedBd9F (“Horsman Pass #2)
- 0x4D43Da00e8B1Ee55C75Ae4A0981766679CCF180c (Horsman Pass #3)
- 0x77B319A5CB9c17C48ab3C600D2ee4ff6BAC1F568 (“Horsman Pass #4”)

115. On November 4, 2021, LGBCoin Wallet #1 transfers one trillion LGBCoin tokens to Norden.

116. On November 8, 2021, Horsman Wallet #1 sends 20 billion LGBCoin to Horsman Pass #4.

117. On November 9, 2021, LGB Hub Wallet 0xe2 transfers 10 billion LGBCoin tokens to Alex Giuliani's wallet 0xed33bf53db3349db27f9bF54d29460Ad10567206 (Giuliani Wallet).

2. The LGBCoin Founders Seek to Bring the Race Team into the Fold

118. On November 6, 2021, the same day NASCAR executives held a meeting with BMS representatives, Koutoulas, Horsman, and Latona were also in attendance at the NASCAR race at the Phoenix Raceway, as VIP guests of Mascioli. Although Koutoulas, Horsman, and Latona did not directly participate in the November 6 meeting with NASCAR officials, they nevertheless went to the race together to forge an agreement between the parties to combine their personal efforts and business resources toward promoting LGBCoin for their own profit.

119. Some of this discussion is reflected in the transcript of a Telegram group chat thread between Koutoulas, Horsman, Latona and Mascioli that occurred between October 30, 2021 and November 18, 2021 titled LGBCoin Racing Team ("Founding Telegram Chat") that demonstrates their agreement to promote the sale of LGBCoin. 03102023PRODQ260014-03102023PRODQ260040.

120. Over the course of the Founding Telegram Chat, several calls between the parties are scheduled. On November 1, 2021, the parties discuss technical aspects of the development of LGBCoin such as the amount of money that will be

reserved to provide liquidity for trades. Horsman states that “[e]verything were [sic] raising right now is going into liquidity and building the project. Think [sic] we brought in \$100k and [sic] plus today.” Just past midnight, Koutoulas confirms raising \$115,000 that day with more coming tomorrow and informing the others of his plan to meet with “the main guys” at XBTO tomorrow to get behind LGBCoin.

On November 4, 2021, in the Founding Telegram Chat the parties discuss purchasing the domain letsgobrandon.com. Horsman writes: “Let’s give him coins for it.” On November 6, 2021, Koutoulas publicly posted an Instagram video entitled “LGBcoin.io at the Phoenix NASCAR Championship.”¹⁶ The video shows Koutoulas walking to Brown’s pit box with Horsman, Coral DeFi’s Managing Partner and Co-Founder.¹⁷ Both Koutoulas and Horsman are shown wearing Coral DeFi baseball caps with the “Coral Capital” displayed on the side.¹⁸

¹⁶ See <https://www.instagram.com/tv/CV8yyA2AviD/> (last visited Jan. 23, 2023).

¹⁷ See Our Team, <https://www.coralcapital.io/team> (last visited Nov. 1, 2022).

¹⁸ A closeup picture of the Coral DeFi baseball cap featuring the Coral DeFi logo can be found at https://twitter.com/nikhilgour_/status/151472197019314995, last visited Jan. 26, 2023:



121. Koutoulas narrates the video:

Koutoulas: What's up? We're here at Phoenix Raceway. Last NASCAR race of the season. A little behind the scenes action. Cars warming up in the background. Making our way to Brandon [Brown]'s area. Patrick [Horsman] what's up?

[Horsman looks up and waves his hand at Koutoulas]

...footnote continued on following page.



* * *

Got to thank Team Brandon for hooking us up. Got the LGBCoin [shirt]. Let's Go Brandon.

A little love for DeFi [displays Coral DeFi baseball cap].
Definite crypto racing over here . . . Getting closer to the track
here. Can't wait to cheer on our boy Brandon.

122. Then, Koutoulas posted a picture on Twitter in which he is wearing the Coral DeFi hat and an LGBCoin shirt while standing next to Brandon Brown:



123. Norden posted the same picture to Instagram:



124. These pictures are also circulated in the Founding Telegram chat. Latona is also in the video with Koutoulas and Horsman walking towards Brandon Brown's pit box.¹⁹

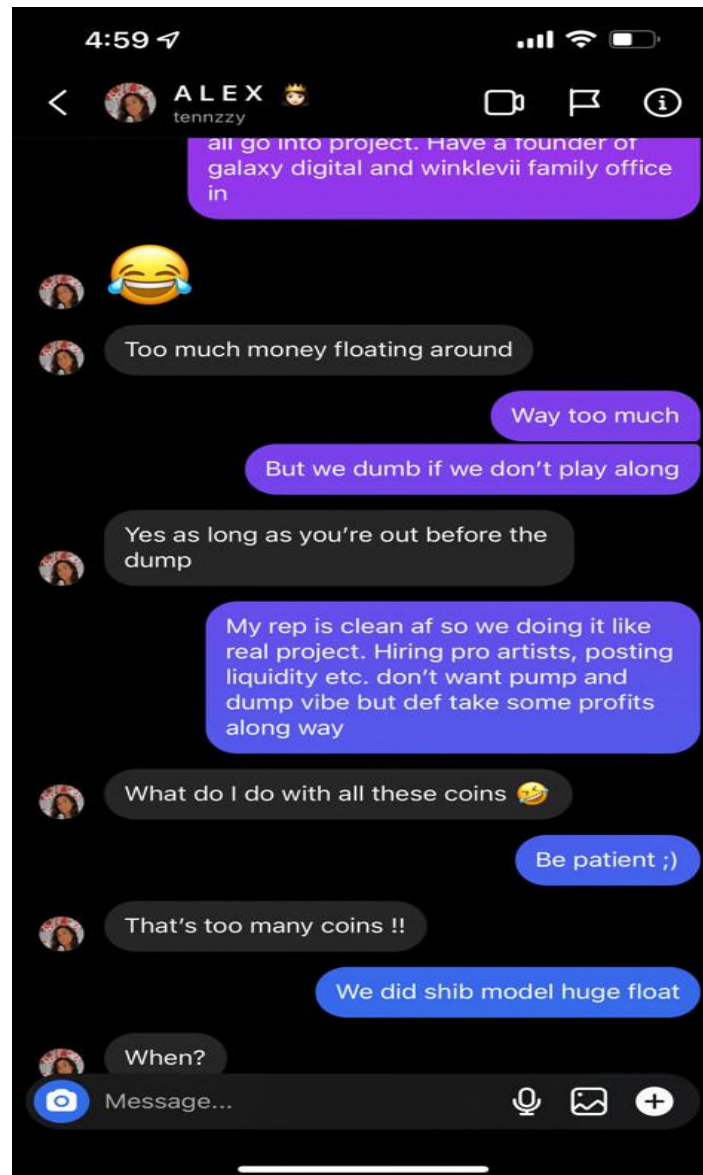
¹⁹ See <https://www.instagram.com/tv/CV8yyA2AviD> (last visited Jan. 23, 2023).



125. On November 8, 2021, in the Founding Telegram Chat, Latona comments about the scope of social media presence necessary to scale LBGCoin interest and asks Koutoulas for the plan. Koutoulas responds that he is hiring teams to handle the marketing and is “on with [S]cott [W]alker[']s guy [J]ames Heckman as we speak.”

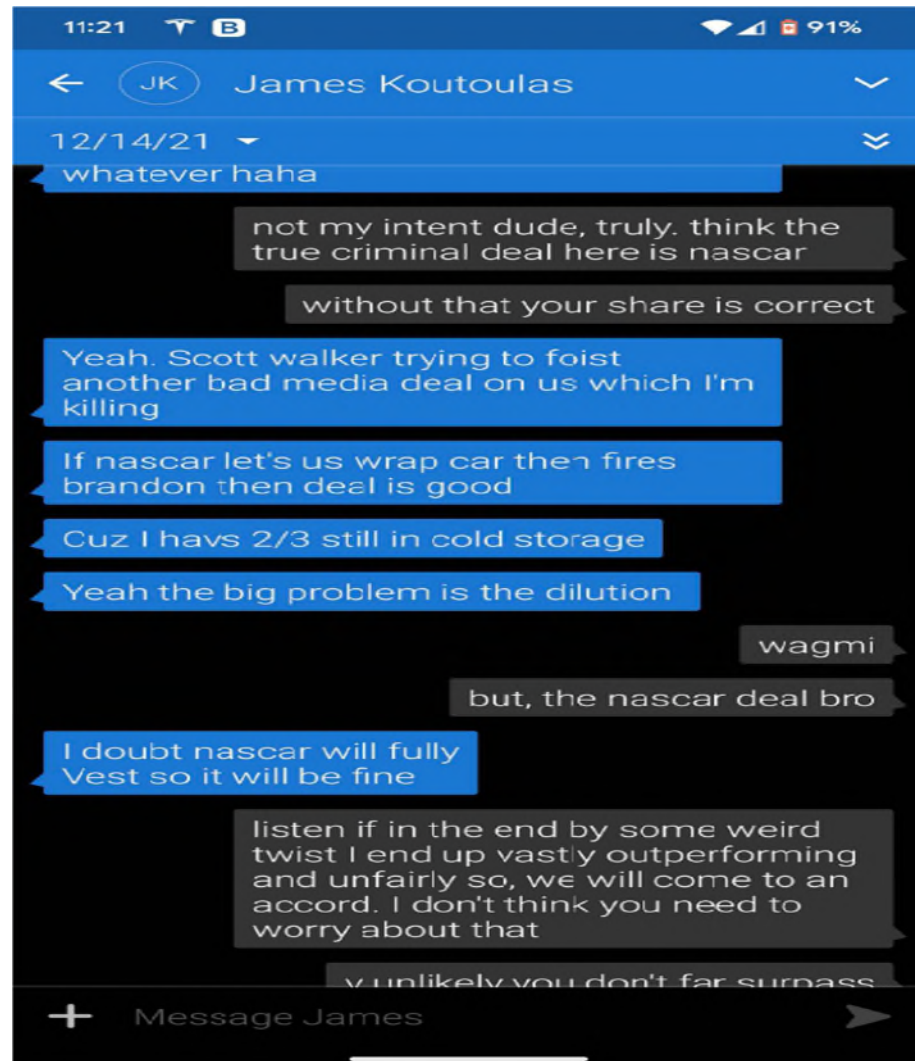
126. The chat participants then discuss offshore holding companies to serve as the physical mailing address for the LBGCoin website. Latona provides a Lagos, Nigeria number where those who answer the phone are trained to answer, “Domain Administration” and only take messages. Koutoulas responds “Love it.” Horsman asks Mascioli to make an introduction to offshore lawyers.

127. Koutoulas and other LGBCoin insiders' intent was clear: give LGBCoin the appearance of a legitimate investment vehicle with the potential for huge returns through constant marketing and promotional activities associated with the "Let's Go Brandon" phrase, often from "trusted" celebrities and political pundits, to increase demand of LGBCoin by convincing potential retail investors that its price would appreciate as a result of an official association with NASCAR, but be sure to get their own profit before the truth came out. This is all but admitted in a chat string between Koutoulas and Alex Giuliani on or around November 5, 2021, where Giuliani expresses concern that Koutoulas get out "before the dump" and Koutoulas explains that his reputation is clean so they are doing it like a "real project" and they don't want to give off a "pump and dump vibe[.]" but they should be sure to take profits along the way:



03102023PRODQ261610.

128. And again, a month later, in a text conversation with Michalopoulos where Koutoulas admits he does not believe the NASCAR sponsorship will succeed:



Michalopoulos 006.

C. The Pump – Executive, and Shill LGBCoin

1. The Individual Defendants Promote *LGBCoin*

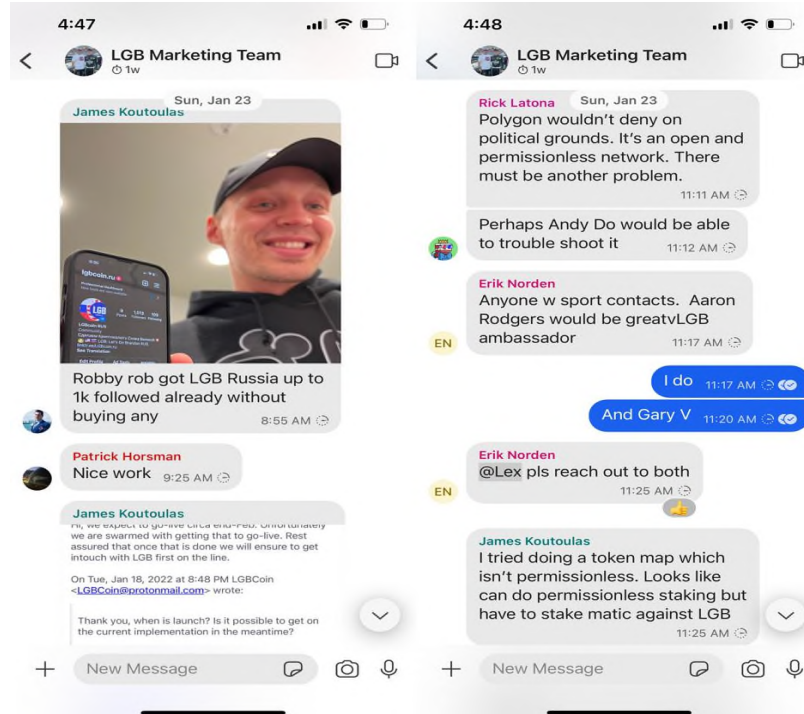
129. Defendants Koutoulas and Horsman, along with Norden, Latona and Mascioli, conspired together to promote sales of LGBCoins through a misleading association with NASCAR and via other celebrity influencers. Latona and Mascioli acted as the gateway to NASCAR driver Brandon Brown, whom they coerced into going along with the LGBCoin sponsorship agreement. Horsman and Koutoulas, for their part, would use their experience with financial products and cryptocurrency to handle all aspects of the LGBCoin's creation, promotion, and sale. Koutoulas recruited several individuals within his personal circle to assist with the promotion (Norden) and the technical aspects of the LGBCoin mint and wallet set up to transfer the tokens to insiders (Michalopoulos). The two camps had one common purpose: selling unregistered LGBCoins for their personal gain.

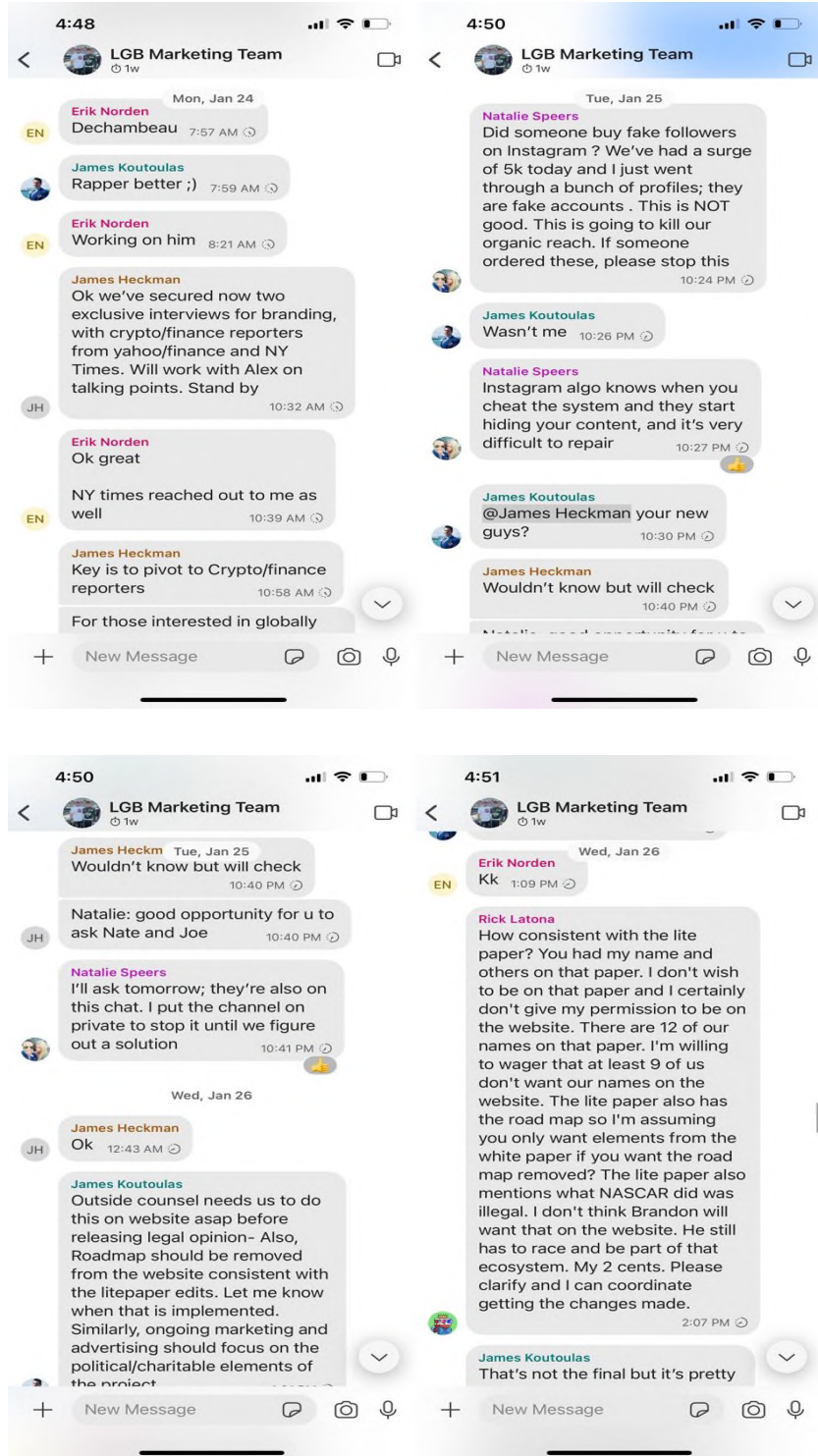
130. Koutoulas and Norden directly oversaw the promotional activity of LGBCoin, both through their own personal social media accounts and via the LGBCoin.io accounts. Koutoulas and Norden also managed the recruitment of celebrity influencers to promote LGBCoin. In addition to personally creating a host of LGBCoin promotions, Norden worked behind the scenes as an operations manager for the LGBCoin social media accounts. For example, on or around

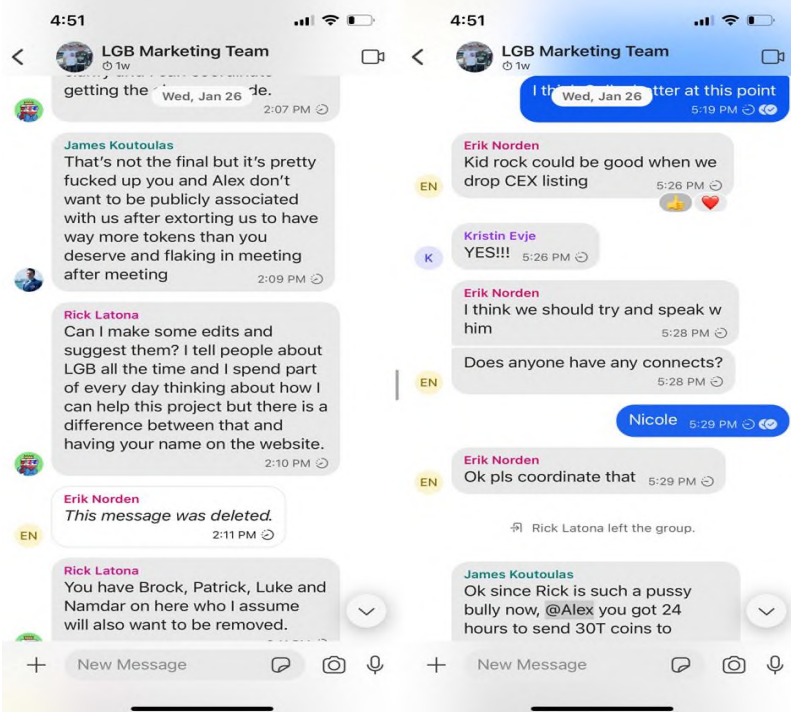
January 6, 2022, Norden created a group chat thread titled “LGB coin ban” to troubleshoot a ban of the official @lgbcoin.io account on Instagram. Norden retained a social media consultant who was able to get the ban reversed the following day. During that same conversation, Norden also negotiated with the consultant on the terms for a 24-hour promotion related to LGBCoin and handled the payment for the marketing service.

131. Koutoulas, Horsman, Latona, Mascioli, Norden, and others under the aforementioned participants’ control directed the scheme through text messages, WhatsApp, Signal and Telegram chat messages.

132. For example, marketing decisions about LGBCoin were coordinated through the “LGB Marketing Team” group chat that included as participants Koutoulas, Horsman, Norden, Giuliani, Latona, James Heckman, Natalie Speers and Kristin Evje Knudson of Social Ally, Dave Gillels (a/k/a Pyro Brain), Jasmina Midzic at Typhon, and others. 03102023PRODQ261501-261545.

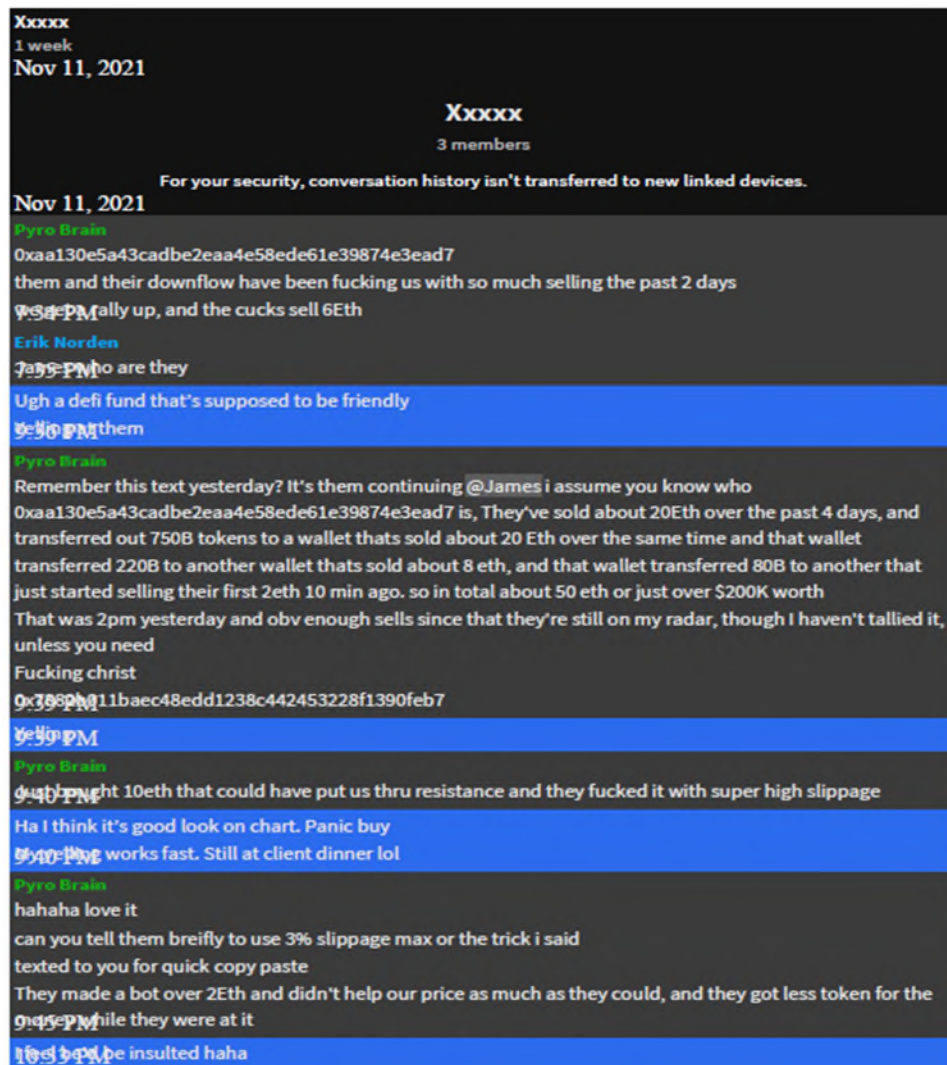


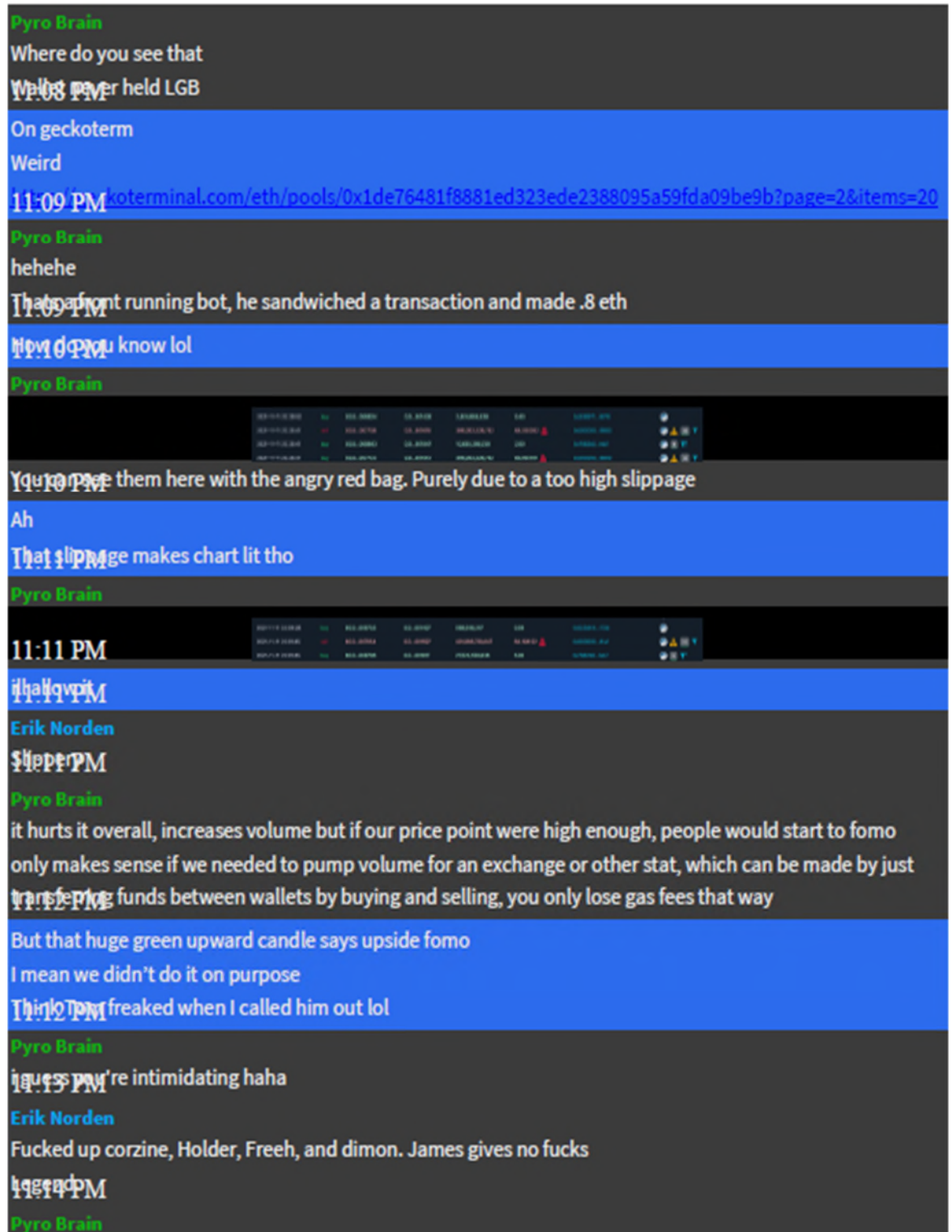




133. The Individual Defendants worked to maintain an artificially high price for LGBCoin by also limiting the ability of holders to sell into the market.

134. These efforts were coordinated in Signal chats between Koutoulas, Norden, Gillels, Horsman, and others, as evidenced in the following excerpt from the Signal chat tread:





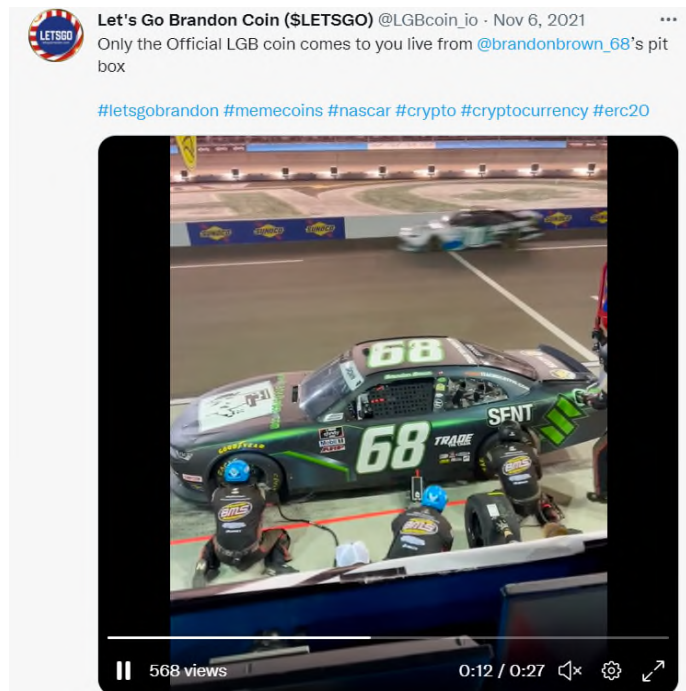
03102023PROD26S0199.

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

136. For example, on November 6, 2021, the Individual Defendants used, or directed others to use (*e.g.*, Norden), the Twitter account, handle @LGBCoin_io, to associate LGBCoin with NASCAR, Brandon Brown and BMS by repeatedly tweeting and retweeting to its thousands of followers about Brandon Brown and his appearance in the NASCAR Xfinity Series Champion Race in Phoenix, Arizona (the “Phoenix NASCAR Race”), including the following pictures and video:



* * *



* * *



137. The Individual Defendants posted, or directed others to post,²⁰ the same Brandon Brown and Phoenix NASCAR Race photos and videos to thousands of followers on LGBCoin's Instagram account @LGBCoin.io.²¹

138. Mascioli also posted a picture of Koutoulas (wearing an LGBCoin promotional shirt) on the racetrack with Brown standing together for the national anthem at the Phoenix NASCAR Race.²²

139. Likewise, that same day, Koutoulas repeatedly tweeted about LGBCoin, Brandon Brown, and NASCAR from his personal Twitter account @jameskoutoulas (the "Koutoulas Twitter account"), which was then retweeted on the LGBCoin Twitter account:

²⁰ See November 6, 2021, LGBCoin Instagram Post <https://www.instagram.com/p/CV9Xg5Zru2F/> (last visited Feb. 25, 2022); November 6, 2021, LGBCoin Instagram Post, <https://www.instagram.com/p/CV9L5cRDEAf/> (last visited Feb. 25, 2022); November 6, 2021 LGBCoin Instagram Post, <https://www.instagram.com/p/CV9FZkXvb6L/> (last visited Feb. 25, 2022); November 6, 2021 LGBCoin Instagram Post, <https://www.instagram.com/p/CV8712SPW8l/> (last visited Feb. 25, 2022).

²¹ On or about March 4, 2022, LGBCoin changed its Instagram account handle from @LGBCoin.io to the new @LetsGo handle. See Official \$LETSGO, <https://www.instagram.com/letsgo/> (last visited Jul. 19, 2022).

²² <https://www.instagram.com/p/CV9VzQODXBl/> (last visited Jul. 19, 2022).



James Koutoulas @jameskoutoulas · Nov 6, 2021

Ask and you shall receive @LGBcoin_io ! So cool to hang out with @brandonbrown_68 right before tonight's race! #LetsGoBrandon



8

7

21



* * *

Let's Go Brandon Coin (\$LETSGO) Retweeted



James Koutoulas @jameskoutoulas · Nov 6, 2021

Fun fact! The @brandonbrown_68 tour bus used to be Willy Nelson's @LGBcoin_io @NASCAR

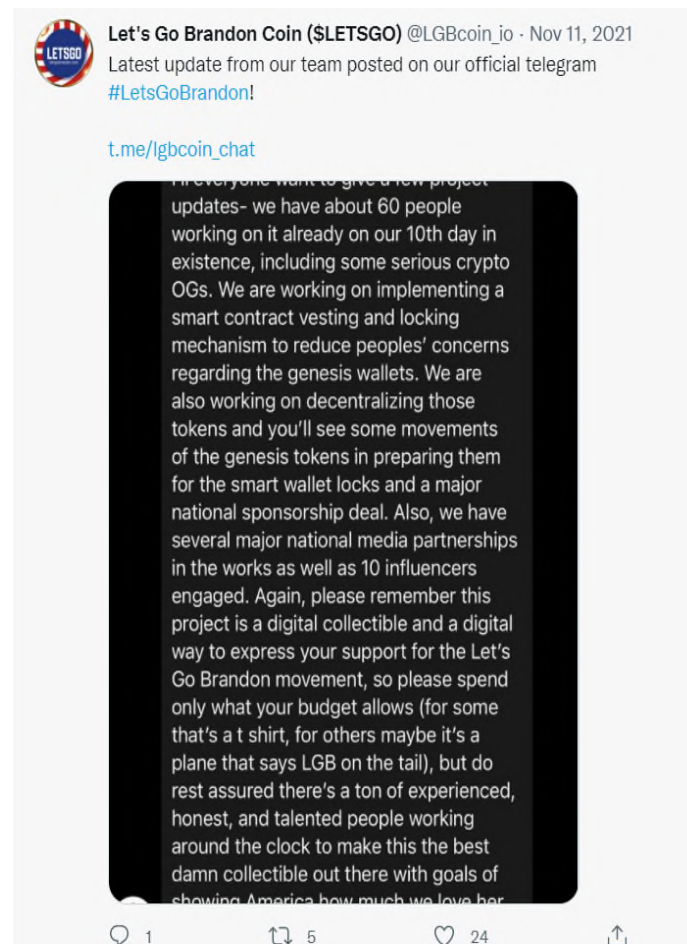


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6



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



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

Hi everyone want to give a few project updates – we have about 60 people working on it already on our 10th day in existence, including some serious

crypto OGs. *We are working on implementing a smart contract vesting and locking mechanism to reduce peoples' concerns regarding the genesis wallets.* We are also working on decentralizing those tokens and you'll see some movements of the genesis tokens in preparing them for the smart wallet locks *and a major national sponsorship deal. Also, we have several major national media partnerships in the works as well as 10 influencers engaged.* Again, please remember this project is a digital collectible and a digital way to express your support for the Let's Go Brandon movement, so please spend only what your budget allows (for some that's a t shirt, for others maybe it's a plane that says LGB on the tail), *but do rest assured there's a ton of experienced, honest, and talented people working around the clock to make this the best damn collectible out there* with goals of showing America how much we love her.²³

[Emphasis added.]

142. The Individual Defendants then continued to promote to the public that it was working to promote LGBCoin and that a NASCAR sponsorship was

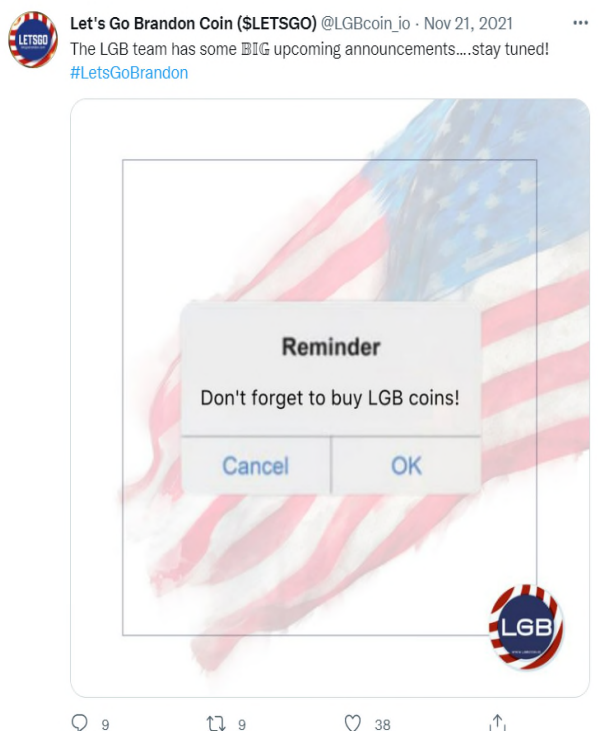
²³ See LGBCoin Twitter Account, https://twitter.com/LGBCoin_io/status/1458925209369595913/photo/1 (last visited Feb. 23, 2022).

imminent through posts made on LGBCoin's Twitter account on November 10, 2021, November 21, 2021, November 23, 2021, December 2, 2021, and December 3, 2021:

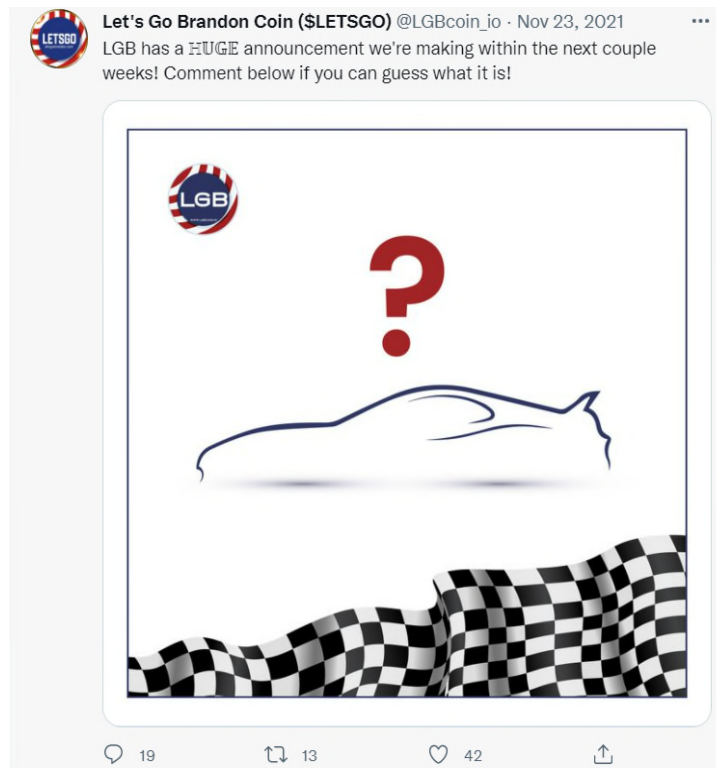
a. November 10, 2021:



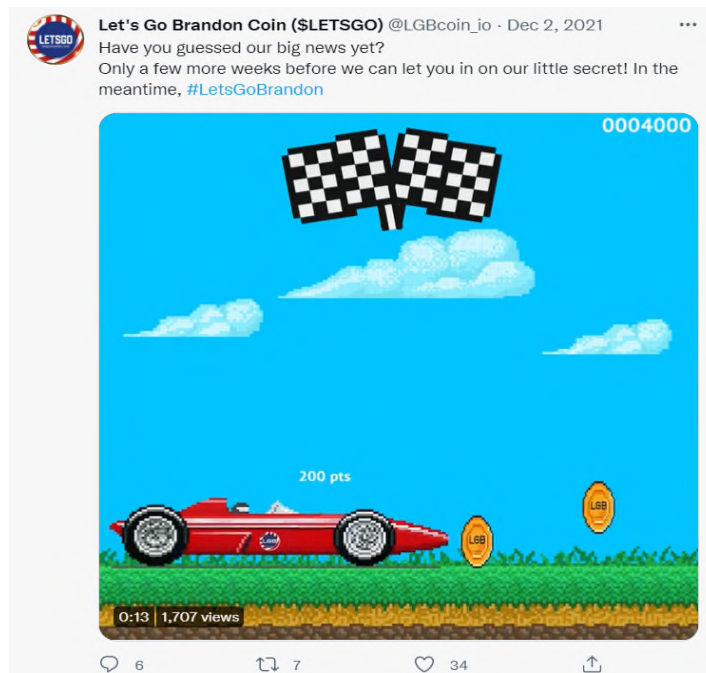
b. November 21, 2021:



c. November 23, 2021:



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



143. The same November 23, 2021 and December 2, 2021 posts were posted on the LGBCoin Instagram account by or at the individual defendants' direction.

144. On November 15, 2021, Koutoulas entered into separate agreements with Mascioli and BMS, as Trustee for “LGB Coin Foundation” that provided that in exchange for LGBCoin tokens to Mascioli and BMS that BMS would promote LGBCoin and allow the use of BMS’s trademarks to promote LGBCoin. However, if LGBCoin’s sponsorship was not approved by NASCAR, two-thirds of the tokens to be paid would be forfeited.

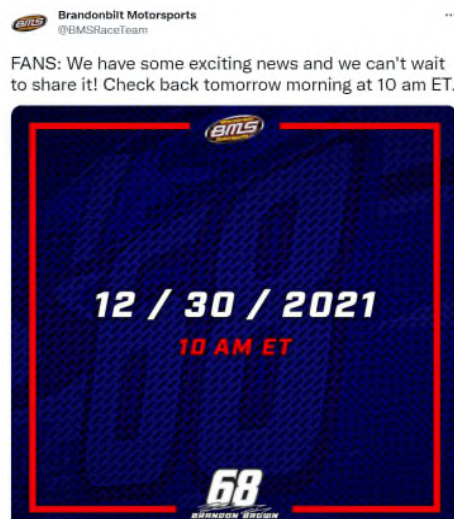
145. On November 23, 2021, Wallet 0x619 transfers 38 trillion LGBCoin tokens to Mascioli at Wallet address 0xE949360D2a2e69A89ab240e37e45ca1e0c2CD037. That same day, Mascioli transfers 5.7 trillion LGBCoin tokens to Latona at Wallet address 0xdf8Ef854071d6bA03Ca1d618f402be2ce62CCfbc. Mascioli transfers 5.3 trillion LGBCoin tokens to Jerry Brown and Wallet address 0x7364059cF7E4569F0fC0b47Cb699CBe906Ff2Bb2. Mascioli transfers 5.3 trillion LGBCoin tokens to Brandon Brown at Wallet address 0x157Eaf9e6144b91925f73C3287e49EFd0464bCc5.

146. On November 30, 2021, BMS, in accordance with its obligations under its agreement with Koutoulas, contracted with Levick Strategic Communications (“Levick”) to provide public relations and marketing support for LGBCoin.

147. On December 23, 2021, Mascioli posted a picture of Brown's racecar with only a prime coating of gray paint with the following caption: "Pumped for the 2022 NASCAR Xfinity season. What will be the new paint scheme for the season on the @brandonbrown_68 #68 @BMSRaceTeam car? You'll know soon enough."²⁴

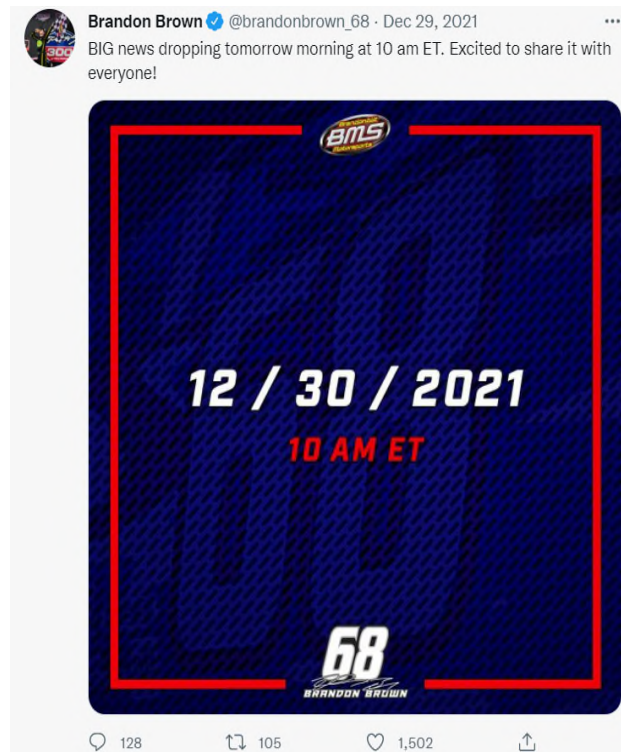
148. However, NASCAR rules require the approval of all sponsorships and provide that NASCAR may refuse to permit a team to participate if NASCAR determines that its advertising or sponsor is detrimental to the sport.

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



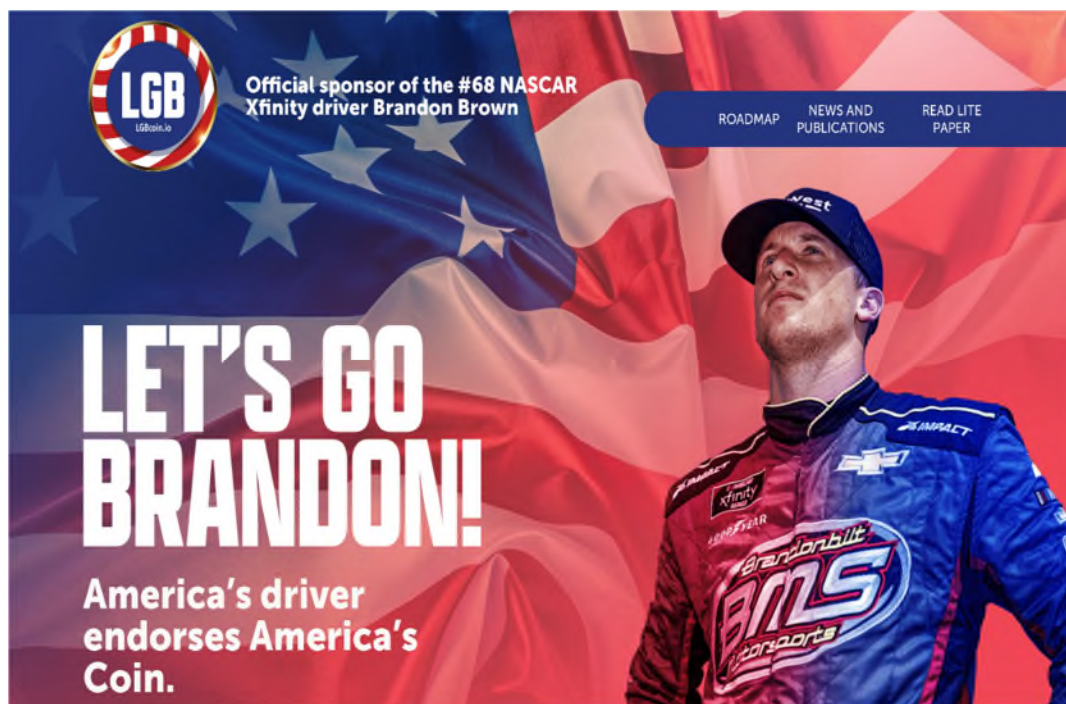
²⁴ <https://twitter.com/AlexMascioli/status/1474045240650706946> (last visited Jul. 19, 2022).

150. Brandon Brown posted a similar message about “big news” to his 33k+ followers on his Twitter account @brandonbrown_68 (the “Brown Twitter account”):

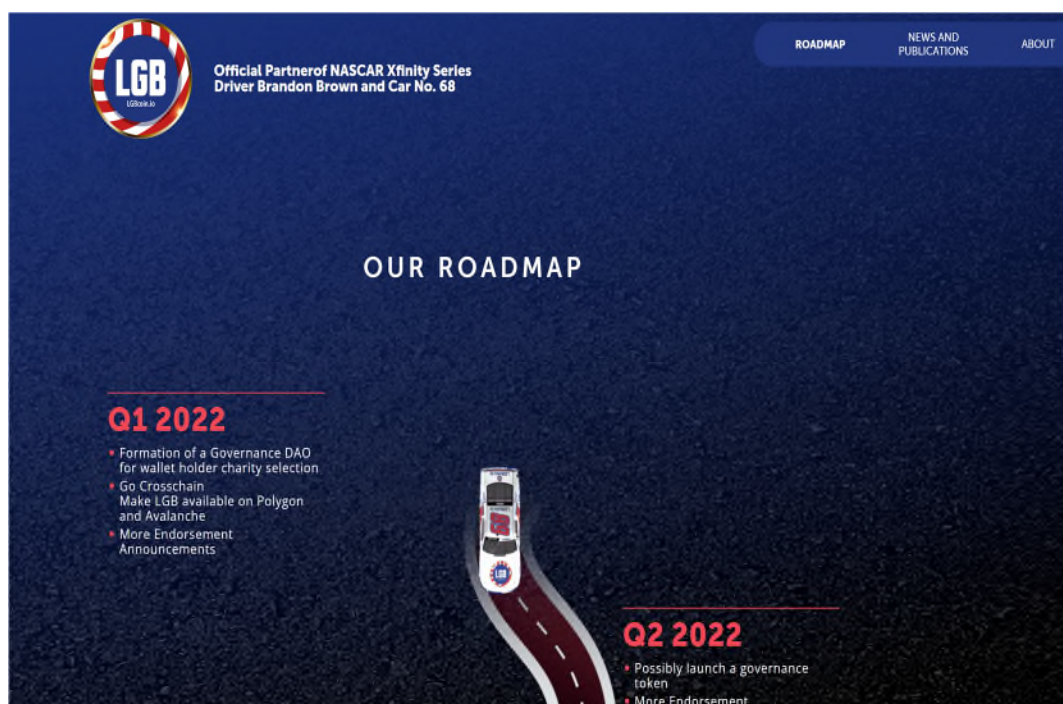


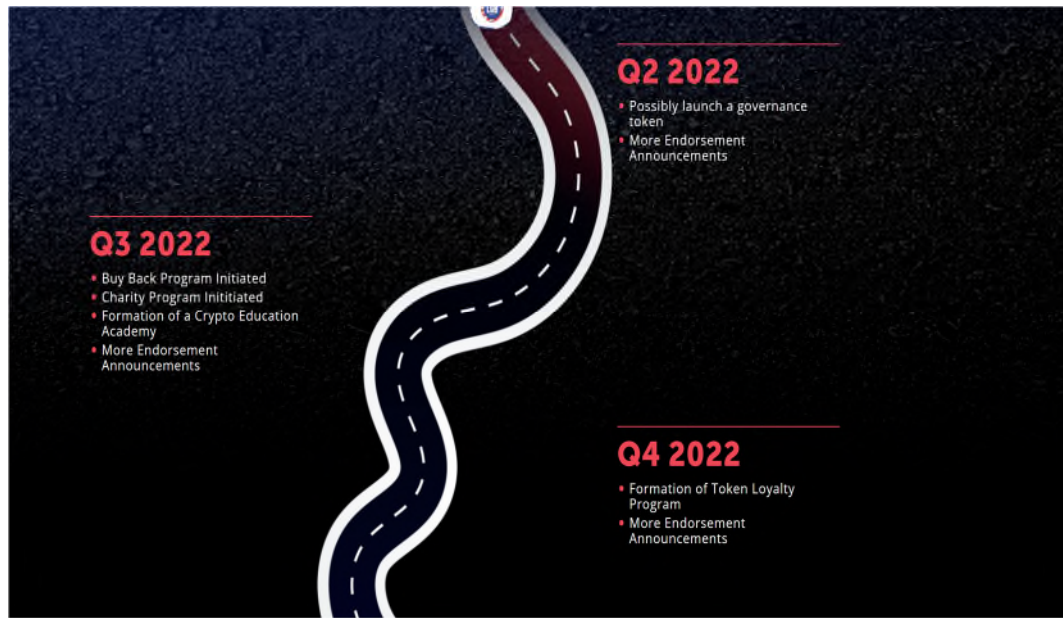
151. This big announcement was what LGBCoin had been alluding to for weeks — that LGBCoin was to be Brandon Brown’s full season primary partner for the 2022 NASCAR Xfinity Series season (the “Sponsorship”).

152. The LGBCoin.io website was relaunched predominantly featuring LGBCoin’s affiliation with NASCAR.

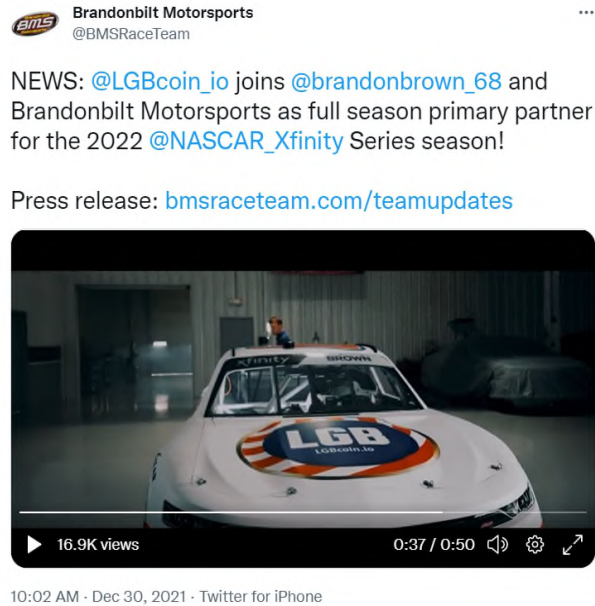


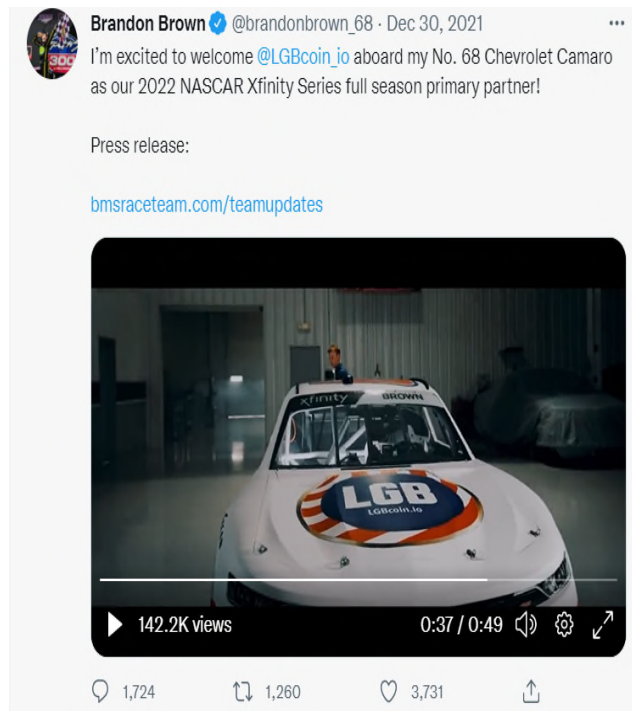
153. The website also detailed future development and promotional plans for LGBCoin:





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





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



156. Koutoulas told *USA Today* that he and LGBCoin had “put together proposed car designs a month or so ago before any of this happened because we thought (Brown) was obviously the best guy to naturally do a national sponsorship with. So we had it ready to go[.]”²⁵

157. In the 24 hours leading up to BMS’s, Brandon Brown’s, and LGBCoin’s Sponsorship announcement and the 24 hours following, the value of a single LGBCoin increased 64% from \$0.00000098 on December 29, 2021, to \$0.000001646 the morning of December 31, 2021.²⁶

3. Koutoulas and Norden’s Use of Conservative Influencers to Promote LGBCoin

158. In addition to promoting LGBCoin’s relationship to Brandon Brown, BMS, and NASCAR, Koutoulas, and Norden used their Instagram and Twitter accounts to promote LGBCoin and/or post pictures of themselves wearing the

²⁵ Josh Peter, *NASCAR driver Brandon Brown’s new paint scheme that references vulgar anti-Biden meme in limbo*, USA TODAY, Dec. 31, 2021, <https://www.usatoday.com/story/sports/nascar/2021/12/31/nascar-driver-brandon-browns-new-anti-biden-paint-scheme-limbo/9059843002/>.

²⁶ Daniel Villareal, *‘Let’s Go Brandon’ Coin Rallies as NASCAR Grapples With Insult to President Joe Biden*, NEWSWEEK, Dec. 31, 2021, <https://www.newsweek.com/lets-go-brandon-coin-rallies-nascar-grapples-insult-president-joe-biden-1664789>.

LGBCoin logo alongside prominent Republican public figures such as former President Donald J. Trump, Donald J. Trump, Jr., Peter Thiel, Texas Governor Greg Abbott, Arizona Senate candidate Blake Masters, and City of Miami Mayor Francis Suarez.

159. For example, on or around November 11, 2021, Gillels raised the possibility of recruiting Cawthorn to promote LGBCoin. Norden enthusiastically endorsed this idea, saying Cawthorn was a “legend” and that they could get in contact with Cawthorn through “Alex B.” Gillels added his own contact to Cawthorn – upon information and belief, influencer Hugie Johnston – informed him that “its something best discussed on a secure call or better yet face to face. Koutoulas confirmed that he was “down for either.”

160. On November 13, 2021, Gillels reported on Signal that a competitor token project was rumored to have conservative influencer David Harris onboard. Norden responded that “we have someone talking w him I believe.” Koutoulas confirmed “ya he gonna be at our trump table I think.”

161. Around the same time Koutoulas worked to get LGBCoin listed on various cryptocurrency exchanges. In particular, on November 20, 2021, Koutoulas wrote an email to the Bittrex exchange, indicating that Bill Shihara had instructed

him to reach out about listing LGBCoin on Bittrex. Koutoulas stated he was “a major HODLer of LGB as well as an existing Bittrex fund customer via Leonidas Cryptocurrency Fund.” Koutoulas claimed the “LGB team is finalizing a sponsorship deal with NASCAR to make Brandon’s car the LGBCoin.io car.” Koutoulas went on to brag about the naivety of the investors in LGBCoin could be used to boost new user growth at the exchange: “hundreds of people with no crypto experience have been jumping through all the hoops to buy via uniswap and coinbase wallet. The team thinks this coin will catalyze a huge in flow. Of new crypto users to whatever exchange lists it first.”

162. Throughout December 2021, Koutoulas also promoted LGBCoin at several prominent cryptocurrency and conservative events, including at Puerto Rico Blockchain Week, Turning Point USA’s AmericaFest in Phoenix, Arizona, a dinner party at Mar-a-Lago, and former President Donald J. Trump’s Christmas party in Naples, Florida.

163. Koutoulas and Norden also promoted LGBCoin on several conservative podcasts, including UnBossed Reporting with Brendon Leslie at

Florida's Conservative Voice on or about December 29, 2021,²⁷ and the Patriot Talk Show with Brendon Leslie at Florida's Conservative Voice on or about December 28, 2021.²⁸

164. Koutoulas also promoted LGBCoin through interviews on The David J. Harris Jr. Show podcast, which was recorded on or about December 13, 2021, and aired on or about December 22, 2021,²⁹ and Roundtable, which aired on or about December 14, 2021.³⁰ Koutoulas boasted during his Roundtable interview that "the [LGBCoin's] five weeks old, we've been trading around \$340 million in market cap already without even being on a centralized exchange, [with] only 5,000 holders."³¹

²⁷ Brendon Leslie, *We're hanging out the Let's Go Brandon Coin guys discussing conservative news in Florida*, UNBOSSSED REPORTING, Dec. 29, 2021, <https://twitter.com/i/broadcasts/1eaKbNyrOjKX>.

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

²⁹ See The David J. Harris Jr. Show, DJHJ MEDIA INC., Dec. 22, 2021, <https://podcasts.apple.com/us/podcast/the-david-j-harris-jr-show/id1485932439>, 15:51.

³⁰ Roundtable Crypto, *Let's Go Brandon Meme Coin Gains Traction In Conservative Circles*, ROUNDTABLE CRYPTO, Dec. 14, 2021, <https://roundtablecrypto.io/political/lets-go-brandon-new-coin>.

³¹ See *id.*

Koutoulas similarly proclaimed on David J. Harris Jr.'s podcast that "the coin is already about \$350 million in market cap."³²

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

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

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



³² See The David J. Harris Jr. Show, DJHJ MEDIA INC., Dec. 22, 2021, <https://podcasts.apple.com/us/podcast/the-david-j-harris-jr-show/id1485932439>, 15:51.

168. Defendant Horsman endorsed Owens' promotional post in a now deleted post from Horsman's official Twitter account.³³

169. Owens' promotional post generated a lot of media attention.³⁴

170. On or about December 6, 2021, at a Republican political event at Mar-a-Lago, Koutoulas promoted LGBCoin by wearing an LGB button throughout the event and appearing alongside political figures like Congressman Madison Cawthorn.³⁵ A picture shared by Koutoulas's official Instagram account shows Koutoulas (right) with Cawthorn (left) during the event:

³³ See <https://web.archive.org/web/20211125210529/https://twitter.com/horsmanp/status/1463714935481929728>.

³⁴ <https://twitter.com/RealCandaceO/status/1463702086684749826>; Ewan Palmer, *Lets Go Brandon' Crypto Coins Are Being Pushed by Conservative Figures*, NEWSWEEK, Nov. 25, 2021, <https://www.newsweek.com/lets-go-brandon-crypto-coin-launch-conservatives-1653334>.

³⁵ Koutoulas, James [@jameskoutoulas], (Dec. 4, 2021), *About last night. . .* [Photograph] Instagram. <https://www.instagram.com/p/CXFqJI6LQOf>



171. Upon information and belief, this was also the event that Norden and Koutoulas had previously discussed with Gillels as an opportunity to solidify David Harris Jr.'s exclusive promotion of LGBCoin, through gifting Harris Jr. a significant portion of LGBCoins. Norden and Koutoulas followed through on their plan as evidenced by the following post from Koutoulas – a picture of Koutoulas with Harris and Norden from the event – with the comment that Harris was a “boss @lgbcoin.io HODLer”:



172. Koutoulas and Norden also used Cawthorn to promote the sale of LGBCoin at the Mar-a-Lago event and to investors following the event through social media. In particular, the LGBCoin social media account – which is directly controlled by Koutoulas and Norden - promoted a picture of Cawthorn alongside Alex Giuliani (left) and Lauren Norden, Erik Norden’s wife (right), with the caption “@LGBCoin.io babes”:³⁶

³⁶ An image of this promotion was captured and posted on Twitter, see <https://twitter.com/patriottakes/status/1467924649501765639?s=20&t=M4G9G6ezbWKdZ79SYUm2EA>.



173. Similarly, the LGBCoin social media account posted a picture of Cawthorn (sitting on the right) having an “LGB Meeting” with Horsman (standing on the left), Koutoulas (standing on the right), and major conservative influencer Rogan O’Handley, a/k/a DC Draino (standing center), at the Mar-a-Lago event to its social media platforms in an effort to promote LGBCoin as being backed by powerful political interests:³⁷

³⁷ <https://twitter.com/patriottakes/status/1467937685130170375> (last visited Jul. 19, 2022).



174. As one commentator following the Mar-a-Lago event noted on December 6, 2021, during this event, “people . . . were posting online that LGB coin was doing well and others were falling.”³⁸

175. Koutoulas, on behalf of the “LGB Foundation” also publicly gifted conservative activist Charlie Kirk \$100,000 worth of LGBCoin to further promote LGBCoin during the Mar-a-Lago event.³⁹

³⁸ <https://twitter.com/patriottakes/status/1467943522074513417> (last visited Jul. 19, 2022).

³⁹ <https://twitter.com/patriottakes/status/1467945291567575041> (last visited Jul. 19, 2022).

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

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

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

I have some of this coin. I know Candace Owens has promoted this coin. *There's going to be some other very big names, very soon.* They're going to be talking about it and uh, this is your chance to get in early. . . . *Please share this with as many people as you can — 10,*

25 friends, 50 friends. Share it, let's get the word out, we need to — we need to bless [Koutoulas].⁴⁰

[Emphasis added.]

177. On December 19, 2021, LGBCoin's Twitter account posted a link to a *New York Times* article "Brandon Just Wants to Drive His Racecar," which came out on the same day. Mascioli posted this article as well the following day.⁴¹

178. On December 20, 2021, *Newsweek* magazine published an article prepared by Levick Communications on behalf of Brown entitled "My name is Brandon," designed to further the LGBCoin partnership. In the article, Brown claimed that he was not a political person despite being thrust into the political spotlight due to the "Let's Go Brandon" chant.⁴² Brown stated that he had "no interest in leading some political fight," but rather, would focus on "problems we face together as Americans." Brown elaborated on this point:

I understand that millions of people are struggling right now and are frustrated. Struggling to get by and struggling to build a solid

⁴⁰ See The David J. Harris Jr. Show, DJHJ MEDIA INC., Dec. 22, 2021, <https://podcasts.apple.com/us/podcast/the-david-j-harris-jr-show/id1485932439>, ___29:58-30:39, 31:53-32:58.

⁴¹ <https://twitter.com/AlexMascioli/status/1472886572123103237> (last visited Jul. 19, 2022).

⁴² Brandon Brown, *My Name Is Brandon* | *Opinion*, NEWSWEEK.COM, Dec. 20, 2021, <https://www.newsweek.com/my-name-brandon-opinion-1660525>.

life for themselves and their families, and wondering why their government only seems to make it worse.

* * *

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

* * *

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

179. LGBCoin's Twitter account, at the individual defendants' direction, Mascioli, and Koutoulas reposted the Brandon Brown *Newsweek* article that same day.⁴³

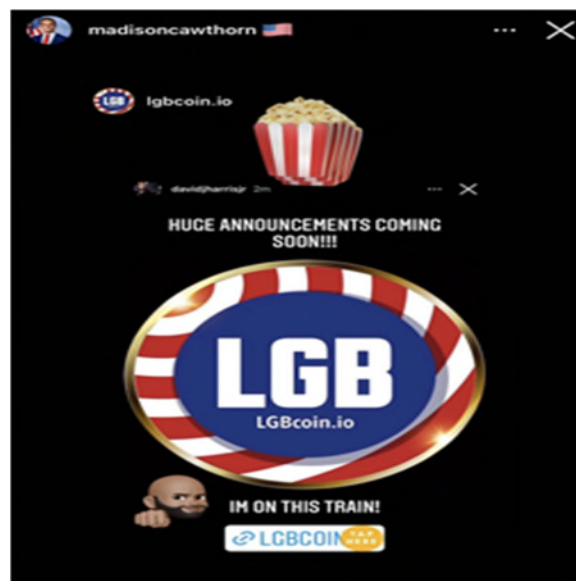
180. Also on December 20, 2021, Koutoulas gave a speech at an event sponsored by non-profit organization Turning Point USA, called AmericaFest 2021 ("Amfest 2021").⁴⁴ Amfest 2021 featured many notable conservative politicians and speakers, and Koutoulas used his proximity to these public figures to promote LGBCoin as being tacitly approved and/or endorsed by these figures.

⁴³ <https://twitter.com/jameskoutoulas/status/1472941662229852163>; <https://twitter.com/AlexMascioli> (last visited Jul. 19, 2022).

⁴⁴ <https://www.instagram.com/tv/CXtuLKsDVQL/> (last visited Jul. 19, 2022).

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

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



183. On December 23, 2021, Harris posted the following endorsement video⁴⁵ for LGBCoin on his Instagram account @davidjharrisjr, which has over 1.5 million followers:

⁴⁵ The video is footage from Harris' podcast interview with Koutoulas, which was recorded on or about December 13, 2021, and aired on or about December 22, 2021.



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

185. Trading volume for LGBCoin rose over 31% the day of Harris' promotions, going from \$2,653,477 on December 22, 2021 to \$3,478,490 on December 23, 2021.⁴⁶

⁴⁶ <https://coinmarketcap.com/currencies/lets-go-brandon/historical-data/> (last visited Jul. 19, 2022).

186. Harris continues to support LGBCoin by posting numerous photos and videos on his Instagram account wearing Let's Go Brandon apparel and even sells Let's Go Brandon apparel on the David J. Harris Jr. official online store.⁴⁷

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

188. Fletcher's combined social media following from YouTube, Twitter, and Instagram amounts to over 1.2 million.⁴⁸

189. In an email dated December 27, 2021, Koutoulas sent Fletcher his bio and headshot in advance of a scheduled appearance by Koutoulas on Fletcher's podcast. In the body of the email, Koutoulas told Fletcher to obscure the nature of his involvement and financial interest in LGBCoin, stating: "Just please don't

⁴⁷ See David J. Harris Jr. official online store, <https://davidharrisjr.store> (last visited Jul. 19, 2022).

⁴⁸ See Fletcher's YouTube Channel, <https://www.youtube.com/c/FleccasTalks> (last visited Mar. 4, 2022); Fletcher's Twitter account, <https://twitter.com/fleccas> (last visited Mar. 4, 2022); and Fletcher's Instagram Account, <https://www.instagram.com/fleccas/> (last visited Mar. 4, 2022).

mention typhon at all. Our big institutional clients made me agree to that in order to do coin thing. We call me a HODLer of LGB as opposed to involved in management.”

190. On December 28, 2021, Leslie obliged Koutoulas’ request to hide the true nature of his involvement with LGBCoin. Leslie promoted Koutoulas’ appearance on the Patriot Talk Show, referring to Koutoulas only as one of the “Major HODLer’s of Let’s Go Brandon Coin” instead of one of the founders and executives behind LGBCoin.

191. On December 28, 2021 and December 30, 2021, Fletcher reposted the following solicitations (including the aforementioned post from Leslie) for LGBCoin on his Twitter account @fleccas:

a. December 28, 2021:



b. December 30, 2021:





* * *



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

193. During the December 28, 2021, Patriot Talk Show with Brendon Leslie, which upon information and belief, was recorded at the Seed to Table market in Naples, Florida, an audience member asked Leslie how to purchase LGBCoin. Leslie coyly responded that, “It’s . . . a . . . very easy. And I recommend doing it *for no apparent reason of knowledge that I know, I recommend buying it tonight. Just saying.* You go to LGBCoin.io.”⁴⁹ Koutoulas and Norden then laughed at Leslie’s response because they understood the value of LGBCoin would rise significantly once Brandon Brown and BMS announced their NASCAR Sponsorship with LGBCoin.

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

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

—

⁴⁹ Patriot Talk Show, <https://twitter.com/BrendonLeslie/status/1475980992749846529>, Minute 24:50-25:10. (last visited Jul. 19, 2022).

Leslie is then cut off by Norden, who looks at Koutoulas and insinuates the imminent LGBCoin sponsorship announcement by noting the impending change to LGBCoin's website.⁵⁰

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



196. Norden also repeatedly promoted LGBCoin on Leslie's podcasts and identified himself as someone "wrapped in this LGB every day, 24/7"⁵¹ and a self-proclaimed, "avid" meme creator for LGBCoin. During the December 28, 2021, Patriot Talk Show with Brendon Leslie, Norden emphasized how important it was

⁵⁰ *Id.* at 19:10-19:29.

⁵¹ *Id.* at 9:27-9:31.

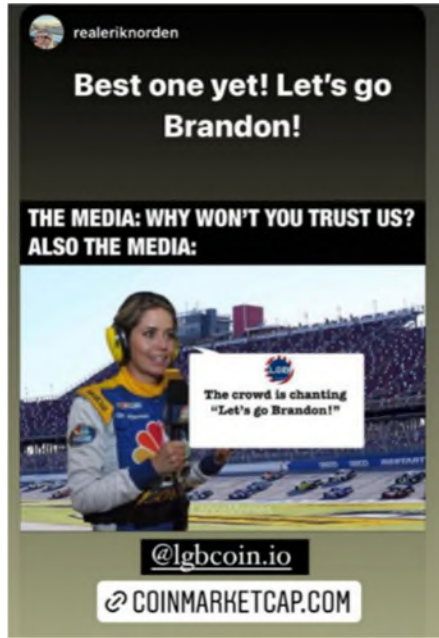
for him to make memes to promote and inflate LGBCoin's value, stating "*memes move markets*. They really do. You know, you have one good meme, and it gets reposted by the right person, and you have a slew of buys and you do it the wrong way and you get a slew of sales. *And they're really big market movers.*"⁵²

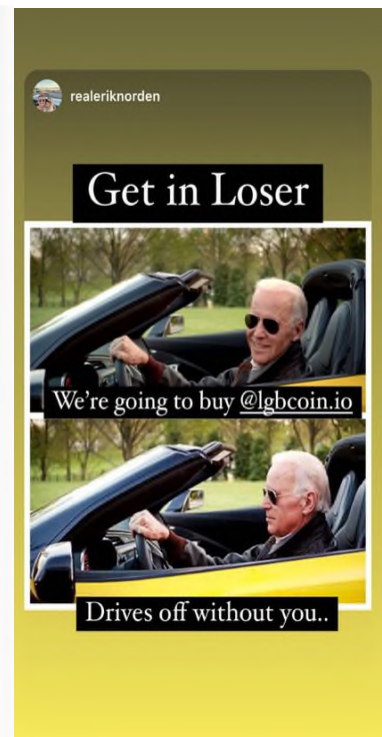
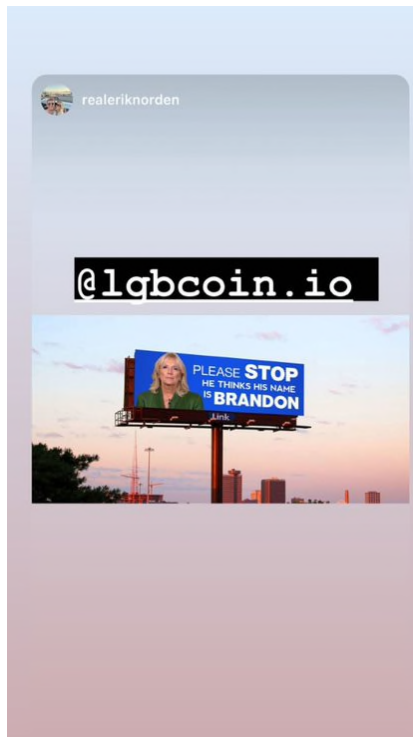
197. Norden reiterated during the December 29, 2021 UnBossed Reporting with Brendon Leslie podcast that the misleading origin story that Koutoulas "was gifted a trillion tokens as a thank you for . . . the ten-year anniversary of MF Global" and added ". . . six weeks later you know, we . . . you know, *I kept making memes and had the right accounts pick them up, . . .* And yeah, it just became . . . *it just went from . . . zero dollars to \$330 million in market cap.*"⁵³

198. Norden also posted and re-shared several of these market-moving memes on his social media accounts directing investors to lgbcoin.io's website and social media pages and encouraging them to purchase LGBCoin:

⁵² *Id.* at 9:50-10:09.

⁵³ *Id.* at 12:17-12:45.







199. As an executive officer of a hedge fund, Koutoulas (who also touts himself as an “investor protection” attorney) knew or should have known that his promotional activities with Norden were misleading and improperly inducing retail investors like Plaintiffs and the class to purchase the unregistered security LGBCoin.

200. For example, in a recorded zoom interview with Carter and Koutoulas where they were discussing LGBCoin and its origins, Carter recounts the false origin story of how he created LGBCoin and gifted Koutoulas one trillion LGBCoins. Koutoulas enthusiastically says “Let’s go Brandon. 1 trillion coins. Yeah baby! Rocket to the moon!” while clapping his hands and pumping his fist. A few moments later, Koutoulas composes himself and then disclaims “please note,

it has no value. It is a digital collectible only. Don't spend money on it unless you want to light it on fire but [Koutoulas pauses at this point for a moment then says] . . . *to the moon.*"

201. The cliché "this is not financial advice" disclaimer Koutoulas gives in this interview (similar to the "just a meme coin" disclaimer in LGBCoin's pseudo whitepaper) is immediately undercut by the declaration by Koutoulas to reassure investors that the price of LGBCoins was nevertheless going to go up "to the moon."

202. Likewise, the following December 29, 2021 post – a picture of Koutoulas and Norden both wearing LGBCoin buttons and posing with Cawthorn – and comment exchange with Koutoulas and Cawthorn, respectively, from Koutoulas' Instagram account gives the same messaging:



203. On December 21, 2021, Koutoulas transfers from Wallet 0x85e 180 billion LGBCoins to Cawthorn. Ten days later, right after LGBCoin announced a sponsorship of NASCAR driver Brandon Brown, the Cawthorn Wallet sells off 65.8 billion LGBCoins worth approximately \$105,000 in Wrapped Ethereum. Cawthorn's December 29, 2021 comment on Instagram to Koutoulas that "Tomorrow we go to the moon!" indicates that Cawthorn knew about the impending announcement directly from Koutoulas and sold off on the run up.

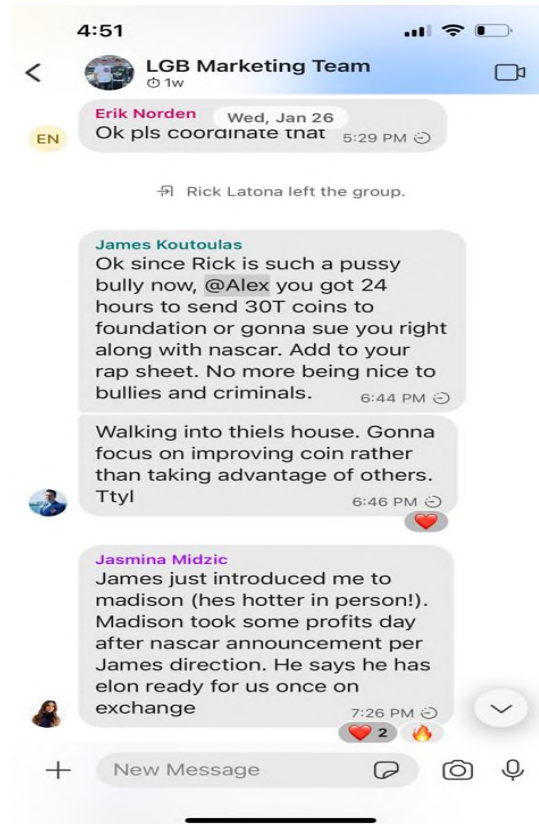
204. Notably, the Congressional House Committee on Ethics launched an investigation of Cawthorn's activities. The subcommittee's report found that in

December 2021 Cawthorn provided a \$150,000 check made out to Koutoulas for 180 billion LGB Coin. But the actual value of the amount of LGB Coin at the time he received it was more than what he had paid, according to the report, which called it an improper gift.

205. The Committee also sought testimony from Koutoulas, who it referred to as Witness 1 in its report. The Committee found Koutoulas's testimony to not be credible, noting that his testimony contradicted other testimony and that Koutoulas claimed to not know the basis for Cawthorn's written statement that was written solely by Koutoulas.

206. The Committee did not find sufficient evidence of insider trading or fraud writing that there "is not clear evidence on the record showing [Koutoulas] gave Representative nonpublic, material information or that Representative Cawthorn purposefully sold his LGB Coin in order to gain a maximum return on his investment."

207. However, LGBCoin insiders knew differently. As Koutoulas's Typhon's Director of Investor Relations and LGBCoin insider Jasmina Midzic notes in the LGB Marketing Team group chat, Madison Cawthon sold LGBCoin immediately after the NASCAR announcement at Koutoulas's direction.



208. The promotion by Cawthorn and Cawthorn’s purchase increased the available trading volume of LGBCoin and provided exit liquidity for the sales by the Individual Defendants and other LGBCoin insider (who, as discussed in the wallet tracing section below, also sold all the way up to the price peak).

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

only 5,000 holders.”⁵⁴ One week later Koutoulas similarly proclaimed on David J. Harris Jr.’s podcast that “the coin is already about \$350 million in market cap.”⁵⁵ The following week, on December 29, 2021, Norden gave the same promotional talking point on the UnBossed Reporting podcast that LGBCoins “went from \$0 to \$330 million.”⁵⁶

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

211. Koutoulas continued to use his association with celebrity influencer Candace Owens as a way to promote LGBCoin and prop up investor interest

⁵⁴ Roundtable Crypto, *Let’s Go Brandon Meme Coin Gains Traction In Conservative Circles*, ROUNDTABLE CRYPTO, Dec. 14, 2021, <https://roundtablecrypto.io/political/lets-go-brandon-new-coin>.

⁵⁵ See The David J. Harris Jr. Show, DJHJ MEDIA INC., Dec. 22, 2021, <https://podcasts.apple.com/us/podcast/the-david-j-harris-jr-show/id1485932439>, 15:51.

⁵⁶ Brendon Leslie, *We’re hanging out the Let’s Go Brandon Coin guys discussing conservative news in Florida*. UNBOSSSED REPORTING, Dec. 29, 2021, <https://twitter.com/i/broadcasts/1eaKbNyrOjKX>.

following January 6, 2021, as Koutoulas' January 6, 2022, Instagram post with Giuliani shows:



212. The aforementioned promotional activities by Koutoulas, Horsman, Norden, and others generated the trading volume needed for the Individual Defendants and their co-conspirators to offload their LGBCoin allocations onto unsuspecting investors. While Plaintiffs and class members were buying the inappropriately promoted LGBCoin, Individual Defendants and their cohorts were able to, and did, sell their LGBCoin during the Relevant Period for substantial

profits. LGBCoin admits as much when describing the failure of the LGBCoin, stating that “without sales restrictions, large holders were able to sell into the announcements, putting the sustainability of the project at risk.”⁵⁷

213. Further, Defendants conspired together to accomplish these sales. An example is found in a spreadsheet accounting for a \$1 million sale of LGBCoin made in December 2021 where the LGBCoin principles allocate the proceeds between themselves.

LGBcoin.io Block Trade Allocation Form									
Buyer:	Jeff Hanson				Consortium Parties:	% of trade	Opt-In?	Adjusted Allocation %	ERC20 Wallet
Seller(s):	LGBcoin.io DAO + Supporter Consortium				LGBcoin.io DAO	40.00%	X	40.00%	
Introducer:	James Heckman				.JK	19.70%	X	19.77%	One80045b2c67d931635BA8b372351c173981A047
USD On-Ramp Provider:	Scott Walker				PH	12.90%	X	12.98%	
					AM	22.00%	X	22.00%	
Purchase Price:	\$	1,000,000.00			XB	4.45%		4.47%	
Purchase Currency:		USD			DR	2.00%	X	2.00%	
LGB Valuation at time of fill:	\$	290,363,153.00			RL	1.70%	X	1.70%	
Discount applied:		25%			SV	1.00%	X	1.00%	
Net Valuation for Quantity Calculated	\$	195,272,364.75			JH	0.30%	X	0.30%	
Percent of Diluted Float Purchased		0.512%			Total opted-in:	99.63%			
LGB Quantity to be Delivered:		1,693,947,271.456							
On-Ramp Commission Rate:		3%							
On-Ramp Commission paid to Scott	\$	30,000.00							
Introducer Commission Rate:		5%							
Introducer Commission paid to Jam	\$	50,000.00							
Net Proceeds for Consortium:	\$	920,000.00							
	USD in	LGB out	Wallet						
Allocation to LGBcoin.io DAO	\$	363,366.66	678,489,318,062.89	0					
Allocation to .JK	\$	191,913.08	334,155,989,638.47	One80045b2c67d931635BA8b372351c173981A047					
Allocation to PH	\$	119,397.77	219,321,672,387.08	0					
Allocation to AM	\$	203,151.66	373,163,125,494.59	0					
Allocation to XB	\$	-	75,491,936,745.75	0					
Allocation to DR	\$	18,468.33	33,924,465,953.14	0					
Allocation to RL	\$	15,698.08	28,835,796,060.17	0					
Allocation to SV	\$	9,234.17	16,962,232,976.57	0					
Allocation to JH	\$	2,770.25	5,088,689,892.97	0					

03102023PRODQ450406.

⁵⁷ See New LetsGoBrandon.com Crypto coin (\$LETSGP) Relaunched with 3 Significant Announcements, <https://roundtable.io/crypto/lets-go/news/new-lets-gobrandon-com-crypto-coin-lets-go-relaunched> (last visited Jul. 19, 2022).

214. As the spreadsheet indicates, proceeds of this sale, which is to be filled from one of Koutoulas's wallets, are allocated to Koutoulas, Horsman, Mascioli, Latona, Walker, Heckman, and others, providing all of them substantial profit through the sale of the unregistered security, LGBCoin.

4. NASCAR's Approval of the LGBCoin Sponsorship

215. NASCAR sponsorship by its sponsors is intended to increase the sales of the sponsors' products. When sponsors increase their sales and revenues through a NASCAR sponsorship, those increased sales serve to attract more sponsors to NASCAR. Thus, NASCAR has an incentive to foster and approve successful sponsorship relationships, including the LGBCoin sponsorship.

216. NASCAR generates revenue through broadcasting rights, sponsorship agreements, ticket sales, and licensing agreements, among other things. It is to NASCAR's benefit if its sponsorships facilitate and induce purchases of and brand loyalty to the sponsors' goods or services. When a NASCAR sponsorship increases revenue for its sponsor, it attracts and holds sponsors to NASCAR. Thus, in this case, NASCAR had a strong interest in inducing the sale and success of LGBCoin.

217. In furtherance of its own financial interests, on December 26, 2022, NASCAR gave its approval of the sponsorship to Brandon Brown, BMS, and LGBCoin. NASCAR also knew approval provides exposure and marketing

advantages and thus was essential to the promotion and the value of the LGB cryptocurrency. To achieve the financial benefits NASCAR received from the sponsorship, NASCAR intended to induce purchases of LGBCoin by approving the sponsorship.

218. The value and sale of LGBCoins increased following the announcement of the approval of the LGBCoin sponsorship; the value sank to zero when it was disclosed that NASCAR had revoked its approval.

219. As far back as early November, 2021, NASCAR entertained a sponsorship with LGBCoin and was well aware of LGBCoin's desire to promote and associate Brandon Brown and the LGBCoins with NASCAR. On November 2, 2021, Matt Humphreys with Track Communications at NASCAR emailed Nyquist asking him to meet with MacLeod to discuss BMS' business development with LGBCoin:

From: Humphrey, Matt </o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b206a88a24594090808c7d37da04a7b6-mhumphrey@n>
To: Nyquist, Eric
Sent: 11/2/2021 1:04:38 AM
Subject: Brandon Brown - Counsel

Eric,

I just had a lengthy conversation with Mac McLeod, who handles comms for Michael McDowell and Brandon Brown. With Brandon, he's also involved with that team's business development and they are being approached by quick-buck cryptocurrency hucksters trying to cash in on Let's Go Brandon.

Meanwhile, they are contemplating a campaign for the NXS Most Popular Driver Award that would include a social media video that spoofs a political campaign.

As you can see, this team needs some advice. Would you have a few moments on Saturday to spend some time with Mac and perhaps even Brandon to walk them through strategies on how to address this?

They are continually being hounded for comment on Let's Go Brandon and they want to find a way to address this without jeopardizing their political neutrality.

Please advise and I can connect you with Mac.

All the best,
 Matt

Matt Humphrey | Track Communications | NASCAR
 Auto Club Speedway | Iowa Speedway | Kansas Speedway | Phoenix Raceway
 (386) 453-8693 | mhumphrey@nascar.com



220. NASCAR executives then met with Brown, BMS owner Jerry Brown, and LGBCoin's representative, Mascioli, and others on November 6, 2021, to discuss the possibility of a sponsorship with LGBCoin.⁵⁸

221. Present at the meeting were Eric Nyquist ("Nyquist"), NASCAR Senior Vice President and Chief Communications & Social Responsibility Officer, Jennifer Knoeppel ("Knoeppel"), NASCAR Senior Director, Team, Driver & Industry Communications, and Justin Swilling ("Swilling"), NASCAR Senior Manager, Driver & Team Marketing, and BMS driver Brandon Brown, BMS owners

⁵⁸ See Liz Clark, *NASCAR Rejects Sponsorship Deal Based on 'Let's Go Brandon' Chant*, THE WASHINGTON POST, Jan. 4, 2022, <https://www.washingtonpost.com/sports/2022/01/04/LGBCoin-lets-go-brandon-nascar-rejected/>.

Jerry Brown and David Clarke, BMS Director of Marketing Mac MacLeod (“MacLeod”), and Mascioli, Co-founder of Trade the Chain, the current BMS sponsor. At the meeting, Nyquist advised that while NASCAR management was in discussions with regards to their future policies moving forward on politics, political candidates, and political issues being displayed on race cars, there was no new rule at that time. Nyquist also said that while LGBCoin and BMS were free to use the meme “Let’s Go Brandon” in any way they wanted off the track, NASCAR would not approve us to use the meme “Let’s Go Brandon” on the race car as they were trying to steer away from political issues. However, LGBCoin and BMS were never told that they could not use the phrase LGBCoin. They also discussed the possibility of a joint press conference on the issue.

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

223. For example, two days after the Talladega Race and leading up to the championship weekend at Phoenix Raceway, NASCAR president Steve Phelps commented on the Let’s Go Brandon chant and its political connotations. Notably,

the issue that most displeased Phelps was that some of the Let's Go Brandon apparel being sold featured NASCAR's trademarked color bars and added that NASCAR would be pursuing legal action against those who are profiting off the phrase using said bars: "We will pursue whoever (is using logos) and get that stuff. That's not OK. It's not OK that you're using our trademarks illegally."⁵⁹ While NASCAR was willing to pursue legal action against those merchants who did not cut NASCAR in on the merchandise sales for Let's Go Brandon apparel, NASCAR has not pursued any legal action (copyright, trademark infringement, or otherwise) against LGBCoin, the Individual Defendants, Brown, or BMS.

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

225. BMS's MacLeod submitted all necessary information concerning LGBCoin.io's potential sponsorship to Defendant NASCAR's Director of Operations, Dale Howell. Howell approved the sponsorship on December 26, 2021, by email writing "The sponsors are approved."

⁵⁹ Asher Fair, *NASCAR is going after some let's go Brandon' users*, FANSIDED – MINUTE MEDIA, Nov. 14, 2021, <https://beyondtheflag.com/2021/11/14/nascar-going-lets-go-brandon-users/>.

226. The email exchange between MacLeod and NASCAR's Howell confirmed LGBCoin's sponsorship details: specifically referenced the LGBCoin name, LGBCoin.io, prominently featured the LGBCoin logo:

From: Howell, Dale </O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=8FD112E6A8DE40279900EBF8FC727973-HOWELL, DAL>
To: Mac MacLeod
Sent: 12/26/2021 1:48:09 PM
Subject: Re: Brandonbilt Motorsports Paint Scheme Submission - Daytona
Attachments: Brandon Brown Daytona 1 Submission.jpg

Good morning Mac,

The sponsors are approved however please clean up the markings around the number especially the white stars touching the white number.

2022 we are really going to hone in on keeping the numbers clean per the rule book nothing within 2" should be touching the numbers we understand some step and repeats, however in this case white and white makes it blob.

My rule of thumb is step back from the computer screen and see how it looks. In the shop or up close it looks fine but think about the tower or safety vehicles seeing it go 170mph.

Dale Howell
 NASCAR Racing Operations
 386-235-1465

On Dec 25, 2021, at 1:20 PM, Mac MacLeod <mac.macleod@fastlanemediainc.com> wrote:

WARNING: This email originated outside of NASCAR Enterprises, LLC.
DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Dale, good afternoon and Merry Christmas!

I'm sure that you won't see this until sometime next week, but I just received this from the team and wanted to get it in front of you for a hopeful approval next week. I tried submitting via the paint scheme portal, however there are no race events listed to select from.

The attached paint scheme is being submitted for Daytona.

General

Driver: Brandon Brown
Owner: Jerry Brown
Entry List: LGBCoin.io Chevrolet Camaro

Events

Daytona

Sponsor: *They are a Cryptocurrency*

Hood: LGBCoin.io
Decklid: LGBCoin.io
TV Panel: LGBCoin.io
Rear Quarter Panel: LGBCoin.io
Lower Front Quarter Panel: None
Lower Rear Quarter Panel: TradeTheChain.com
B Post: None
C Post: TradeTheChain.com
Spoiler: None
Roof: LGBCoin.io
Side Skirt: None
Door Panel: None

Paint Scheme: *Attached to email*

Please let me know if you have any questions. Looking forward to hearing from you next week.

Thanks!

Mac MacLeod
 <Brandon Brown Daytona 1 Submission.jpg>

227. The sponsorship approval was unambiguous.

228. Based upon this written approval, Mascioli and BMS subsequently issued a press release announcing the LGBCoin sponsorship approval on December 30, 2021.

229. Brown filmed a promotion unveiling his car and LGBcoin as his official sponsor, and BMS incurred costs in wrapping the racecar and hauler and purchasing fire suits in reliance on the approval.

230. NASCAR did not deny it had given its approval or publicly issue a withdrawal of that approval until seven days later on January 5, 2023.

231. During this seven-day period, LGBCoin soared to new all-time-highs and record volume of over 5 million on December 31, 2021, as the announcement generated millions of media views globally and thousands of new buyers purchased LGBCoin in reliance on NASCAR's approval of the LGBCoin sponsorship of Brandon's car.

232. Following LGBCoin's launch, the Individual Defendants' promotional activities in November and December 2021, and NASCAR's December 26, 2021, approval of the Sponsorship among Brandon Brown, BMS, and LGBCoin, the trading volume and price of LGBCoin surged. On January 1, 2022, LGBCoin reached the maximum price of \$0.000001734, which represents 510% increase from

its initial price of \$0.00000034. CoinMarketCap reflects that there were 5,281 unique account holders of LGBCoin the day before the Sponsorship announcement, which skyrocketed to 10,257 unique account holders of LGBCoin by January 5, 2022. At its height, LGBCoin reached a market value of more than \$570 million⁶⁰ with a liquidity pool of \$6.5 million.⁶¹

D. Wallet Tracing Proves Ill-Gotten Gains Received by LGBCoin Insiders

1. Individual Defendants Koutoulas and Horsman

a. Koutoulas

233. Koutoulas used the following wallet addresses to sell and/or transfer his LGBCoins to other wallets under his ownership and/or control that also sold off:

- 0x40ecf54ad6339e0b346a48f4907661bde67dd4d0 (the “Hub Wallet”)
- 0x37364ca1fd526ed06c6e0a36b8d471919b0e273f (“Koutoulas Wallet #1”)

⁶⁰ Noah Kirsch, *Squabbling ‘Let’s Go Brandon’ Crypto Team Tries to Relaunch*, THE DAILY BEAST, Feb. 23, 2022, <https://www.thedailybeast.com/lets-go-brandon-crypto-team-tries-to-relaunch-after-james-koutoulas-threatened-lawsuit>.

⁶¹ Noah Kirsch and Zachary Petrizzo, *‘Let’s Go Brandon’ Crypto Coin Turns Into Total Dumpster Fire*, THE DAILY BEAST, Feb. 11, 2022, <https://www.thedailybeast.com/lets-go-brandon-crypto-coin-turns-into-total-dumpster-fire>.

- 0x65ad6f29bec4b298f83c8b75ce7a6687522419de (“Koutoulas Wallet #2”)
- 0xe7007f52283CF10B38AE191FE0b1385907016D4c (“Koutoulas Wallet #3”)
- 0x0B443D64B3D2CFE30865129c5d113aC86dc5229B (“Koutoulas Wallet #4”)
- 0x85e116b86839440c1e162c24a488b61e71d69207 (“Koutoulas Wallet #5”)
- 0x2986534b03b87d358224daee9e1585c32b7725db (“Koutoulas Wallet #6”)

234. In total, Koutoulas Wallet #1 transferred 23 trillion LGBCoin in four separate transactions to the Hub Wallet: November 1, 2021 (1T); November 2, 2021 (5T); November 3, 2021 (15T); and November 9, 2021 (2T). Shortly after receiving each of those deposits from Koutoulas Wallet #1, the Hub Wallet either sold or transferred those LGBCoins to other wallets, which also sold off. For example, within two hours of receiving the one trillion LGBCoins from Koutoulas Wallet #1 on November 1, the Hub Wallet sold them for \$22,284.27 of Wrapped Ethereum.

235. On November 2, 2021, the Hub Wallet sold over one trillion of the five trillion LGBCoins it received from Koutoulas Wallet #1 for \$27,589.31 of Wrapped Ethereum.

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

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

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

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

240. On January 3, 2022, the Hub Wallet sold 119 billion LGBCoins for 37 Wrapped Ethereum worth \$139,749.29. In a similar transaction on January 4, 2022, the Hub wallet 157 billion LGBCoins for 36.6 Wrapped Ethereum worth \$139,352.02. On January 5, 2022, the Hub Wallet sold 53.5 billion LGBCoins for \$190,706.56 worth of Wrapped Ethereum in two transactions.

241. Similarly, Koutoulas Wallet #2 – the wallet address used to facilitate Koutoulas and Carter’s MF Global commemoration ruse – was also used by Koutoulas to sell off his LGBCoins. For example, Koutoulas Wallet #2 made three sales on November 21, 2021: 23.5 billion LGBCoin (\$22,181.84), 25.4 billion (\$23,586.26), and 16.5 billion (\$15,760.95). The next day, Koutoulas Wallet #2 sold another 31.2 billion LGBCoins for \$28,510.52.

242. Ultimately, transactions from the Hub Wallet and Koutoulas Wallet #2 demonstrate that Koutoulas received over \$1.6 million for his LGBCoin sales between November 2021 and January 2022.

E. Horsman

243. Between October 29, 2021 and November 2, 2021, Koutoulas, via Koutoulas Wallet #1, made four transfers totaling 20.05 trillion LGBCoin to Horsman Wallet #1.

244. On November 1, 2021, Koutoulas Wallet #1 also sent 5.28 trillion LGBCoin to Horsman Wallet #2.

245. On November 3, 2021, Koutoulas Wallet #1 sent 13.2 trillion LGBCoin sent to Horsman Wallet #3.

246. On November 8, 2021, Horsman Wallet #1 sends 20 billion LGBCoin to Horsman Pass #4.

247. On November 9, 2021, Horsman actively sold and transferred LGBCoins through several of his wallet addresses. For example, Horsman Wallet #1 sold 25 billion LGBCoin for \$20,837.54 in Wrapped Ethereum. Similarly, Horsman Wallet #2 sold 10 billion LGBCoin for \$10,815.47 in WETH. Horsman Wallet #2 also sent 80 billion LGB to Horsman Pass #1, which turned around and made three sales totaling 27 billion LGBCoin. Horsman netted \$20,854.36 total from these three particular sales transactions.

248. The next day, November 11, 2021, Horsman Wallet #1 made two more sell transactions:

- 25 billion LGB for \$24,267.80 in WETH
- 25 billion LGB for \$29,435.80 in WETH

249. On November 11, 2021, Horsman Pass #1 sold 9 billion LGBCoins for \$6,109.40 in USDC.

250. On November 14, 2021, Horsman Wallet #1 sold 60 billion LGBCoins (in two separate transactions) for a total of \$54,423.88 in WETH.

251. Over the course of a week from November 18, 2021 to November 25, 2021, Horsman Pass #1 made numerous sales of LGBCoins totaling \$57,138.76. In particular, Horsman Pass #1 make the following seven transactions:

- November 18, 2021 – 7.6 billion LGBCoin for \$6,045.14 in WETH
- November 19, 2021 – 7.7 billion LGBCoin for \$6,644.42 in WETH
- November 20, 2021 – 6.8 billion LGBCoin for \$7,627.53 in WETH
- November 21, 2021 – 11.1 billion LGBCoin for \$10,417.86 in WETH
- November 23, 2021 – 9.7 billion LGBCoin for \$8,706.84 in WETH
- November 24, 2021 – 9.8 billion LGBCoin for \$8,335.91 in WETH
- November 25, 2021 – 8.9 billion LGB for \$9,361.06 in WETH

252. In December 2021, Horsman continued to use his various wallet addresses to both sell his LGBCoins and hide the fact it was him that was selling. For example, on December 2, 2021, Horsman Pass #1 sold 9.35 billion LGBCoins for \$7,272.32 in WETH.

253. On December 3, 2021, Horsman Pass #1 sends 822 billion LGB to Horsman Pass #2.

254. On December 4, 2021, Horsman Pass #2 sold around 9.8 billion LGBCoin for \$8,398.59.

255. On December 5, 2021, Horsman Pass #2 sent 10 billion LGBCoin to Horsman Pass #4, which immediately sold for \$9,815.69 in WETH.

256. On December 8, 2021, Horsman Pass #2 sold approximately 21.4 billion LGB for \$10,435.16 in WETH.

257. On December 13, 2021, Horsman Pass #2 sent 10 billion LGBCoin to Horsman Pass #4, which turned around and sold for \$9,235.81 in WETH. Later that day, Horsman Pass #2 sent another 10 billion LGBCoin to Horsman Pass #4, which again immediately sold for \$9,503.67 in Wrapped Ethereum.

258. On December 17, 2021, Horsman Wallet #2 sends 154.3 billion LGB to Horsman Pass #1.

259. On December 18, 2021, Horsman Pass #2 sent 20 billion LGBCoin to Horsman Pass #4, which turned around and sold for \$18,059.35 in WETH.

260. On December 21, 2021, Horsman Pass #2 sold around 8.8 billion LGB for \$8,191.53 in WETH. That same day, Horsman Pass #2 sent 20 billion LGBCoin

to Horsman Pass #4, which turned around and sold for \$18,236.76 in WETH. Later, on December 21, 2021, Horsman Pass #2 sent another 20 billion LGBCoin to Horsman Pass #4, which promptly sold for \$18,498.77 in WETH.

261. On December 22, 2021, Horsman Pass #2 sold around 14.6 billion LGB for \$13,327.11 in WETH. That same day, Horsman Pass #2 sent 20 billion LGBCoin to Horsman Pass #4, which then sold for \$18,787.16 in WETH. Later that same day, Horsman Pass #2 sent another 20 billion LGBCoin to Horsman Pass #4, which turned around and sold for \$20,317.67 in WETH. Finally, Horsman Pass #4 sold an additional 19.1 billion LGBCoin for \$20,534.20.

262. On December 23, 2021, Horsman Pass #2 sold about 13.4 billion LGBCoin in three transactions for \$17,132.14 in WETH, USDC, and Tether. Later that same day, Horsman Pass #2 sent 20 billion LGBCoin to Horsman Pass #4, which promptly sold for \$26,813.86. Horsman Pass #4 sold around 30.7 billion more LGBCoin in three separate transactions that day for another \$40,423.23.

263. December 28, 2021, Horsman Pass #2 sold approximately 15 billion LGBCoin for \$14,340.44.

264. On December 30, 2021, Horsman Wallet #2 sent 691 billion LGBCoin to Horsman Pass #2, while Horsman Wallet #1 sent 1.7 billion LGBCoin to Horsman

Wallet #3. That same day, Horsman used his pass-through wallet addresses to make multiple LGBCoin sales. For example, Horsman Pass #2 sold approximately 59.7 billion LGBCoin over six transactions for \$112,312.05 total in WETH, USDC, and Tether. Additionally, Horsman Pass #3 sold around 16 billion LGBCoin in two transactions for \$16,806.62 in total. And Horsman Pass #4 sold approximately 5.8 billion LGBCoin for \$7,554.28.

265. On December 31, 2021, Horsman Pass #3 sold approximately 11 billion LGBCoin for \$16,059.08 in Wrapped Ethereum. Similarly, Horsman Pass #2 sold approximately 22.6 billion LGBCoin that day in three transactions for \$48,041.30 total in WETH and USDC. Additionally, Horsman Pass #2 sent 20 billion LGBCoin to Horsman Pass #4, which turned around and sold for \$28,035.28. Later that same day, Horsman Pass #2 sent another 20 billion LGBCoin to Horsman Pass #4, which turned around and sold for \$31,360.34. Horsman Pass #4 then sold another 6.8 billion LGBCoin for \$10,834.22.

266. On January 1, 2022, Horsman Pass #4 sold about 14.6 billion LGBCoin for \$24,343.62 in WETH.

267. On January 6, 2021, Horsman used his Horsman Pass #1 wallet to make three sell transactions for a total of 18.1 billion LGBCoin. Horsman made \$10,251.68 for these transactions.

268. On January 10, 2022, Horsman Pass #1 sent 20 billion LGBCoin to Horsman Pass #3, which immediately sold for \$10,694.05.

269. The next day, January 11, 2021, Horsman Pass #1 sold another 18 billion LGBCoin for \$20,641.99 in WETH.

270. Similarly, on January 19, 2022, Horsman Pass #1 sent about 45.7 billion LGBCoin to Horsman Pass #3, which immediately sold for \$20,482.54 in WETH.

271. On January 28, 2021, at the same time that Plaintiff De Ford was purchasing LGBCoins, Horsman was dumping his remaining LGBCoin holdings. In particular, Horsman Wallet #1 makes five sell transactions of 1.2 trillion LGBCoin in total for \$34,113.09 in Wrapped Ethereum. Finally, Horsman cashed out his Horsman Wallet #3, selling 2.28 trillion LGBCoin over four separate transactions. Horsman made \$225,119.91 off of these final four transactions.

272. In total, Horsman received at least \$1.14 million from his LGBCoin sales between November 2021 and January 2022.

1. The wallet sales and transfers of LGBCoin by the Non-Named Parties

a. Erik Norden

273. On October 30, 2021, the Koutoulas Wallet #1 sent 50 billion LGBCoin to wallet address 0xfee7Cd8f1891941aBd6604a87C79f22A3b284858 (the “Norden Wallet”).

274. On November 3, Koutoulas Wallet #1 transferred two trillion LGBCoin to Norden Wallet. The Koutoulas Wallet #1 sent another billion LGBCoin to Norden Wallet. The following day, Koutoulas Wallet #1 sent one trillion more LGBCoin to Norden Wallet.

275. On November 5, 2021, Norden started selling those LGBCoins. For example, Norden Wallet sold 22.7 billion LGB for \$8,984.92 in WETH on that day. Then on November 7, 2021, Norden Wallet sold 10.5 billion LGB for \$4,617.97 in WETH. Two days later, on November 9, 2021, Norden Wallet made another two sales totaling 40.2 billion LGBCoin (valued at \$27,633.31).

276. On November 10, 2021, Norden made two sell transactions. In the first transaction, Norden sold 13 billion LGBCoin for \$14,312.29 in WETH. In the second, Norden sold another 17.8 billion LGBCoin for \$20,571.22 in WETH.

277. From November 11, 2021 to November 13, 2021, Norden made six sales (two per day) for a total of 112.3 billion LGBCoin worth \$88,684.97.

278. On November 15, 2021, Norden continued the pattern, making two sales from the Norden Wallet for 21.9 billion LGBCoin (\$19,258.97) and 13.2 billion LGBCoin (\$11,005.13), respectively. The next day, he did the same thing. Norden Wallet sold 15.1 billion LGBCoin for \$10,276.52 and then another 13.2 billion LGBCoin for \$8,991.96.

279. On November 17, 2021, Norden Wallet sold 13 billion LGBCoin for \$9,446.77 in WETH. Norden used this wallet to sell an additional 15 billion LGBCoin on November 18, 2021 for \$11,734.18 in WETH and then 10 billion more LGBCoins for \$8,667.68 in WETH on November 19, 2021.

280. On November 22, 2021, Norden Wallet started interacting with a pass-through wallet that was used to sell off tokens received from the Norden Wallet. In particular, on November 22, 2021, Norden Wallet sent 100 billion LGB to wallet address (0x3b5F7Cb8D3bC0c1D38e2f44857ccF448ba8E5b23) (Norden Pass #1). The following day, Norden Pass #1 sold 14.2 billion LGB for \$12,976.92 in WETH.

281. On November 24, 2021, Norden Pass #1 both sold and transferred LGBCoins to a second pass-through wallet that sold. In particular, Norden Pass #1

sold 14.9 billion LGBCoins for \$12,687.38 in WETH, and it sent 60 billion LGBCoin to wallet address 0x139a90ae0933e44a93cbdbeae90348cdf0ef9eac (“Norden Pass #2”), which turn around and sold over 92% (13.8 billion LGBCoins) for \$11,708.16 in WETH.

282. The next day, November 25, 2021, Norden Wallet sent 100 billion LGB to Norden Pass #2. On November 28, 2021, Norden Pass #2 began selling off the additional LGBCoins Norden received for his participation in the alleged scheme. Specifically, Norden Pass #2 sold 23.8 billion LGB for \$21,358.33 in WETH on November 28, 2021. The following day, Norden Pass #2 sold another 14.3 billion LGB for \$12,598.48 in WETH.

283. In December 2021, Norden sold off more LGBCoin. For example, on December 1, 2021, Norden Pass #2 sold 16 billion LGB for \$13,736.83 in WETH. On December 6, 2021, Norden Pass # sold 13.8 billion LGBCoin for \$13,724.62. The next day, December 7, 2021, Norden Pass #2 made two more sales: 13.7 billion LGB for \$13,485.01 and 14 billion LGBCoin \$14,187.20.

284. In total, Norden received at least \$370,000 from his LGBCoin sales from November through December 2021.

b. Rick Latona

285. Latona began selling off his portion of the LGBCoin Float by no later than November 24, 2021. In particular, after receiving 43.8 trillion LGBCoin from Koutoulas and Michalopoulos to his wallet address 0xdf8Ef854071d6bA03Ca1d618f402be2ce62CCfbe, Latona sold at least \$3.3 million worth of LGBCoin over the course of 38 transactions between November 24, 2021 and January 28, 2022.

c. Alex Mascioli

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

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

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

289. Specifically, over the course of 59 transactions between November 26, 2021 and January 30, 2021, Mascioli sold and/or transferred to other pass-through wallets (which subsequently sold) at least 2.31 trillion LGBCoins. In exchange, Mascioli received 84.1 Wrapped Ethereum worth \$335,936.92.

290. Mascioli knew or should have known that the transactions in Mascioli's public and private wallets were inappropriate and should not have been executed because of Mascioli's status as an insider. In 2014, the Securities and Exchange Commission ("SEC") filed a complaint against Mascioli, charging him and his company with making false statements and representations in conjunction with an attempted acquisition. Mascioli consented to the judgment against him (without admitting guilt) for misleading investors in violation of the Securities Exchange Act of 1934. Mascioli was ordered to pay a civil penalty of \$100,000 and

was “permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. §240.10b-5].” In particular, Mascioli is specifically enjoined from employing a “scheme” to defraud investors in connection with the sale of any security and from engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.”

d. Thomas McLaughlin

291. McLaughlin received 2.2 trillion LGBCoin from Koutoulas on November 1, 2021, and immediately began selling off. For example, on November 5, 2021, McLaughlin Main Wallet started swapping and transferring his LGBCoin in exchange for Wrapped Ethereum. In the first transaction, McLaughlin Main Wallet sold 50 billion LGBCoins for 4.292 Wrapped Ethereum on Uniswap, valued at \$19,282.03. The second swap was for 90 billion LGBCoins for 6.6 Wrapped Ethereum, valued at \$29,652.44. The third transaction on that day was a transfer of 750 billion LGBCoins from McLaughlin Main Wallet to a pass-through wallet that is, upon information and belief, owned and or controlled by McLaughlin.

292. McLaughlin Main Wallet continued to sell off its LGB Coins directly. On November 7, 2021, McLaughlin Main Wallet sold 26 billion LGBCoins for 2.1

Wrapped Ethereum worth \$9,849.70. Between November 9 and December 4 of 2021, McLaughlin Main Wallet directly sold approximately 86 billion LGBCoins for 18.3 Wrapped Ethereum worth \$81,844.82.

293. Upon information and belief, McLaughlin used at least four different pass-through wallets to obscure and facilitate sales of the LGBCoins he received from Koutoulas and/or Horsman.

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

D. The Dump – LGBCoin Price Plummets

295. However, this meteoric rise did not last long. Following public announcement by BMS, Brandon Brown, and LBGCoin about their partnership, NASCAR reneged on the sponsorship agreement and the bubble burst.

296. The significance of NASCAR's public approval was noted by the news media. On the morning of December 30, 2021, after announcement of the approval, a journalist, Robert Pockrass, a NASCAR reporter at FOX Sports, emailed Mike Forde, Managing Director, Racing Communications at NASCAR, writing "This is embargoed until 10am so please don't share except with those who need to know

but wanted to check. The Brandon Brown team says NASCAR has OK'd this paint scheme with LGBCoin on the side. No reason to doubt them but just didn't want it to be a surprise. Thanks." Forde immediately contacted NASCAR's Jason Simmons in Team & Driver Marketing asking him if Brandon Brown's sponsor is approved. Simmons responded that he would ask Howell to "doublecheck for us," clearly indicating that Howell was the one knowledgeable and responsible for approving the sponsorship.

297. Howell responded directly to Forde confirming the approval and that it was appropriate, stating "Mac [McLeod] emailed me Christmas day on this scheme. I quickly just assumed it was crypto, *which it is*, but didn't realize it was let's go Brandon behind it, *however it's not political nor a PAC, so I don't see how we can reject it.*"

298. Also on December 30, 2021, Howell again confirmed the approval and essentially advised against its withdrawal, when he sent an email to "All" and reiterated that although LGB stands for Let's Go Brandon, it is a crypto coin and thus approved, stating, in pertinent part, "as we have approved such as Voyager Digital, Doge and Mini doge With the sponsor being crypto I do recommend we approve."

299. Nyquist did not respond back to Howell that NASCAR had not approved the sponsorship nor that Howell did not have the authority to do so. Instead, he said, in sum and substance, that they were concerned about media coverage and would be meeting the next week to review their overall position.

300. NASCAR had given Howell the authority to approve the sponsorship, and Howell continues to have authority to approve and does approve NASCAR sponsorships.

301. On or about December 30, 2021, Howell had a telephone conversation with MacLeod, who was acting as an agent of BMS. MacLeod expressed concern that NASCAR was saying there was no approval and that it was causing potential financial impact on the Team and LGBCoin and requested that the situation be addressed. In that conversation, Howell confirmed that NASCAR has provided written authorization of the sponsorship agreement between BMS and LGBCoin. Further, Howell expressed that only after the public sponsorship agreement did NASCAR claim that it had internal miscommunications on the issue of the sponsorship approval.

302. In an email and phone conversations, MacLeod pleaded with NASCAR to correct the misleading narrative that NASCAR had leaked to the

media: that BMS and LGBCoin had not followed proper procedures to secure approval of their sponsorship agreement. MacLeod pointed out that, in fact, BMS used the same procedure it had previously used for gaining approval of other sponsorship agreements. The public and BMS were also aware of this prior approval.

303. It was reasonable for BMS and the public to rely on written approval of the LGBCoin sponsorship based on NASCAR's prior practice of approving sponsorships linked to cryptocurrency and even political messages. For example, in June 2021, NASCAR approved a sponsorship of Voyager Digital which operated a cryptocurrency trading platform. Corey LaJoie's car carried a scheme touting the re-election bid of President Donald Trump in a NASCAR race. The Patriots of America PAC spent \$350,000 for the political advertisement. Bubba Wallace, the only Black driver in the NASCAR Cup Series, helped persuade NASCAR to ban Confederate flags from its events less than two months ago. He also ran Petty's famed No. 43 car in a Black Lives Matter paint scheme that did not have a sponsor. He also wore a T-shirt with the words "I can't breathe," the last words spoken by Floyd as he died with his neck pinned to the ground by the knee of a police officer. Mike Harmon Racing added the phrase #BackTheBlue, a reference to supporting

police officers, to one of his Xfinity Series cars after running the message Blue Lives Matter. On January 5, 2022, the same day that NASCAR revoked its approval of LGBCoin's sponsorship, NASCAR announced that Carolinas LGBT+ Chamber of Commerce, one of the largest LGBT Chambers within the region pushing for equitable change within the workplace and marketplace, would become NASCAR's Diversity, Equity & Inclusion partner for the 2022 term.

304. Nevertheless, NASCAR silently determined to backtrack and figure out how to get out of the written agreement. Meanwhile, NASCAR publicly stayed mum on the sponsorship. On January 3, 2022, having heard nothing further from NASCAR, Jerry Brown contacted NASCAR and again reiterated that withdrawal of the approval would cause significant damage to BMS and LGBCoin.

305. On January 4, 2022, NASCAR had a phone call with BMS, whereby Swindell, Nyquist and Steve O'Donnell informed BMS that NASCAR would not be approving the LGB sponsorship before they went public. Executive Swindell also emailed Jerry Brown that, "upon further review," the sponsorship agreement was "not approved." The email stated: "Thank you for your time today. Per our conversation, upon further review of LGBCoin.io, the sponsor is not approved. The NASCAR rule book states, "NASCAR may refuse to permit a Competitor to

participate in an Event if NASCAR determines that any advertising, sponsorship, or similar agreement to which the Competitor is or will be a party, is detrimental to the sport, to NASCAR, Series Sponsor, or to the Promoter for any reason, including without limitation, the public image of the sport. We appreciate your participation as a team owner and longtime NASCAR supporter and wish you the best of luck in the 2022 season.”

306. On January 5, 2022, BMS issued a press release advising the public that NASCAR had rescinded its approval of the sponsorship.

E. The Aftermath

1. **Damage to the Value of LGBCoin and Coinholders Due to NASCAR’s Misconduct**

307. The price of LGBCoin began to deflate immediately after NASCAR cancelled its official affiliation between LGBCoin and NASCAR, claiming NASCAR Racing Operations Senior Manager Dale Howell was not authorized to sign off on the relationship.⁶²

308. Between December 30, 2021, when LGBCoin, BMS and Brown announced the sponsorship and January 5, 2022, when BMS announced that

⁶² See Liz Clarke, *NASCAR Rejects Sponsorship Deal Based on ‘Let’s Go Brandon’ Chant*, THE WASHINGTON POST, Jan. 4, 2022, <https://www.washingtonpost.com/sports/2022/01/04/LGBCoin-lets-go-brandon-nascar-rejected/>.

NASCAR'S sponsorship had been revoked, the price of LGBCoin fell 63% from a high of \$.000001612 with a trading volume of \$6.7 million to a low of \$.0000005992 with a trading volume of \$2.6 million.

309. Yet, Koutoulas, Brandon Brown, and BMS continued to promote LGBCoin to prop up the price of LGBCoin.

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



311. On January 7, 2022, LGBCoin released a press release announcing that it had secured an “exclusive, expanded sponsorship agreement” with Brandon Brown “as part of a two-year, eight-figure, comprehensive crypto/digital exclusive

endorsement partnership.”⁶³ An excerpt of this press release included a statement from Brandon Brown supporting LGBCoin and mentioned how he “is now a holder and endorser of the most talked about crypto product in America.”



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

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

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

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

312. At the direction of the individual defendants, LGBCoin continued to tout its connection to NASCAR, stating in the “News and Publications” section of its website that “the sponsorship, if approved by NASCAR, is for two years and includes a personal endorsement deal. The deal is said to include ‘personal participation in publicity events, videos, crypto conferences, racing-related events

⁶³ See LGBCoin Instagram, <https://www.instagram.com/p/CYeNj4TLneC/> (last visited Jul. 19, 2022), <https://twitter.com/BrendonLeslie/status/1476238865245491204>.

and more, though won't include car decals.'"⁶⁴ Likewise, at the direction of the individual defendants, LGBCoin continued to promote itself the "Official Partner of NASCAR Xfinity Series Driver Brandon Brown and Car No. 68."⁶⁵

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

314. Moreover, NASCAR knew that the LGBCoin team – which included Defendants Koutoulas and Horsman – intended to relay the information that LGBCoin's sponsorship of Brown had been approved by NASCAR to investors, who in turn would rely on that information when purchasing LGBCoins. Thus, NASCAR has been complicit in LGBCoin's continued promotion at NASCAR'S racing events, including at the Alsco Uniforms 300 Xfinity Race in Las Vegas, Nevada.⁶⁶

⁶⁴ See News and Publications: Latest News, <https://LGBCoin.io/news-and-publications/> (last visited Mar. 1, 2022).

⁶⁵ See Let's Go Brandon, <https://www.lets gobrandon.com/> (last visited Jan. 20, 2023).

⁶⁶ See LGBCoin Instagram Account @lets go, <https://www.instagram.com/p/CauokR5uiJs/> (last visited Jul. 19, 2022).

315. On January 27, 2022, in an attempt to keep investors from selling any more LGBCoin, LGBCoin's Twitter account posted the following image with a caption that read "Sometimes you just need to have faith and HODL. [Hold On for Dear Life] Let's Go LGBCoin.io!":⁶⁷



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

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

317. The announcement that LGBCoin would not be allowed to sponsor Brown and the attendant liquidation by investors including Koutoulas and Horsman reduced LGBCoin's value to zero.

⁶⁷ https://twitter.com/LGBCoin_io/status/1486804700657864712?s=20&t=pq5exm4-UHF wkqqiwxZ7qg (last visited Jul. 19, 2022).

318. The LGBCoin price still has not recovered and trading volume remains down significantly. The Daily Beast bluntly noted, LGBCoin amounted to a “dumpster fire” and the tokens were “effectively worthless.”⁶⁸

5. The Formation of the LGBCoin Entities in the Cayman Islands

319. Koutoulas represents himself to be the attorney and trustee of an entity called “LGBCoin Foundation,” and executed several LGBCoin contracts in this capacity including:

- a. a November 2021 Sponsorship Agreement with BMS:

The Race Team:		The Sponsor:	
Brandonbilt Motorsports, LLC,		James L. Koutoulas, Esq, trustee for LGB Coin	
	11/22/21		11/21/2021
<small>Jerry Brown (Nov 22, 2021 14:08 EST)</small>	Date	By	Date
Jerry Brown, Managing Member		James L. Koutoulas, Esq.	Trustee
		Print Name	Title

- b. a November 2021 LGBCoin Agreement with Mascioli:

⁶⁸ See *id.*

MISCELLANEOUS

This contract is not assignable by Alex Mascioli without written consent of all interested parties.

Any notice required to be given under this agreement shall be sent via email and deemed given at the time it is received by either party, provided such notice is addressed as follows:

Alex Mascioli:

Attn: Alex Mascioli

1315 Avenida Ashford

Suite 304

San Juan, Puerto Rico 00907

alex@alexmascioli.com

The Sponsor:

LGB Coin Foundation

Attn: James L. Koutoulas, Esq.

Trustee

james@koutoulaslaw.com

320. Yet, upon information and belief, no such entity named the “LGBCoin Foundation” exists, or ever existed, in any formalized capacity or was registered with any state, federal, or foreign agency.

321. On January 5, 2022, an entity called “LGBcoin, LTD” was registered in the Cayman Islands as a Virtual Asset Service Provider (VASP) or Fintech pursuant to the Cayman Islands Virtual Asset (Service Providers) Act, 2020:

Search Report

Entity Name :	LGBcoin, LTD.
Jurisdiction :	Cayman Islands
Registration Number :	385375
Registration Date :	05th January 2022
Entity Type :	EXEMPT
Registered Office :	HARNEYS FIDUCIARY (CAYMAN) LIMITED P. O. Box 10240 4th Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1002 Cayman Islands
Initial Subscriber:	Harneys Fiduciary (Cayman) Limited
Authorised Share Capital:	CIS\$41,000.00
Nature of Business:	Other VASP or Fintech
Financial Year End:	31st December

Status :	ACTIVE
Status Date :	05th January 2022

322. On January 5, 2022, an entity called “LetsGoBrandon.com Foundation” was registered in the Cayman Islands as a grantee foundation pursuant to the Cayman Islands Foundation Companies Law, 2017:

Search Report

Entity Name :	LetsGoBrandon.com Foundation
Jurisdiction :	Cayman Islands
Registration Number :	385418
Registration Date :	05th January 2022
Entity Type :	EX-LTD GRNTEE FOUNDATION
Registered Office :	HARNEYS FIDUCIARY (CAYMAN) LIMITED P. O. Box 10240 4th Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1002 Cayman Islands
Initial Subscriber:	Harneys Fiduciary (Cayman) Limited
Authorised Share Capital:	CIS
Nature of Business:	Other Information and Communication Related Activities
Financial Year End:	31st December

Status :	ACTIVE
Status Date :	05th January 2022

323. According to the State Court Action, LetsGoBrandon.com Foundation is “charged with performing operational functions to support LGBcoin” and “conducted the majority of its operations in Miami, Florida.”⁶⁹

324. In turn, LGBCoin, LTD represented in this action that it is “the sole director of LetsGoBrandon.com Foundation.” See ECF No. 204.

⁶⁹ *LetsGoBrandon.com Foundation v. National Assoc. for Stock Car Auto Racing*, No. 2023-002831-CA-01(11th Cir. Ct. 2023), Verified Compl., ¶¶31, 32.

6. The Re-Pump and Dump – the Relaunch of LGBCoin

325. Despite LGBCoin’s precipitous fall, Koutoulas and Norden continued to tout cryptocurrency and promote it in the media. On or about January 20, 2022, Stephanie Hamill from One America News Network (“OANN”) interviewed Norden and Koutoulas to discuss LGBCoin’s future and NASCAR’s sponsorship decision.⁷⁰



⁷⁰ See IN FOCUS – Stephanie Hamill with James Koutoulas and Erik Norden, Jan. 20, 2022, <https://rumble.com/vsz7o2-in-focus-stephanie-hamill-with-james-koutoulas-and-erik-norden.html>. Norden admitted this interview appearance in response to number 5 of Plaintiffs’ request for admissions.

326. Norden, pictured on the left wearing an LGBCoin shirt, and Individual Defendant Koutoulas, pictured on the right, used the publicity to tout LGBCoin's leadership and promotional teams:

You know, there are a couple of hundred million dollars in damages that we're going to be bringing in suit to NASCAR. That being said, you know, the coin has an incredible team – it has, like 90 people working on it, and that's like, day-in, day-out. And they're working on exchange listings . . . and I think they signed, like 800 influencers on who are going to be talking about the coin and, you know, doing media around it. . . .⁷¹

327. About a week before the OANN interview, Norden circulated a draft Litepaper to Koutoulas listing some of these "90+ full time [people] working on \$LGB," which included "James Koutoulas; investor advocate attorney" "Scott Walker; first ever ICO," "James Heckman; Rupert Murdoch's chief strategist," "Rick Latona; Site Matrix," "David Namdar; Coral DeFi," "Patrick Horsman; Serial Entrepreneur," and "Erik Norden; Consultant and Marketer."

328. Norden continued to actively direct the promotional activities at this time. For example, on January 24, 2022, Norden reported to Koutoulas and others in the LGB Marketing Team group chat that Norden was in the process of recruiting

⁷¹ *Id.* at 7:05-7:20.

promoters and that the New York Times had reached out to him for an interview.

329. On January 26, 2022, Norden instructed the LGB Marketing Team via the group chat to recruit country singer Kid Rock to promote LGBCoin after seeing that Kid Rock released a song called “Let’s Go Brandon.” Norden explained that he believed the celebrity promotion of Rock specifically “would be good when we drop CEX listing.”

330. That same day, January 26, 2022, Norden personally paid \$10,049.19 to Aerial Messages of Daytona & Sales, Inc. to have a plane with LGBCoin promotions fly for four hours over Daytona during the 2022 NASCAR Xfinity Series opening race on February 19, 2022. The following image of the promotion⁷² was taken that day:

⁷² https://twitter.com/A_S12/status/1495145667215474688



Adam Stern ✓
@A_S12

...

A plane is carrying a "Let's Go Brandon" @LGBcoin_io banner over @Daytona.



4:18 PM · Feb 19, 2022

58 Retweets **52** Quotes **750** Likes **5** Bookmarks

331. On January 28, 2022, a snapshot of LGBCoin was taken and then the remaining liquidity was drained as part of plan to remint and relaunch the

LGBCoin into a second meme coin, which caused both the price and transaction volume of LGBCoin to plummet to near \$0 by January 30, 2022.

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



333. Upon information and belief, this decision to relaunch LGBCoin was part of a February 2022 agreement reached in Miami, Florida, that was “forged in

part by the media executive James Heckman, representatives of the NASCAR racer Brandon Brown, and LGB's former de facto leader . . . James Koutoulas." ⁷³

334. On February 8, 2022, the tenuous alliance between co-conspirators Koutoulas, Horsman, Latona, and Mascioli fell apart.

335. Koutoulas drafted the following statement meant for LGBCoin investors giving his side of what occurred, which states, in relevant part:

Today's fork is unauthorized by the LGBcoin Foundation and was orchestrated by BMS owner and convicted felon; Alex Mascioli, and supported by Scott Walker, James Heckman, and Rick Latona. This takeover attempt was done in an attempt to remove the founders and James Koutoulas from the project, and the Coup Crew named above have stolen our trade dress, branding, and reneged on their promises to air drop all holders 1:1 to their balances as of the time of their January 26th dump of LGB in violation of their contract with the Foundation. Our team stayed silent after their announcement in hopes they would honor their promise to restore holders the value they destroyed by their breach of contract. Sadly, these scumbags are consistently dishonest and set out to harm our community

336. In response to seeing a draft of the statement, which Koutoulas sent via Signal chat to Norden, Giuliani and Gillels on February 8, 2022, both Giuliani and Gillels suggested that Koutoulas tone down the "scumbag" rhetoric in the

⁷³ See n.46, *supra*.

statement. Notably, Norden countered that a “lot of [LGBCoin investors] are morons so we have to spell it out for them.”

337. In that same Signal chat, Norden, Koutoulas, and Giuliani also discussed Horsman’s efforts to distance himself from LGBCoin and hide his involvement. Notably, Norden observed that Walker and Heckman were “*trying to make it seem like Patrick [was] not involved. . . But he def is . . . He caused literally all of this.*” Norden urged Koutoulas to “name Patrick” in Koutoulas’ threatened lawsuit, but Koutoulas admitted that the “[p]roblem with naming [P]atrick is that fucks Natalie hard . . . Basically her husband[’]s business goes under.” Giuliani candidly acknowledged that the “[w]hole this is a shit show. Poorly run, thought, and executed.” Koutoulas replied:

So Patrick told me from beginning he was just trying to prevent a war because he viewed it as catastrophic to both sides and he was suicidal for 6 months from what he went through when he got frivolously sued (tho he insanely hired his crazy ex gf who’s a mediocre lawyer over me to defend him because I wanted a contingency fee on any counter claim) and that they offered him 0 coins. He renounced his claim to 40% of our original liquidity pool for which he raised all the capital for and said he’ll kick in a few hundred k for our launch if we don’t let them know he’s involved since he and [S]cott own a boat together and [S]cott has 25M invested in Patrick’s defi fund. Also Natalie’s [Spears] husband’s company is fucked if I sue [P]atrick and he basically begged me not to name him.

338. Koutoulas and Giuliani also discussed Mascioli's conduct following the breakup of the co-conspirators. In particular, Giuliani sent a screenshot of a social media post from Mascioli of a yacht with the comment "Just another day on the boat in the Caribbean @tradethechain #caribbeanlife #yacht #ownit #cryptotrading." Giuliani asked "Isn't it paid in whole with stolen money??" and noted that Mascioli had blocked her on Instagram.

339. Koutoulas discussed the rift between himself and the other founders, as well as the February 2022 agreement, during a February 2022 interview with The Daily Beast, claiming that other key coin holders attempted to have him purged from LGBCoin to launch their own LGB "copycat." "Koutoulas alleged . . . that major coin holders had fueled the decline [of LGBCoin] by rapidly selling large volumes of [LGBCoin]." ⁷⁴ The article quotes two of the unnamed LGBCoin founders explaining that the rift with Koutoulas stemmed from his political antagonism: "Guys hanging out in Puerto Rico don't want to antagonize the government. It's the opposite." ⁷⁵

⁷⁴ See *id.*

⁷⁵ Given the transaction history with Wallets owned by McLaughlin and CoralDefi and their location in Puerto Rico, Plaintiffs believe the unnamed coin holders who Koutoulas blames for draining LGBCoin's liquidity was Latona and/or Mascioli.

340. On February 14, 2022, Norden sent another screenshot to the Signal group chat with Koutoulas, Giuliani, and Gillels, showing a text exchange between Norden and Heckman. Norden informed the group that he was trying to trick Heckman into believing that Norden was on the other camp's side of the breakup in order to gain information about their activities and strategy. Norden's text message to Heckman stated: "[Koutoulas is] an irrelevant nut job how are we frozen? He's just one man whose claims to fame was suing MF Global like 10 years ago . . . we have a whole team of crypto entrepreneurs and moguls" Norden told the Signal chat group "its all a cruel ploy, to instill trust" and that he "really should win an Oscar for this performance" as a spy.

341. Koutoulas, Norden, and Gillels then discussed Koutoulas' threatened lawsuit, with Koutoulas declaring: "I can't wait to read 'I just bout 70k while taking a piss' in court." Norden chimed in: "*I hope my memes get used a[s] exhibits as market movers.*" Koutoulas even advised that Norden's "Smithsonian exhibit worth meme gallery" could be used in the threatened lawsuit to "show [the other camp's] incompetence" and "0 meme launch strategy." Koutoulas later asked Gillels about the amount of Ethereum and LGB posted to the liquidity pool and how to frame it favorably for the threatened lawsuit. When Gillels complained

about the effort to calculate the specific transactions, Koutoulas relented and said Gillels “can leave it out” since the “*judge isnt gonna know lol.*”

342. Koutoulas also remarked that he had been thinking about “stoking demand” for the future LGBCoin and offered the following “order of operations” going forward: “lawsuit filed > DHJ drop > social media outing of the villains > twitch streamed AMA > air drop to everyone other than the criminals (getting signed docs with vesting for OG presale guys) > wait few days > open liquidity pool at relatively low valuation to encourage buying rather than dumping. . . .” Koutoulas went on to contrast what his group’s strategy would be going forward with what had occurred prior to the breakup of the conspiracy, admitting that they should “*treat it like an egalitarian ICO rather than trying to be inflated* to pump up insecure egos have faq’s transparency and communication ahead of launch, i.e. do the exact opposite” of what had transpired with LGBCoin.

343. On February 20, 2022, Norden appeared with Koutoulas on an “Ask Me Anything Session with James Koutoulas” that they simultaneously

livestreamed on LGBCoin's Instagram and Twitter channels⁷⁶ to discuss LGBCoin's future as \$LETSGO.

344. As Koutoulas explained, the "Foundation team" – consisting of himself, Scott Walker, and James Heckman – unilaterally decided to pull – and then indefinitely hold – the remaining liquidity from LGBCoin's investors on January 28 while they relaunched the cryptocurrency into \$LETSGO. Specifically, Koutoulas stated that:

[S]ome insiders did decide to sell which triggered more additional selling, which triggered the Foundation team *from pulling the liquidity pool* not in a rug pull, but to preserve that liquidity so that we could relaunch with a more modern token that has the functionality that is needed to prevent events like that with having large insider sales be a detriment to the product as a whole. . . .

I believe in Telegram they did announce that we were pulling the liquidity pool shortly after it was done on January 28. So, you know, I do hate to break it to you, but people who, you know, bought trillions of tokens for a few pennies after liquidity pool pull. You know, that's an arbitrage trade *that is not going to receive the successor coin*. . . .

So the LGB Coin Foundation still has the remaining liquidity pool that was pulled from the original LGB one coin on the 28th. As we saw a cascade of insider sales. The pool was pulled to

⁷⁶ Norden admitted this appearance in response to Plaintiffs request for admission number 5.

preserve it not to like steal it or do anything nefarious with it.
...

345. On February 22, 2022, Norden executed an LGBCoin agreement as founder of Norden, Inc., wherein he agreed for Norden, Inc. to use its best efforts to spread awareness of the LetsGoBrandon movement in exchange for 12,000,000,000,000 \$LETSGO tokens. Norden also agreed for disputes arising out of that agreement to be resolved in Miami, Florida.

346. Between February 22, 2022, and February 24, 2022, Koutoulas and Norden then “relaunched” the LGBCoin into a second version of the LGBCoin known as “\$LETSGO.” Koutoulas then created a second website at <https://www.letsgobrandon.com/> (hereafter “Second Website”), which — like the earlier Website — promotes \$LETSGO as the “Official Partner of NASCAR Xfinity Series Driver Brandon Brown and Car No. 68.”

347. However, people like Plaintiff Eric De Ford, who purchased some LGBCoin after this liquidity pull, would completely lose their investments.

348. A new logo was released for this \$LETSGO Coin substantially resembling the former LGBCoin Logo:



349. On February 24, 2022, \$LETS GO issued a Press Release announcing a “new leadership team” and the creation of a “LetsGoBrandon Foundation”⁷⁷ that has committed already several million dollars in cash, to secure assets, fill the liquidity pool, and support marketing. The Foundation has also confirmed and funded the previously announced sponsorship for \$5 million per year, securing a long-term relationship with Brandon Brown and his racing team, in addition to investing in a world-class media, licensing, marketing and crypto-architectural team to ensure stability and longevity of the coin.⁷⁸

350. This Press Release also outlined some of the concepts and expectations for this “new” LGBCoin, including the following excerpts:

Crypto and Digital Media Leadership Team Additions

⁷⁷ A “LetsGoBrandon.com Foundation” was formed in the Cayman Islands on January 5, 2022 – *after* the original LGBCoin pump and dump. Despite engaging in discovery, none of the Defendants provided anything establishing any state, national or internationally registered “LGBCoin Foundation.”

⁷⁸ See Press Release, <https://www.lets gobrandon.com/press> (last visited Mar. 1, 2022).

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

New Tokenomics

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

LetsGoBrandon’s Future, Plans and Commitment

LetsGoBrandon.com is a forever project. All significant holders of the coin have agreed to restrict their selling for at least two years, because the vision of this project is to prioritize the movement for protecting free speech [sic] and fighting de-platforming.⁷⁹

[Emphasis added.]

⁷⁹ *Id.* (last visited Jul. 19, 2022).

351. A new LGBCoin Twitter account was then created under the @officialletsgo handle,⁸⁰ which uses the Brandon Brown racecar graphics that NASCAR previously rejected as its wallpaper:



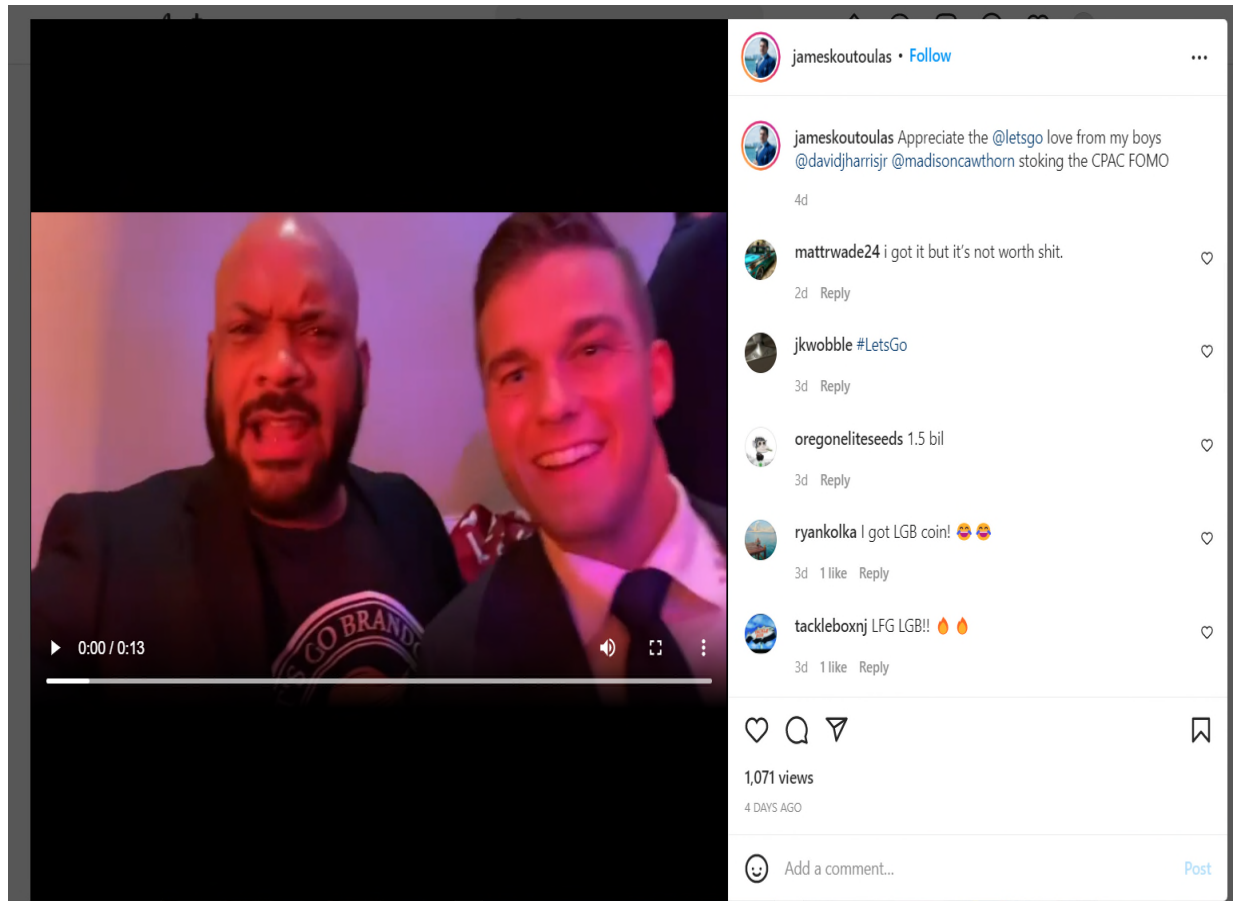
352. In addition, on or about March 4, 2022, another LGBCoin Instagram account was created under the @letsgo handle,⁸¹ which uses the new logo for the “new” LGBCoin.

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

⁸⁰ See Official \$LETSGO, <https://twitter.com/officialletsgo> (last visited Mar. 1, 2022).

⁸¹ See Official \$LETSGO, <https://www.instagram.com/letsgo/> (last visited Mar. 9, 2022).

329. Despite this, Koutoulas, Harris, Cawthorn, and others still promoted the “new” LGBCoin, including in the following video from the Conservative Political Action Conference in Orlando that Koutoulas posted to his Instagram account on February 27, 2022.⁸²



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

⁸² See Feb. 27, 2022, Koutoulas Instagram Post, https://www.instagram.com/p/CafZYEK_gnK3/ (last visited Mar. 3, 2022).

Cawthorn: I got Let's Go Brandon coin.

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

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

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

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

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

Cawthorn: Yes sir!

354. Similarly, on March 7, 2022, Harris conducted an interview with former President Donald J. Trump on his podcast, The David J. Harris Jr. Show.⁸³ In an effort to promote LGBCoin to all the listeners tuning in for Trump and to lead retail investors into believing that Trump was personally associated with LGBCoin, Harris announced that Koutoulas would be gifting Trump 500 billion LGBCoins. Trump responded to this promotional gifting by saying, "that sounds good" and that "those groups are the right groups to support" because "they're great patriots,

⁸³ The David J. Harris Show, <https://www.audacy.com/podcasts/the-david-j-harris-jr-show-39252/exclusive-my-second-interview-with-president-trump-1296066681>. Minute 19:45-22:20. (last visited Jul. 19, 2022).

great people.” The video of the interview was then posted on Twitter by both Harris⁸⁴ and Koutoulas⁸⁵ on March 9, 2022:



⁸⁴ See Mar. 9, 2022, Harris Instagram Post, Post, <https://twitter.com/DavidJHarrisJr/status/1501709784793374720> (last visited Jul. 19, 2022).

⁸⁵ See Mar. 9, 2022, Koutoulas Instagram Post, Post, <https://twitter.com/jameskoutoulas/status/1501745962548703234> (last visited Mar. 9, 2022).

355. As United Kingdom's Financial Conduct Authority director Charles Randall noted in a recent speech, "social media influencers are routinely paid by scammers to help them pump and dump new tokens on the back of pure speculation."⁸⁶

356. Randall further observed that the hype around speculative digital assets like the LGBCoin "generates a powerful fear of missing out from some consumers who may have little understanding of their risks. There is no shortage of stories of people who have lost savings by being lured into the crypto bubble with delusions of quick riches, sometimes after listening to their favourite influencers, ready to betray their fans' trust for a fee."⁸⁷

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

The increased use of digital assets and digital asset exchanges and trading platforms may increase the risks of crimes such as fraud and theft, other statutory and regulatory violations, privacy and data breaches, unfair and abusive acts or practices, and other cyber incidents faced by consumers, investors, and businesses. The rise in use of digital assets, and differences

⁸⁶ Charles Randell, *Speech to the Cambridge International Symposium on Economic Crime* (June 9, 2021), <https://www.fca.org.uk/news/speeches/risks-token-regulation>.

⁸⁷ *See id.*

across communities, may also present disparate financial risk to less informed market participants or exacerbate inequities.⁸⁸

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

market participants against promoting or touting the offer and sale of coins without first determining whether the securities laws apply to those actions. *Selling securities generally requires a license, and experience shows that excessive touting in thinly traded and volatile markets can be an indicator of “scalping,” “pump and dump” and other manipulations and frauds.*⁸⁹

[Emphasis added.]

⁸⁸ See Presidential Actions, *Executive Order on Ensuring Responsible Development of Digital Assets*, Mar. 9, 2022, <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/03/09/executive-order-on-ensuring-responsible-development-of-digital-assets/>.

⁸⁹ See U.S. Securities and Exchange Commission, *Statement on Cryptocurrencies and Initial Coin Offerings*, Dec. 11, 2017, <https://www.sec.gov/news/public-statement/statement-clayton-2017-12-11>. In fact, these emerging cryptocurrency dangers compelled the SEC to create a Crypto Assets and Cyber Unit in 2017, which “has brought more than 80 enforcement actions related to fraudulent and unregistered crypto asset offerings and platforms.” See U.S. Securities and Exchange Commission, *SEC Nearly Doubles Size of Enforcement’s Crypto Assets and Cyber Unit*, May 3, 2022, <https://www.sec.gov/news/press-release/2022-78>. The SEC recently expanded its Crypto Assets and Cyber Unit under the leadership of the SEC’s current Chairman Gary Gensler.

V. CLASS ACTION ALLEGATIONS

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

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

360. The Class Period as to all Counts except for Counts VIII and IX is defined as the period between November 2, 2021, and March 15, 2022.⁹⁰

361. The Class Period as to Counts VIII and IX is defined as the period between December 30, 2021 and January 5, 2022.⁹¹

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

⁹⁰ Plaintiffs reserve the right to expand or amend the Class Period based on discovery produced in this matter.

⁹¹ Plaintiffs reserve the right to expand or amend the Class Period based on discovery produced in this matter.

363. **Numerosity**: The Class is so numerous that joinder of all members is impracticable. On January 5, 2022, there were more than 10,000 unique account holders of LGBCoin.

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

- a. whether NASCAR negligently misrepresented that it approved the LGBCoin Sponsorship and then withdrew its approval
- b. whether NASCAR is promissorially estopped from rescinding its approval of the LGBCoin Sponsorship;
- c. whether LGBCoin is an unregistered security;
- d. whether Defendants promoted LGBCoin;
- e. whether the Defendants fraudulently marketed LGBCoin as affiliated with BMS, Brown and NASCAR;
- f. whether the Defendants (except NASCAR) conspired to artificially inflate the price to LGBCoin and then sell their LGBCoin to unsuspecting investors;

- g. whether Defendants have been unjustly and wrongfully enriched as a result of their conduct;
- h. whether the proceeds that the Defendants obtained as a result of the sale of LGBCoin rightfully belong to Plaintiffs and class members;
- i. whether Defendants should be required to return money they received as a result of the sale of LGBCoin to Plaintiffs and class members; and
- j. whether Plaintiffs and class members have suffered damages, and, if so, the nature and extent of those damages.

365. **Typicality**: Plaintiffs have the same interest in this matter as all Class members, and Plaintiffs' claims arise out of the same set of facts and conduct as the claims of all Class members. Plaintiffs' and Class members' claims all arise out of uniform misrepresentations, omissions, and unlawful, unfair, and deceptive acts and practices related to the sale of LGBCoin.

366. **Adequacy**: Plaintiffs have no interest that conflicts with the interests of the Class and are committed to pursuing this action vigorously. Plaintiffs have retained counsel competent and experienced in complex consumer class action

litigation. Accordingly, Plaintiffs and their counsel will fairly and adequately protect the interests of the Class.

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

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

FIRST CAUSE OF ACTION
VIOLATIONS OF SECTION 12(a)(1) OF THE SECURITIES ACT
[15 U.S.C. §77e]
(Against Defendant Koutoulas)

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

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

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

372. LGBCoins are securities within the meaning of Section 2(a)(1) of the Securities Act, 15 U.S.C. §77b(a)(1) because they are investment contracts subject to federal securities laws, including the registration requirements promulgated thereunder. The term “investment contract” “embodies a flexible rather than a static principle, one that is capable of adaptation to meet the countless and variable

schemes devised by those who seek the use of the money of others on the promise of profits.’” *Tippens v. Round Island Plantation L.L.C.*, No. 09-CV-14036, 2009 WL 2365347, at *7 (S.D. Fla. July 31, 2009) (quoting *S.E.C. v. W.J. Howey Co.*, 328 U.S. 293, 299 (1946)). “An offering is an investment contract if there is: (1) an investment of money, (2) in a common enterprise, (3) with the expectation of profits to come solely from the efforts of others.” *Id.*

373. Plaintiffs invested money into the common enterprise of LGBCoin with the expectation of profits coming solely from the efforts of others.

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

375. Plaintiffs and Class members relied on, and are dependent upon, the expertise and efforts of Koutoulas and others for their investment returns.

376. Plaintiffs and Class members expected that they would receive profits from their investments in Koutoulas’s efforts.

377. Neither Koutoulas nor anyone else filed with the U.S. Securities and Exchange Commission a registration statement for the offer and sale of LGBCoin

through or following the LGBCoin launch, no registration statement was in effect at the time of the LGBCoin launch, and no exemption to the registration statement was available.

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

379. Koutoulas is a “seller” within the meaning of the Securities Act because he or his agents solicited Plaintiffs’ investments in LGBCoin, including on social media.

380. By reason of the foregoing, Koutoulas participated in the offer and sale of unregistered securities in violation of the Securities Act.

381. As a direct and proximate result of Koutoulas’s unregistered sale of securities, Plaintiffs and Class members suffered damages in connection with his

respective purchases of LGBCoin, and Koutoulas is liable to Plaintiffs and Class members for rescission and/or compensatory damages.

SECOND CAUSE OF ACTION
UNREGISTERED OFFER AND SALE OF SECURITIES IN VIOLATION OF
THE FLORIDA SECURITIES AND INVESTMENT PROTECTION ACT
[Fla. Stat. §517.07]

(Against Defendants Koutoulas, Horsman
LetsGoBrandon.com Foundation, and LGBCoin, LTD)

382. Plaintiffs repeat and reallege the allegations of **** as if fully set forth herein.

383. Section 517.07, Florida Statutes, of the Florida Securities and Investor Protection Act (“FSIPA”) says that it is unlawful for any person to sell or offer to sell a security from within Florida unless the security is registered pursuant to Chapter 517, Florida Statutes.

384. Defendants and others called for an investment of money or assets by Plaintiffs – specifically ERC-20 tokens created through the Ethereum blockchain – in exchange for non-functional LGBCoin.

385. The funds paid by Plaintiffs were pooled by Defendants and others in the process of securing a profit for themselves and Plaintiffs.

386. As a result, Plaintiffs were investors who shared in the risks and benefits of the LGBCoin investment scheme.

387. The proposed transactions at issue constitute investment contracts and are therefore securities subject to Florida blue-sky laws and the FSIPA.

388. LGBCoin is not registered with the Florida Office of Financial Regulation as required by the FSIPA.

389. LGBCoin is not exempt from registration under section 517.051, Florida Statutes.

390. LGBCoin is not a federal covered security as described by the FSIPA.

391. LGBCoin was not sold in a transaction exempt under section 517.061, Florida Statutes.

392. Section 517.07 is a binding provision that obligates Defendants to register LGBCoin as a security with the Florida Office of Financial Regulation.

393. Because LGBCoin was never registered as required under the FSIPA, Defendants violated section 517.07 and are subject to liability because they solicited and participated in or aided the making of an offer of LGBCoin tokens for sale.

394. As a result of Koutoulas's unregistered sales of securities, Plaintiffs have suffered damages in connection with their respective purchases of LGBCoin.

THIRD CAUSE OF ACTION
CIVIL CONSPIRACY TO VIOLATE FEDERAL AND STATE
SECURITIES LAWS
(Against All Defendants (Except for NASCAR))

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

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

397. On information and belief, on or about November 6, 2021, the Executive Defendants agreed to fraudulently promote the LGBCoin as associated with Brown, BMS and NASCAR in an effort to artificially inflate the value and liquidity of the LGBCoin while they worked to liquidate the retained LGBCoin to maximize their joint and individual returns.

398. On information and belief, on or about November 6, 2021, the Executive Defendants agreed to promote the unregistered security LGBCoin while they worked to liquidate the retained LGBCoin to maximize their joint and individual returns.

399. In furtherance of this conspiracy, the founders directed the LGBCoin developer to create the code for the smart contract and LGBCoin itself. Individual Defendants purposefully did not include any direction to create a “locking” or

vesting mechanism within the code to protect investors from insiders immediately selling off the LGBCoin allocations the insiders received pre-launch. The purpose of this overt act was to enable Individual Defendants Koutoulas and Horsman, along with Latona, Mascioli, Norden, Michalopoulos, McLaughlin, Horman's Coral DeFi, and other insiders, to sell as much of their respective portions of the LGBCoin Float as possible.

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

401. In furtherance of this conspiracy, Koutoulas, Horsman, Norden, and Mascioli falsely promoted LGBCoin and recruited others to falsely promote LGBCoin. In particular, in November and December of 2021, Koutoulas and Norden repeatedly touted the rapid increase in the market capitalization of LGBCoins since launch. Similarly, Koutoulas, personally and through the LGBCoin.io social media accounts, repeatedly teased an officially sanctioned

sponsorship of NASCAR driver Brandon Brown and the LGB team. The purpose of these overt acts was to lead investors to believe that there was massive growth potential for LGBCoins generally and with a NASCAR partnership specifically, and, thus, a financial benefit to investing in LGBCoins.

402. Defendants' actions falsely promoting LGBCoin enriched themselves to the detriment of Plaintiffs and class members. As seen in the transaction history publicly available on the Ethereum blockchain, the wallets owned and controlled by Koutoulas and Horsman collectively sold trillions of LGBCoins directly to investors. While these Defendants and their co-conspirators made millions of dollars, investors were left with LGBCoins that were a worthless "dumpster fire."

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

FOURTH CAUSE OF ACTION
Unjust Enrichment/Restitution
(Florida Common Law)
(Against Defendant Koutoulas)

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

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

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

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

FIFTH CAUSE OF ACTION
Unjust Enrichment/Restitution
(Florida Common Law)
(Against Defendant Horsman)

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

409. Plaintiffs and Class members conferred a monetary benefit on Horsman by raising the price and trading volume of LGBCoin, which allowed

Horsman to sell LGBCoin to Plaintiffs and Class members at inappropriately and artificially inflated prices.

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

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

SIXTH CAUSE OF ACTION
Unjust Enrichment/Restitution
(Florida Common Law)
(Against Defendant LetsGoBrandon.com Foundation)

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

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

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

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

SEVENTH CAUSE OF ACTION
Unjust Enrichment/Restitution
(Florida Common Law)
(Against Defendant LGBCoin, LTD)

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

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

418. LGBCoin, LTD received a financial benefit from the sale of LGBCoin at inflated prices and are in possession of this monetary value that was intended to

be used for the benefit of, and rightfully belongs to, Plaintiffs and members of the Class.

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

EIGHTH CAUSE OF ACTION
Negligent Misrepresentation
(Against NASCAR)

420. Plaintiffs restate and reallege the following allegations as if fully set forth herein: ¶¶1-232.

421. This is a count for damages for negligent misrepresentation against NASCAR.

422. The following elements must be alleged to prevail on a negligent misrepresentation claim: (1) misrepresentation of a material fact; (2) that the representor made the misrepresentation without knowledge as to its truth or falsity or under circumstances in which he ought to have known its falsity; (3) that the representor intended that the misrepresentation induce another to act on it; and (4) that injury resulted to the party acting in justifiable reliance on the

misrepresentation. *Doria v. Royal Caribbean Cruises, Ltd.*, 393 F. Supp 3d 1141, 1145 (S.D. Fla. 2019).

423. NASCAR approved the sponsorship by LGBCoin on December 26, 2022 and on December 30, 2022, the approval became public. Plaintiffs were aware of this disclosure of the approval and relied upon the approval in deciding to purchase LGB Coin. On January 5, 2022, NASCAR abruptly withdrew its approval by stating that NASCAR would not permit BMS/Brandon Brown to participate in a race sponsored by LGBCoin.

424. Prior to and as a result of the December 26, 2021 approval, NASCAR was aware that LGBCoin.io was a cryptocurrency coin whose value was directly related to the coin's notoriety, and therefore NASCAR knew or should have known that Plaintiffs and the proposed Class would make their purchasing decision based on their approval and the coin's notoriety. Further, NASCAR knew or should have known that featuring LGBCoin on BMS/Brandon Brown's racecar at an official NASCAR race would significantly increase exposure of the coin to potential investors, which in turn would cause Plaintiffs and the proposed Class to decide to purchase the coin. Finally, upon information and belief, NASCAR's silence and refusal to correct the NASCAR associations being made in the LGBCoin

promotions, which NASCAR was directly aware of at the time, was done so that NASCAR could benefit from increased viewership due to the controversy and, in turn, the associated increase in advertising revenue.

425. Under the Restatement (Second) of Torts 552 (1977), which was adopted by the Supreme Court of Florida in 1997, it provides that a party who, in the course of its business or in any other transaction in which it has a pecuniary interest, supplies false information negligently, is liable to a party harmed by that false information. As comment h. to § 552(2) explains: “It is enough that the maker of the representation intends it to reach and influence either a particular person or persons, known to him, or a group or class of persons, distinct from the much larger class who might reasonably be expected sooner or later to have access to the information and foreseeably to take some action in reliance upon it. **It is enough, likewise, that the maker of the representation knows that his recipient intends to transmit the information to a similar person, persons or group**”

426. Here, NASCAR knew that the LGBCoin.io team intended to transmit the information from the December 26, 2021 email regarding NASCAR’s approval of the LGBCoin.io sponsorship of Brown to Plaintiffs and the other members of the class of LGBCoin investors.

427. To continue to boost its own revenue, NASCAR needs to show value to current and future sponsors. It keeps track of the sales and revenue garnered by NASCAR sponsors. NASCAR seeks to hold and gain more sponsorships by inducing the successful marketing and sales of sponsor products, including LGBCoin and purchases by Plaintiffs and the proposed Class. NASCAR intended to induce Plaintiffs and the proposed Class to rely on the approval in deciding to purchase LGBCoins.

428. NASCAR was negligent in making the material misrepresentation of approval of the LGBCoin sponsorship because the representation was made without knowledge of its truth or falsity and/or NASCAR should have known or ascertained that the misrepresentation was false.

429. On December 26, 2021, it was reasonably foreseeable to NASCAR that Plaintiffs and the Class would rely and did rely upon its approval to purchase LGBCoin when those same individuals and entities would otherwise have not purchased LGBCoin without the increased notoriety of the coin stemming from approval of the sponsorship.

430. From December 26, 2021 through January 5, 2022, NASCAR was aware or should have been aware that its statements had induced others to act to promote

the coin with the aim of increasing the coin's notoriety and causing Plaintiffs and the proposed Class, to purchase the coin. Before January 5, 2022, NASCAR never made any statement to contradict its approval. Rather, NASCAR permitted others to continue to act in reliance on its approval.

431. Plaintiffs and the proposed Class justifiably relied on the representation of approval of NASCAR in deciding to purchase LGBCoin.

432. If NASCAR had not given its approval, then Plaintiffs and the proposed Class would not have acted in reliance to decide to purchase the LGBCoin.

433. Plaintiffs and the proposed Class justifiably relied on the material misrepresentation of approval of NASCAR by deciding to purchase LGBCoin.

434. Plaintiffs and the proposed Class suffered damages in an amount to be proven at trial by acting in justifiable reliance on the material misrepresentation by NASCAR.

435. Plaintiffs and the proposed Class justifiably relied on the material misrepresentation of approval of NASCAR by deciding to purchase LGBCoin.

NINTH CAUSE OF ACTION
Promissory Estoppel Under Florida Common Law
(Against NASCAR)

436. Plaintiffs restate and reallege the following allegations as if fully set forth herein: ¶¶1-232.

437. The following elements must be alleged to prevail on a promissory estoppel claim: that the plaintiff detrimentally relied on the defendant's promise, that the defendant reasonably should have expected the promise to induce reliance in the form of action or forbearance by the plaintiff, and that injustice can only be avoided by enforcement of the promise. *Conseal International Inc. V. Neogen Corp.*, 2020 WL 4736203 at *8 (S.D. Fla. 08/14/2020)

438. NASCAR made a promise of approval of the sponsorship by LGBCoin on December 26, 2022 and on December 30, 2022, BMS publicly disclosed that it had received approval of the sponsorship stated. Plaintiffs read and/or were aware of this disclosure of the approval and relied upon the approval in deciding to purchase LGBCoin.

439. Prior to and as a result of the December 26, 2021 approval, NASCAR was aware that LGBCoin.io was a cryptocurrency coin whose value was directly related to the coin's notoriety, and therefore NASCAR knew or should have known

that Plaintiffs and the proposed Class would make their purchasing decision based on their approval and the coin's notoriety. Further, NASCAR knew or should have known that featuring LGBCoin on BMS/Brandon Brown's racecar at an official NASCAR race would significantly increase the notoriety of the coin, which in turn would cause Plaintiffs and the proposed Class to decide to purchase the coin.

440. To continue to boost its own revenue, NASCAR needs to show value to current and future sponsors. It keeps track of the sales and revenue garnered by NASCAR sponsors. NASCAR seeks to hold and gain more sponsorships by inducing the successful marketing and sales of sponsor products, including LGBCoin and purchases by Plaintiffs and the proposed Class. NASCAR intended to induce Plaintiffs and the proposed Class to rely on the approval in deciding to purchase LGBCoins.

441. NASCAR hoped to hold and gain more sponsorships by inducing the successful marketing of LGBCoin and purchases by Plaintiffs and the Class. NASCAR intended to induce Plaintiffs and the proposed Class to rely on the approval in deciding to purchase LGBCoins.

442. On December 26, 2021, it was reasonably foreseeable to NASCAR that Plaintiffs and the Class would rely and did rely upon its approval to purchase

LGBCoin when those same individuals and entities would otherwise have not purchased LGBCoin without the increased notoriety of the coin stemming from approval of the sponsorship.

443. If NASCAR had not given its approval, then Plaintiffs and the proposed Class would not have acted in reliance to decide to purchase the LGBCoin.

444. Plaintiffs and the proposed Class justifiably relied on the promise of approval of NASCAR by deciding to purchase LGBCoin.

445. Injustice can be avoided only by holding NASCAR to its promise. From December 26, 2021 through January 5, 2022, NASCAR was aware or should have been aware that its statements had induced others to act to promote the coin with the aim of increasing the coin's notoriety and causing Plaintiffs and the proposed Class, to purchase the coin. Before January 5, 2022, NASCAR never made any statement to contradict its approval. Rather, NASCAR permitted others to continue to act in reliance on its approval.

446. On January 5, 2022, NASCAR abruptly withdrew its promise made on December 26, 2021 by stating that NASCAR would not permit BMS/Brandon Brown to participate in a race sponsored by LGBCoin.

447. On January 5, 2022, NASCAR knew or should have known that its breach of its December 26, 2021 promise would gain widespread, national media attention and harm the reputation of the LGBCoin. As a consequence of NASCAR's withdrawal of its promise to permit sponsorship by LGBCoin, the LGBCoin lost substantially all its value, and Plaintiffs and Class Members who had acted in reliance on NASCAR's promise thus lost substantially all the value of their purchase-price investments in LGBCoin. NASCAR should be estopped from revoking its approval.

PRAYER FOR RELIEF

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

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

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

- C. Award all actual, general, special, incidental, statutory, punitive, and consequential damages and restitution to which Plaintiffs and class members are entitled;
- D. Award post-judgment interest on such monetary relief;
- E. Grant appropriate injunctive and/or declaratory relief;
- F. Award reasonable attorneys' fees and costs; and
- G. Grant such further relief that this Court deems appropriate.

JURY DEMAND

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

DATED: April 14, 2023

s/ Sean T. Masson

Sean T. Masson (*pro hac vice*)

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