

IN THE CIRCUIT COURT OF WILL COUNTY, ILLINOIS
LAW DIVISION

DOUGLAS BUNKER, an individual,)	
on behalf of himself and all others similarly)	
situated)	Case No. 2025 MR 000276
)	
Plaintiff,)	Hon. Bennett J. Braun
)	
v.)	
)	
JANE DOE a/k/a AVA GARCIA and)	
JOHN DOES 1-25,)	
)	
Defendants.)	

**PLAINTIFF'S EMERGENCY *EX PARTE* MOTION FOR TEMPORARY
RESTRAINING ORDER AND PRELIMINARY INJUNCTION**

Plaintiff, Douglas Bunker ("Plaintiff"), pursuant to 735 ILCS 5/11-101 and 11-102 respectfully requests that the Court enter a temporary restraining order ("TRO") freezing stolen assets held within certain cryptocurrency wallets that are the subject of this action, and in support thereof states as follows.

INTRODUCTION

The Court should grant the requested relief so that Plaintiff and the similarly situated victims of Defendants’ pernicious pig butchering scheme have a meaningful recovery. On the other hand, denying the requested relief will allow Defendants’ scheme to continue, unchecked, and effectively prohibit any recovery for the victims.

Like too many, Plaintiff fell victim to a pernicious pig butchering scheme and was scammed out of more than \$384,000. In total, Defendants unlawfully took more than \$18,000,000 million from Plaintiff and other victims. Forensic tracing confirms that those funds are now located in seven distinct cryptocurrency accounts (referred to as “wallets”) on major exchanges—Binance, Kraken, OKX, B2C2, Big.ONE, Bitkub, and Huione Pay. Plaintiff now brings this motion to freeze those funds so that they can be preserved for recovery in this litigation.

Freezing the funds quickly, and without notice to Defendants, is of paramount importance because there is a significant risk that Defendants will move the funds from the wallets held at the major exchanges and/or off the blockchain entirety—placing the funds forever out of reach. Due to the anonymous nature of cryptocurrency, there is a substantial risk that Defendants will move the assets if given advance notice of this action, rendering any eventual judgment meaningless.

FACTUAL BACKGROUND

As explained in more detail below, Plaintiff and the other victims were deceived into transferring millions of dollars worth of cryptocurrency to Defendants. Thanks to blockchain technology and the forensic tracing performed by the experts at Inca Coalition (“Inca”), Plaintiff traced the funds to certain wallets, which he now seeks to freeze in order to preserve their value during the pendency of this litigation.

A. Emergency Relief is Necessary to Prevent Asset Dissipation

Immediate injunctive relief is warranted to prevent the dissipation of the stolen cryptocurrency. Inca traced the fraudulently obtained funds to specific wallets (“Deposit Wallets”), but due to the nature of cryptocurrency—fast-moving, anonymous, and easily hidden—there is a significant risk the assets will be transferred or laundered before notice can be given or a hearing held. *See* Declaration of Adam Zarazinski¹, attached hereto as **Exhibit A**, ¶¶ 18, 23, 27, 40. If Defendants receive notice of this action, it is highly likely that Defendants will transfer cryptocurrency at issue beyond the reach of discovery or recovery. *Id.* ¶ 38-40. If that occurs, Plaintiff’s property will be lost permanently, and any eventual judgment will be ineffectual. A TRO is therefore essential to preserve the status quo and protect the Court’s ability to administer justice. *Id.* ¶ 38-40.

B. Defendants Scam Plaintiff Using Wisdom Futures

In or around January 2025, Plaintiff was approached via a text message by a Defendant identifying herself as Ava Garcia (“Garcia”). **Exhibit B**, *Declaration of Douglas Bunker*, ¶ 4. At that time, Plaintiff had recently been laid off from his job at AT&T because his position was relocated from Illinois to Texas. Plaintiff was actively searching for employment. *Id.*, ¶ 5-6.

Garcia presented herself as a member of a firm called Blockfi and offered Plaintiff a potential employment opportunity with the company. *Id.*, ¶ 7. Blockfi was a cryptocurrency lending and trading platform that allowed users to earn interest on crypto deposits and take out crypto-backed loans. *Id.*, ¶ 9. In November 2022, Blockfi filed for Chapter 11 bankruptcy

¹ Mr. Zarazinski is an expert in financial schemes involving cryptocurrency. He holds a J.D. from the University of Michigan Law School, a master’s degree in International Relations from the University of Nottingham, and a bachelor’s degree from Depaul Univserty. He has testified before the House Financial Services Subcommittee on National Security, Illicit Finance, and International Financial Institutions on terrorist financing and previously worked as an intelligence analyst at INTERPOL. He was also a judge advocate in the United States Air Force, where he continues to serve as a Major in the USAF JAG Corps Reserve. **Ex. A**, ¶ 6.

protection, citing significant exposure to the collapse of the FTX exchange.² *Id.*, ¶ 10. In October of 2023, Blockfi emerged from bankruptcy and announced plans to wind down all remaining operations, including returning crypto assets to customers. *Id.*

Garcia represented to Plaintiff that she wanted to relaunch Blockfi. *Id.*, ¶ 12. Garcia offered Plaintiff a job with Blockfi as a Capital Planning and Strategy Manager. *Id.* In connection with this purported job offer, Garcia directed Plaintiff to Wisdom Futures, which allegedly served as a platform for cryptocurrency trading. *Id.*, ¶ 13. According to Garcia, the platform would allow Plaintiff to become familiar with digital asset markets and trading mechanisms in preparation for his employment. *Id.* Garcia showed Plaintiff how to make trades on the platform. *Id.*, ¶ 14. Garcia represented that Wisdom Futures provided the opportunity to trade options on Bitcoin (“BTC”), specifically through a method known as binary options trading. *Id.* In this model, participants are required to predict the directional movement of BTC’s price within a set time frame — whether the price would move up or down. *Id.* Garcia further claimed that Blockfi had access to an algorithm that enabled it to “time the market” with precision, boasting a 95% trade success rate on the Wisdom Futures platform. *Id.*, ¶ 15. Garcia informed Plaintiff that successful trades on the platform typically resulted in returns of approximately 30% of the invested amount. *Id.*, ¶ 16. Relying on these representations, Plaintiff proceeded to engage in what he was led to believe was legitimate trading activity on Wisdom Futures. *Id.*

In order to fund the trades, Plaintiff pulled funds out of his retirement accounts. *Id.*, ¶ 17. On Coinbase, Plaintiff bought crypto and transferred it into his Future Wisdom account. *Id.* Over the course of his involvement in January and February 2025, Plaintiff invested a total of

² The FTX collapse was triggered by revelations that the company had misused customer assets and funds to cover losses at its sister firm, Alameda research. Users rushed to withdraw their funds, leading to a liquidity crisis and FTX’s bankruptcy.

approximately \$384,311.30 worth of cryptocurrency assets into the Wisdom Futures platform. *Id.*, ¶ 18. These funds were deposited in multiple transactions. *Id.* According to the account statements presented by Wisdom Futures, Plaintiff's balance eventually grew to over \$1.6 million. *Id.*, ¶ 19. On February 22, 2025, Plaintiff was able to initiate a successful withdrawal of approximately \$30,000, which was deposited into his Coinbase account. *Id.*, ¶ 20.

Subsequently, when Plaintiff attempted to make a larger withdrawal, he was informed by customer service representatives of the platform that he was required to pay a "blockchain fee" equal to 10% of his alleged earnings. *Id.*, ¶ 21. Plaintiff paid this fee. *Id.* Thereafter, after attempting another large withdrawal, Plaintiff was told that his account had been flagged for suspected money laundering activity, and that he would need to pay a "fund verification fee" of an additional 10% fee in order to unfreeze and access his funds. *Id.*, ¶ 22. Plaintiff did not pay this fee as he was unable to withdraw more funds from his retirement accounts. *Id.* At no point did Wisdom Futures provide any legitimate justification for these purported fees, nor were any of the remaining funds ever returned to Plaintiff. *Id.*, ¶ 23. Between January and February 2025, Plaintiff transferred a total of \$384,311.30 across 12 transactions to Wisdom Futures. *Id.*

C. Overview of Cryptocurrency and Blockchain Technology

Cryptocurrencies are digital tokens of value circulated over the internet as substitutes for traditional fiat currency. **Ex. A**, ¶ 7. Virtual currencies are not issued by any government or bank, like traditional fiat currencies such as the U.S. dollar, but are generated and controlled through computer software. *Id.* BTC is the most well-known virtual currency. *Id.* Virtual currency is tied to a virtual address – virtual locations to which such currencies are sent and received. *Id.* at ¶ 8. Each virtual currency address is controlled using a unique corresponding private key, a cryptographic equivalent of a password needed to access the address. *Id.* Only the holder of an

address' private key can authorize a transfer of virtual currency from that address to another address. *Id.* Cryptocurrency is held in an online wallet, which is similar to a bank account. *Complaint*, ¶20.

Blockchain is used by many virtual currencies to publicly record all of their transactions and is essentially a distributed public ledger, run by a decentralized network of computers, containing an immutable and historical record of every transaction that has ever occurred utilizing that blockchain's specific technology. **Ex. A**, ¶ 9. The blockchain maintains records of every transaction and all the known balances for each virtual currency address. *Id.* Each transaction is assigned a unique identifier known as a "hash number." *Id.* Finally, centralized exchanges—like Binance and OKX—are online platforms that facilitate the buying, selling, and trading of cryptocurrencies through a centralized organization that manages the platform and user funds, similar to a traditional fiat brokerage house. *Id.* at ¶ 10. Examples of well known centralized exchanges include Binance, Coinbase, and Kraken. *Id.*

D. Pig Butchering Briefly Explained

"Pig butchering" is a scheme in which scammers promise victims returns on crypto investments and then fabricate evidence of positive performance of those investments on fake websites made to look like functioning cryptocurrency trading venues, investment companies, and/or job opportunities. *Id.* at ¶ 11. The "butcherers" do so to entice victims to "invest" more money. *Id.* When the victims have been sufficiently "fattened" with false profits, scammers steal the victims' cryptocurrency, and cover their tracks by moving the stolen property through a maze of subsequent transactions. *Id.* Pig butchering victims in the United States have lost billions of dollars and pig butchering schemes have been the subject of state and federal government investigation and prosecution. *Id.*

The ultimate goal of the scammers in pig butchering schemes is to “off-ramp” the stolen cryptocurrency—i.e., to convert it from traceable blockchain assets into fiat currency that can be freely spent or hidden outside the digital ecosystem. *Id.* at ¶ 12. This conversion process often involves layering transactions through multiple wallets, mixing services, or foreign exchanges in order to obscure the origin of the funds. *Id.* The end result is the placement of illicitly obtained crypto into the traditional financial system, and thereafter withdrawing fund from the financial system altogether, a process functionally and legally akin to money laundering. *Id.* By distancing the funds from their criminal origins through complex blockchain transactions, the perpetrators aim to make detection and recovery extremely difficult by placing these funds and assets beyond reach of plaintiffs and courts. *Id.*

E. Inca Forensically Traces the Stolen Funds

Defendants used fake platforms to misappropriate the assets, transferring the funds through a series of transactions designed to obscure their origins. **Ex. A**, at ¶¶ 13-15, 18-19. Inca’s investigation was conducted in two precise, reliable, and replicable phases: forward and reverse tracing.

In phase one, Inca’s “forward tracing” began tracking the flow of funds by examining transfers from Plaintiff to the addresses he was given by Defendants, and then tracking subsequent transfers until arriving at the Deposit Wallets. *Id.* at ¶¶ 20, 26. This process involved three steps: (1) identifying the addresses of wallets into which Plaintiff transferred assets; (2) tracking the subsequent transfer of those assets to intermediary addresses; and (3) determining that Plaintiff’s assets were ultimately deposited into the Deposit Wallets listed in Appendix A of Mr. Zarazinski’s declaration. *Id.* at ¶ 20.

In phase two, Inca conducted a “reverse trace,” beginning with the Deposit Wallets, and

tracing backwards to identify other wallets from which funds were received, further defining the scope of the scam network. *Id.* at ¶ 22.

Through its forward tracing and reverse tracing analysis, Inca’s investigation uncovered a network of cryptocurrency wallets through which Class Members’ funds were funneled. *Id.* at ¶ 21, 23. Defendants use of Pivot Addresses and a pattern of transactions indicate that the entire network was used as part of Defendants larger illicit scheme. *Id.* at ¶ 23. Use of Pivot Addresses to aggregate funds only to transfer them to a Deposit Wallet (the staging ground for off-ramping) is highly indicative of fraudulent activity. *Id.* Indeed, many of the wallets that transferred funds into the Pivot Addresses have already been flagged for scam activity, darknet involvement and/or inclusion in sanction lists. *Id.*

Defendants laundered funds into the Deposit Wallets from no fewer than 78 victims. *Id.* at ¶ 29. The following Deposit Wallets represent the last known locations where misappropriated assets were traced. Forensic blockchain analysis confirms that these wallets were used in structured laundering processes, and the stolen funds remain at imminent risk of further dissipation:

Exchange	Wallet Address
Binance	0xF8D4f7aea1f91E9db99499CBc3319c3572fa7844
Kraken	0xd0Db8a3b846964963035eb3Bc343E1e378e41Dff3
OKX	0xfA13A14D924CfDaDa358AD2b85B17f7d5282C6bB
B2C2	0xa29E963992597B21bcDCaa969d571984869C4FF5
Big.ONE	0xD4Dcd2459BB78d7a645Aa7E196857D421b10D93F
Bitkub	0x9F828ff3552B805E4781c47153f476d722080bF1
Huione Pay	0xEe674c4Bb8a8A7946353AaA7245A9F6054c4e34F

Id., ¶ 30-36. Estimated total class-wide losses are approximately \$18,600,775.00 based on cumulative victim deposits into the identified Pivot Wallet. *Id.*, ¶ 29.

ARGUMENT

“A TRO is an emergency remedy issued to maintain the status quo until a hearing can be held on an application for a preliminary injunction. Whereas, the purpose of a preliminary injunction is to maintain the status quo until the case is disposed of on the merits.” *Passon v. TCR, Inc.*, 242 Ill. App. 3d 259, 264 (1993); *see also Stocker Hinge Mfg. Co. v. Darnel Indus., Inc.*, 94 Ill. 2d 535, 541 (1983) (holding that the purpose of a TRO is to preserve the status quo until the court can determine whether to grant a preliminary injunction and collecting cases). A TRO should not be refused or dissolved merely because the court may not be absolutely certain the plaintiff has the right he claims. *Stocker Hinge Mfg. Co.*, 94 Ill. 2d at 541–42.

To obtain a TRO or preliminary injunction, Plaintiff must show (1) a clearly ascertained right in need of protection; (2) he will suffer irreparable harm without the injunction; (3) there is no adequate remedy at law; and (4) he is likely to be successful on the merits of its cause. *Cnty. of Du Page v. Gavrilos*, 359 Ill. App. 3d 629, 634 (2005); *Cameron v. Bartels*, 214 Ill. App. 3d 69, 73 (1991).³ Importantly, a plaintiff seeking preliminary injunctive relief does not carry the same burden of proof that is required to prevail on the ultimate issue, but instead must only demonstrate a “fair question” as to each element. *Ziller v. Rossi*, 395 Ill. App. 3d 130, 139 (2009) (citation omitted).

³ “TROs and preliminary injunctions require the same elements of proof.” *Cnty. of Boone v. Plote Constr., Inc.*, 2017 IL App (2d) 160184, ¶ 28.

This Court should grant immediate injunctive relief freezing the Deposit Wallets to prevent further unlawful dissipation of funds and to preserve the status quo. Courts around the country have not hesitated to issue similar orders when faced with similar crypto-based pig butchering schemes. See **Exhibit C** (*Shaya v. Nofs*, 24-cv-10670-MAG-EAS, EFC Doc. No. 4 (E.D. Mich. March 18, 2024) (granting order to show cause and granting motion for temporary restraining order); *Pouyafar v. John Doe Nos. 1-25*, Index No. 654820/2023, (N.Y. Sup. Ct. Sept. 29, 2023) (granting order to show cause and temporary restraining order); *Andrew Chait v Wendy Lee et. al*, Index No. 159881/2024, (N.Y. Sup. Ct. Oct. 24, 2024) (granting order to show cause and temporary restraining order); *Natalia Elmowafi v. Chris Yang*, Cause No. 202446570, (334th Jud Dist Ct, Harris County, Texas, July 24, 2024) (granting temporary restraining order.)

I. INJUNCTIVE RELIEF SHOULD ISSUE IMMEDIATELY

A. Plaintiff and the Class Possess a Clearly Ascertainable Right in their Bitcoin

The victims all possess a clearly ascertainable right in the ownership and possession of their cryptocurrency that was wrongfully taken from them. Illinois courts have recognized that injunctive relief is particularly appropriate in situations like this one “where the funds which are the subject of the injunction are also the subject of the dispute...” *Carriage Way Apartments v. Pojman*, 172 Ill. App. 3d 827, 838 (1988). Moreover, courts in other jurisdiction in similar cryptocurrency cases have found that the victim’s rights in their wrongfully taken cryptocurrency is sufficient to warrant emergency, *ex parte*, injunctive relief. See **Exhibit D** (*Yogaratnam v. Dubois*, No. CV 24-393, 2024 U.S. Dist. LEXIS 31033, at *8-9 (E.D. La. Feb. 23, 2024) (granting emergency *ex-parte* motion for TRO and holding that “[i]t appears from the record that Defendants have no right to claim either possession or ownership of the stolen [cryptocurrency] assets, and Defendants’ taking of the funds is clearly inconsistent with Plaintiff’s rights of ownership”));

Exhibit E (*Blum v. Defendant 1*, No. 3:23-cv-24734-MCR-HTC, ECF No. 6 at 5 (N.D. Fla. Dec. 13, 2023) (granting an *ex-parte* temporary restraining order holding that, “Blum’s cryptocurrency assets are specific, identifiable property that can be traced to Defendants’ Destination Addresses.”))

In this case, Plaintiff and the Class have a clearly ascertainable right to the specific cryptocurrency assets taken from them through Defendants’ scheme, giving rise to well-established common law claims for conversion and unjust enrichment. These claims directly implicate the victims’ rights to recover the specific property at issue, Defendant’s continued control over which is an ongoing injury. A TRO is therefore not only appropriate, but necessary to protect the subject matter of this litigation.

B. Irreparable Harm is Likely

An injury is irreparable where it is of such nature that the injured party cannot be adequately compensated in damages or when the damages cannot be measured by any certain pecuniary standard. *Kalbfleisch v. Columbia Community Unit School District Unit No. 4*, 396 Ill.App.3d 1105, 1116 (2009). “Irreparable injury does not necessarily mean injury that is great or beyond the possibility of repair or compensation in damages, but is the type of harm of such constant or frequent recurrence that no fair or reasonable redress can be had in a court of law.” *Bally Mfg. Corp. v. JS&A Grp., Inc.*, 88 Ill. App. 3d 87, 94 (1980).

Illinois appellate courts have upheld preliminary injunctions that preserved monetary funds in order to preserve the status quo. *See All Seasons Excavating Co. v. Bluthardt*, 229 Ill. App. 3d 22, 27–28 (1992). As was the case in *All Seasons*, there is a likelihood that Defendants will dissipate the assets, rendering judgment meaningless. This is especially true here given that cryptocurrency is easily transferred and can be instantaneously removed from the blockchain or “off-ramped.” **Ex. A**, ¶ 39-40. If these funds are off-ramped, Plaintiff’s ability to trace or recover

them will likely be lost forever, rendering any legal remedy not only impractical but virtually impossible. *Id.*

This is exactly the type of injury that injunctive relief is meant to avoid. Courts in other jurisdictions have repeatedly held that cryptocurrency theft schemes threaten imminent and irreparable loss justifying injunctive relief. *See Exhibit F (Jacob v. Doe*, No. 1:22-cv-00672-DAD-BAK (BAM), 2022 U.S. Dist. LEXIS 101504, at *15-16 (E.D. Cal. June 7, 2022) (recognizing that “district courts have found that the risk of irreparable harm to be likely in matters concerning fraudulent transfers of cryptocurrency due to the risk of anonymous and speedy asset dissipation.”) This is in part because “it would be a simple matter for [defendant] to transfer” cryptocurrency “to unidentified recipients outside the traditional banking system . . . and effectively place the assets at issue in this matter beyond the reach of this court.” *Id.*; *see also Exhibit G (Gaponyuk v. Alferov*, No. 2:23-cv-01317-KJM-JDP, 2023 U.S. Dist. LEXIS 125262, at *6-7 (E.D. Cal. July 20, 2023) (finding irreparable harm due to the anonymous and speedy nature of cryptocurrency transfers); **Exhibit H** (*Hikmatullaev v. Villa*, No. 23-cv-22338-ALTMAN/Reid, 2023 U.S. Dist. LEXIS 111619, at *7 (S.D. Fla. June 28, 2023), *report and recommendation adopted*, No. 23-CV-22338, 2023 WL 4363566 (S.D. Fla. July 6, 2023) (finding irreparable harm because of the “likely danger that if Defendants’ assets are not frozen, the cryptocurrency assets Defendants fraudulently obtained and still retain may be absconded with or otherwise dissipated before Plaintiffs can obtain the relief sought in the Complaint”); **Exhibit I** (*Astrove v. Doe*, No. 22-CV-80614-RAR, 2022 U.S. Dist. LEXIS 129286, at *7 (S.D. Fla. Apr. 22, 2022) (granting TRO and finding “it is imperative to freeze [defendants’ crypto wallets] to maintain the status quo to avoid dissipation of the money illegally taken from Plaintiff”).

C. Plaintiff and the Class Have no Adequate Remedy at Law

“The existence of a remedy at law does not deprive equity of its power to grant injunctive relief unless the remedy is adequate; [i]e., the remedy at law must be clear, complete, and as practical and efficient to the ends of justice and its prompt administration as the equitable remedy.” *K. F. K. Corp. v. Am. Cont'l Homes, Inc.*, 31 Ill. App. 3d 1017, 1021 (1975). Moreover, injunctive relief is proper where an action for damages would not be “as practical and efficient to the ends of justice” as an action for injunctive relief. *Bio-Med. Lab'ys, Inc. v. Trainor*, 68 Ill. 2d 540, 549 (1977). Illinois courts have held, for example, that money damages are not an adequate remedy at law where there is a risk that the assets to which plaintiff claims an interest may be dissipated. *In re Marriage of Hartney*, 355 Ill. App. 3d 1088, 1090 (2005) (reversing denial of preliminary injunction where injunction would prevent dissipation of the property in question). Similarly, there is a significant risk that the cryptocurrency in the subject wallets will be dissipated by Defendants: *i.e.*, off-ramped from the blockchain to fiat currency. Consequently, legal relief is inadequate. *Id.*; *see also K. F. K. Corp.*, 31 Ill. App. 3d at 1021. Cryptocurrency, by its very design, allows for instantaneous, anonymous transfers across global networks. Once digital assets are off-ramped, Plaintiff may never locate them again.

Courts in other jurisdictions have held that a money judgment is not an adequate remedy in pig butchering cases. In *Bullock v. Doe*, the court found that “defendants will likely convert the crypto to a place where plaintiff can no longer find it or find defendants themselves.” No. 23-CV-3041 CJW-KEM, 2023 WL 9503380, at *5 (N.D. Iowa Nov. 3, 2023) (attached hereto as **Exhibit J**). The court concluded that the plaintiff “likely does not have an adequate legal remedy, because a money damages judgment would be essentially meaningless,” particularly where “plaintiff has been unable to identify the people behind the alleged scheme.” *Id.* Those circumstances are present here: the funds were traced to the Deposit Wallets, but neither Plaintiff nor Inca know the identities

of the perpetrators with certainty, nor can Plaintiff ensure the assets will remain accessible absent immediate injunctive relief. In this case, the harm continues every day that Defendants maintain control over Plaintiff's stolen assets. In sum, Plaintiff has no adequate remedy at law.

D. Plaintiff and the Class Will Likely Succeed on the Merits

To establish a likelihood of success on the merits, Plaintiff need only raise a fair question regarding the existence of a claimed right and a fair question that it will be entitled to the relief requested. *Kalbfleisch*, 396 Ill. App. 3d at 1114.

1. Plaintiff is Likely to Succeed on his Conversion Claim

To sufficiently allege conversion, therefore, a plaintiff must allege (1) the defendant's unauthorized and wrongful assumption of control, dominion or ownership over the plaintiff's personal property, (2) the plaintiff's right in the property, (3) the plaintiff's right to immediate possession of the property, absolutely and unconditionally and (4) the plaintiff's demand for possession of the property. *Roderick Dev. Inv. Co. v. Cmty. Bank of Edgewater*, 282 Ill. App. 3d 1052, 1057 (1996).

Here, Defendants wrongfully assumed control over the cryptocurrency, which is rightfully owned by the victims, who have an absolute and unconditional right to reclaim them, and sought return of the funds when attempting to withdraw them—only to be told they had to pay certain fees and that further deposits were required. This demand was effectively denied. These facts satisfy each element of conversion.

2. Plaintiff is Likely to Succeed on his Unjust Enrichment Claim

“To state a cause of action based on a theory of unjust enrichment, a plaintiff must allege that the defendant has unjustly retained a benefit to the plaintiff's detriment, and that defendant's retention of the benefit violates the fundamental principles of justice, equity, and good

conscience.” *HPI Health Care Servs., Inc. v. Mt. Vernon Hosp., Inc.*, 131 Ill. 2d 145, 160 (1989). Defendants were enriched through the cryptocurrency wrongfully acquired from the victims. To allow Defendants to reap the rewards of their pig butchering scheme patently violates the fundamental principles of justice, equity and good conscience, clearly supporting a claim for unjust enrichment.

3. Plaintiff is Likely to Succeed on his Replevin Claim

To prevail, a plaintiff must recover on the strength of his or her own title or right to immediate possession. *Gen. Motors Acceptance Corp. v. Stoval*, 374 Ill. App. 3d 1064, 1072 (2007). One who has no right to possession of the property cannot maintain replevin. *Id.* Accordingly, an action of replevin seeks possession of property which has been wrongfully detained. *Id.* Plaintiff never relinquished title to his cryptocurrency; rather, he was tricked into transferring it under false pretenses. The property is identifiable, traceable, and currently held in digital wallets associated with Defendants. Because Defendants never had any lawful claim to the assets and have wrongfully refused to return them, Plaintiff is entitled to their immediate possession. His replevin claim is therefore well-supported and likely to succeed.

II. ADVANCE NOTICE IS NOT REQUIRED

Notice is not required where it “clearly appears that immediate and irreparable injury, loss or damage will result” before notice can be served and hearing held. 735 ILCS 5/11-101. To that end, Illinois courts have granted injunctive relief without notice where notice would have been futile and plaintiff would suffer irreparable injury as a result of defendant’s conduct. *See Streamwood Home Builders, Inc. v. Brolin*, 25 Ill. App. 2d 39, 47–48 (1960). The “critical inquiry” is whether, during the period it takes to give notice, the opponent will take such measures as to

destroy the substance of the litigation or otherwise obstruct the court from dealing effectively with the issues.” *Quigg v. Saleem*, 2022 IL App (4th) 220720, ¶ 18.

The answer is unequivocally yes. In this case, the danger of irreparable loss is immediate and concrete. Plaintiff’s complaint and supporting declarations establish that the funds in the Deposit Wallets were wrongfully obtained, belong to victims, and are at substantial risk of being dissipated. Providing advance notice would allow Defendants an opportunity to move the assets into untraceable or unrecoverable accounts, rendering the claims moot before any hearing could be held.

Recognizing this reality, other courts have granted similar injunctive relief without notice. *See Exs. C, F, and G.*

Finally, in the event that the Court issues a TRO, plaintiff will provide notice of same via Input Data Message (“IDM”) process, whereby a message with the URL to a website containing documents is sent using the Input Data field on a transaction on the Ethereum blockchain (a “Service Transaction”). *Ex. A*, ¶ 41. Each of the Deposit Wallets will receive a Service Transaction containing the message. *Id.* The message will contain the URL to a website containing relevant filings in this case (the “Service Website”), including the Complaint, Plaintiff’s Emergency Motion, and any Orders issued by the Court. *Id.* The Service Website will include a mechanism to track when a person visits the Service Website. *Id.* This method of notice and service is reasonably calculated to and would likely result in actual notice of those documents to the individuals or entities that control the Deposit Wallets, and the existence and contents of those service tokens would be readily apparent to the owners. *Id.*

Such notice is reasonably calculated to apprise Deposit Wallet owners of this litigation. Indeed, the Illinois Supreme Court Rules permit service by electronic means, Ill. Sup. Ct. R.

102(f)(1), and other courts have adopted similar blockchain-based service in blockchain-based cases like this one. *See Ex. C; see also Exhibit K (Stil Well v. Defendant “I,”* No. 23-21920-CIV, 2023 U.S. Dist. LEXIS 155537, at *4-6 (S.D. Fla. Sept. 1, 2023).) Accordingly, the Court should permit Plaintiff to serve the TRO and process via this alternative method.

III. THE COURT SHOULD NOT REQUIRE A BOND

“The court in its discretion, *may* before entering a restraining order or a preliminary injunction, require the applicant to give bond in such sum, upon such condition and with such security as may be deemed proper by the court” 735 ILCS 5/11-103 (emphasis added). “When imposition of bond would be an undue hardship on plaintiff in a preliminary injunction, it is not an abuse of discretion not to order the imposition of bond.” *Gold v. Ziff Commc'ns Co.*, 196 Ill. App. 3d 425, 436 (1989). Plaintiff is a victim of a pig butchering scheme, having already lost significant sums to Defendants. Requiring a bond in this context—where Plaintiff seeks merely to preserve the status quo by restraining access to wrongfully obtained assets—would effectively penalize Plaintiff further for having his funds stolen. Moreover, Defendants have no legitimate interest in the funds at issue and there is no risk of wrongful harm to Defendants that would warrant imposition of a bond given that the funds would merely be frozen.

CONCLUSION

WHEREFORE, for the foregoing reasons, Plaintiff respectfully requests that Court enter the proposed order granting the following relief:

- a) Freezing the assets held within the following wallets preventing any transfer or encumbrance of the funds therein:
 - 1) 0xF8D4f7aea1f91E9db99499CBc3319c3572fa7844 (held at Binance);

- 2) 0xd0Db846964963035eb3Bc343E1e378e41Dff3 (held at Kraken);
 - 3) 0xfA13A14D924CfDaDa358AD2b85B17f7d5282C6bB (held at OKX);
 - 4) 0xa29E963992597B21bcDCaa969d571984869C4FF5 (held at B2C2);
 - 5) 0xD4Dcd2459BB78d7a645Aa7E196857D421b10D93F (held at Big.ONE);
 - 6) 0x9F828ff3552B805E4781c47153f476d722080bF1 (held at Bitkub); and
 - 7) 0xEe674c4Bb8a8A7946353AaA7245A9F6054c4e34F (held at Huione Pay).
- b) Authorizing service of the Order and service of process by Input Data Message process;
- and
- c) Granting all other just and appropriate relief.

Respectfully submitted,

/s/ Michael Kozlowski

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EXHIBIT A

IN THE CIRCUIT COURT OF WILL COUNTY, ILLINOIS
LAW DIVISION

DOUGLAS BUNKER, an individual,
on behalf of himself and all others similarly
situated

Plaintiff,

V.

**JANE DOE a/k/a AVA GARCIA and
JOHN DOES 1-25,**

Defendants.

Case No. 2025 MR 000276

Hon. Bennett Braun

**DECLARATION OF ADAM ZARAZINSKI IN SUPPORT OF EMERGENCY MOTION
FOR *EX-PARTE* TEMPORARY RESTRAINING ORDER AND PRELIMINARY
INJUNCTION**

1. Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, I, Adam Zarazinski, certify that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters I certify as aforesaid that I verily believe the same to be true.

2. The statements herein are based on my own personal knowledge and if called to testify as a witness in this matter, I would testify as set forth herein.

3. I am over twenty-one years of age.

A. Introduction

4. I am employed as the Chief Executive Officer of Inca Digital (“Inca”), a company that specializes in financial risk intelligence and investigating cryptocurrency schemes, including pig butchering. As part of my employment at Inca, I have investigated matters related to Douglas Bunker’s (“Class Plaintiff”) above-captioned action against Defendants Jane Doe a/k/a “Ava Garcia” and John Does 1-25 (collectively “Defendants”).

5. Inca is a leading digital asset intelligence firm providing data, analytics, and expertise to cryptocurrency exchanges, financial institutions, regulators, and government agencies. Inca Digital's services are used to trace illicit financial activity and combat fraud, particularly in cases involving complex cryptocurrency schemes.

6. I hold a J.D. from the University of Michigan Law School, a Master's Degree in International Relations from the University of Nottingham, and a Bachelor of Arts in Political Science from DePaul University. I have leveraged my specialized knowledge of blockchain technology, digital asset ecosystems, and regulatory frameworks to serve as an expert witness in cryptocurrency-related litigation and testified at the House Financial Services Subcommittee on National Security, Illicit Finance, and International Financial Institutions on terrorist financing. Prior to my work at Inca Digital, I worked as an intelligence analyst at INTERPOL and served in the United States Air Force as a judge advocate. I continue to serve as Major in the USAF JAG Corps Reserve.

B. Cryptocurrency and Pig Butchering Overview

7. Cryptocurrencies are digital tokens of value circulated over the internet as substitutes for traditional fiat currency. Virtual currencies are not issued by any government or bank, like traditional fiat currencies such as the U.S. dollar, but are generated and controlled through computer software. Bitcoin ("BTC") and Ethereum ("ETH") are the most well-known virtual currencies in use.

8. Virtual currency is tied to a virtual address – virtual locations to which such currencies are sent and received. The identity of an address owner is generally anonymous. Each virtual currency address is controlled using a unique corresponding private key, a cryptographic equivalent of a password needed to access the address. Only the holder of an address' private key

can authorize a transfer of virtual currency from that address to another address.

9. Blockchain is used by many virtual currencies to publicly record all of their transactions. The blockchain is essentially a distributed public ledger, run by a decentralized network of computers, containing an immutable and historical record of every transaction that has ever occurred utilizing that blockchain's specific technology. The blockchain maintains records of every transaction and all the known balances for each virtual currency address. Each transaction is assigned what is known as a "hash number."

10. There are different blockchains for different types of virtual currencies. Finally, Centralized Exchanges are digital platforms that facilitate the buying, selling, and trading of cryptocurrencies through a centralized organization that manages the platform and user funds. Examples of well known centralized exchanges include Binance, Coinbase, and Kraken.

11. "Pig butchering" is a scheme in which scammers promise victims returns on crypto investments and then fabricate evidence of positive performance of those investments on fake websites made to look like functioning cryptocurrency trading venues or investment companies. The "butcherers" do so to entice victims to "invest" more money. When the victims have been sufficiently "fattened" with false profits, scammers steal the victims' cryptocurrency, and cover their tracks by moving the stolen property through a maze of subsequent transactions. Pig butchering victims in the United States have lost billions of dollars and pig butchering schemes have been the subject of state and federal government investigation and prosecution.¹

12. The ultimate goal of the scammers in pig butchering schemes is to "off-ramp" the

¹ See FinCEN Alert of Prevalent Virtual Currency Investment Scam Commonly Known as "Pig Butchering," U.S. Treasury Financial Crimes Enforcement Network Sep. 8, 2023, https://www.fincen.gov/sites/default/files/shared/FinCEN_Alert_Pig_Butchering_FINAL_508c.pdf

stolen cryptocurrency—i.e., to convert it from traceable blockchain assets into fiat currency that can be freely spent or hidden outside the digital ecosystem. This conversion process often involves layering transactions through multiple wallets, mixing services, or foreign exchanges in order to obscure the origin of the funds. The end result is the placement of illicitly obtained crypto into the traditional financial system, and thereafter withdrawing funds from the financial system altogether, a process functionally and legally akin to money laundering. By distancing the funds from their criminal origins through complex blockchain transactions, the perpetrators aim to make detection and recovery extremely difficult by placing these funds and assets beyond reach of plaintiffs and courts.

13. In this case, the fraudulent scheme revolves around a fake cryptocurrency platform Wisdom Futures. Defendants used Wisdom Futures to lure Class Plaintiff with a promise of a false job prospect. Defendants lured Class Plaintiff and other class members into transferring cryptocurrency to wallets that Defendants controlled. The goal of this class action is to freeze the wallets holding the converted funds and facilitate the return of these stolen assets to the defrauded Class Members.

14. Based on Inca's investigation to date, Defendants' misappropriation of Class Plaintiff's funds began as early as January 14, 2025, the date of Plaintiff's initial transfer. Tracing confirms continued activity through at least February 25, 2025, the date of Plaintiff's final transfer, and links this flow to a broader network of wallets associated with additional victims. On information and belief, the scheme involved at least 78 cryptocurrency wallets, and further affected individuals are likely to be identified as tracing continues. Moreover, one of the Pivot Wallets (0xc15d381cc41e0cAF2e9fccD0443BA4aDc747225a) used by Defendants in this case was active from January 2, 2025 until February 9, 2025. The other Pivot Wallet used by Defendants

(0x47754A3763a398B33078589C7faf5d9D6aA4D7C1) was active between February 9, 2025 until March 8, 2025.

15. As detailed in Appendix A, Inca identified the specific cryptocurrency wallets in which a portion of the ill-gotten gains of Defendants' scheme are presently held ("Deposit Wallets"). These wallets are linked to the common "pig butchering" scheme that centers around the fraudulent platform mentioned above.

C. Summary of Inca's Investigation

16. Inca's investigation was based upon the review of communications between Plaintiff and Defendants, notes of interviews with Plaintiff, records from Plaintiff's financial institutions, and forensic analysis of transactions publicly available on various cryptocurrency blockchains.

17. Inca's investigation confirmed that Defendants directed Plaintiff to transfer funds to a trading platform that was completely fictitious: Wisdom Futures. Wisdom Futures was a fake cryptocurrency options trading platform designed to deceive Class Members into believing that their funds were being used to make legitimate trades and accrue actual profit. In reality, Defendants were misappropriating victims' cryptocurrency.

18. Inca's investigation revealed that although Plaintiff believed he was transferring funds to a legitimate account associated with the Wisdom Futures platform, he was in fact sending cryptocurrency directly to wallets controlled by Defendants. These initial "intake wallets" received twelve separate transfers from Class Plaintiff. Shortly thereafter, Defendants routed the assets through a series of intermediary wallets, including Pivot Addresses, in a pattern designed to obscure the origin and destination of the misappropriated funds. Inca's tracing ultimately identified seven exchange-hosted deposit wallets to which Plaintiff's and other Class Members' assets were

transferred — one at Binance, one at OKX, one at Kraken, one at B2C2, one at Big.ONE, one at Bitkub, and one at Huione Pay. These wallets are listed in Appendix A and are those which Class Plaintiff seeks to freeze.

19. Inca’s investigation employed rigorous blockchain forensic techniques. This process identifies key wallet types: (1) **Intake Wallet**: the first address provided to the victim for depositing funds into the scam. Intake Wallets are controlled by Defendants and serve as the entry point for misappropriated assets; (2) **Pivot Wallet**: an address that consolidates stolen funds from multiple victims before dispersing them to final deposit addresses. These Pivots Wallets are designed to obscure the original source of funds and facilitate layering to evade detection; and (3) **Deposit Wallet**: a cryptocurrency wallet assigned to a user account on a centralized exchange used to off-ramp the funds—i.e., take them off the blockchain by converting the assets from crypto to fiat currency.

20. Inca’s “forward tracing” analysis began tracking the flow of funds by examining transfers from Class Plaintiff to the addresses he was given by Defendants, and then tracking subsequent transfers. This process involved three steps: (1) identifying the addresses of wallets that initially received Class Plaintiff’s assets; (2) tracking the subsequent transfer of those assets to intermediary addresses; and (3) determining that Class Plaintiff’s assets were ultimately deposited into the wallets listed in Appendix A.

21. Through this analysis, Inca uncovered further wallet addresses involved in the diversion of Class Plaintiff’s funds, thus revealing a broader network of wallets involved in the scam.

22. Inca also engaged in Reverse Tracing which involves tracing back from Deposit Wallets to confirm they received funds from multiple unrelated victim wallets, establishing the

structured nature of the laundering process. Inca traces back from Pivot Wallets to identify additional victims whose assets were commingled before further movement. This process confirms the extent of the fraud scheme by analyzing how widely dispersed stolen funds became before reaching their final destinations.

23. Further, based upon Inca and my expertise, the interactions between the wallets in the identified network are highly indicative of fraudulent activity. Specifically, the network contains wallets engaging in two types of behavior that is associated with cryptocurrency fraud schemes and is rarely, if ever, associated with legitimate cryptocurrency transactions. The network contains “Pivot Addresses,” which are known for mixing funds and serve as hubs for numerous transport channels. They accumulate funds from a large number of transport nodes and forward larger amounts to 3-4 other transport nodes. Typically, each scheme has only one to a handful of Pivot Addresses, and the funds this address receives eventually end up on exchange wallets after passing through a few additional wallets in the network. Additionally, sources of funds for these addresses often include wallets already flagged for scam activity, gambling, darknet involvement, or inclusion in sanction lists. Overall, these interactions between the different wallets in the network gives me a high degree of confidence that the entire network exists as part of the scam and is controlled by Defendants.

24. Inca’s tracing analysis relied on proprietary forensic tools, including Chainalysis, which is a platform widely used by law enforcement to track stolen assets on account based blockchain networks like Ethereum (ERC-20).

D. Inca’s Tracing Analysis

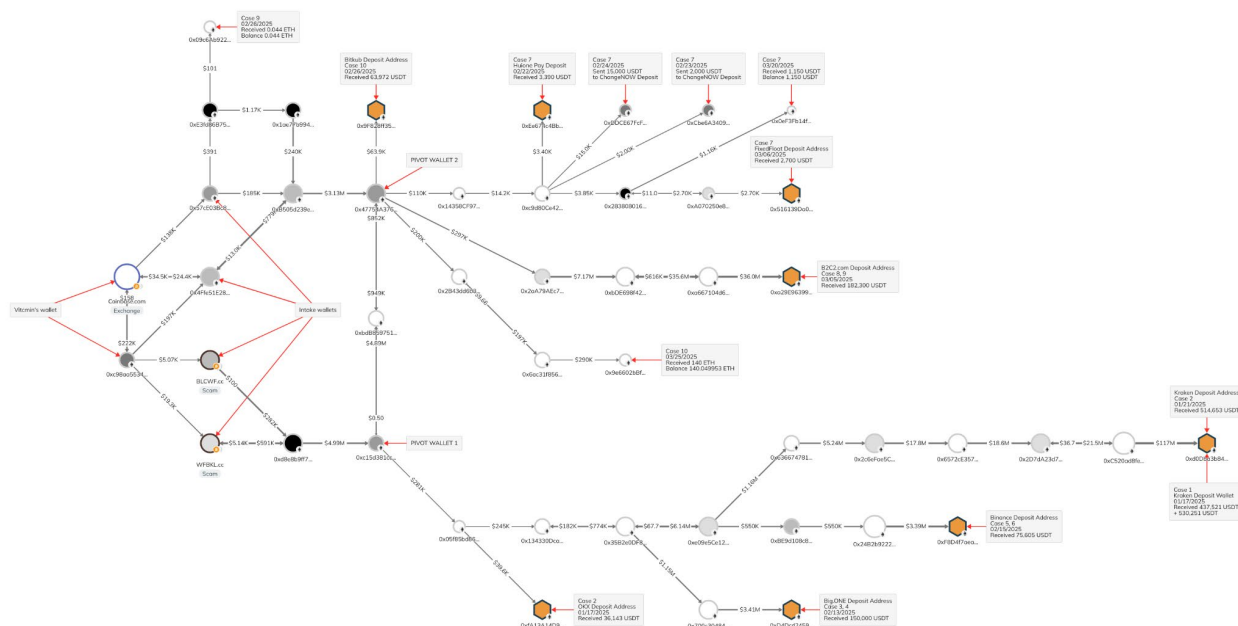
25. To determine the movement and ultimate location of Plaintiff’s stolen cryptocurrency, Plaintiff engaged Inca. Inca conducted a detailed analysis of blockchain

transactions involving Plaintiff's transfers.

26. Inca's investigation employed a forward-tracing analysis of Plaintiff's transfers, tracking the initial destinations and subsequent movement of his funds. Class Plaintiff believed these transfers were directed to Wisdom Futures for legitimate trading and saw them reflected as available in his Wisdom Futures account. However, the analysis revealed that Wisdom Futures was not a legitimate platform. Among other things, there is no evidence that Plaintiff's assets were used for legitimate trades before being deposited into endpoint cryptocurrency wallets at the cryptocurrency exchanges, as detailed in Appendix A.

27. Class Plaintiff transferred a total of \$384,311.30 to Intake Wallets – the first known scam-controlled addresses where Defendants directed Class Plaintiff to send assets. From these wallets, Defendants systematically moved funds through a series of additional transactions until they reached Deposit Wallets. In total, Plaintiff sent funds to four different Intake Wallets. Plaintiff's funds were routed through intermediary wallets, including Pivot Wallets, where they were combined, split, and transferred across multiple additional addresses. Plaintiff's assets were ultimately deposited into Deposit Wallets. In this case, Inca's forensic analysis identified two Pivot Wallets where the misappropriated funds were consolidated: (1) 0xc15d381cc41e0cAF2e9fccD0443BA4aDc747225a and (2) 0x47754A3763a398B33078589C7faf5d9D6aA4D7C1.

28. The following diagram depicts the sophisticated movement of victim funds described above:



29. Inca estimates that Defendants' scheme targeted at least 78 wallets. Tracing evidence demonstrates that Plaintiff's stolen funds were routed through intermediary wallets and deposited into the wallets listed in Appendix A. Inca's analysis suggests that these wallets are likely to hold additional proceeds from Defendants' coordinated operation against the Class Members. Estimated total class-wide losses are approximately \$18,600,775.00 based on cumulative victim deposits into the identified Pivot Wallets.

30. Inca identified wallet 0xF8D4f7aea1f91E9db99499CBc3319c3572fa7844 as a Binance deposit address and confirmed this address both received Class Plaintiff's stolen funds and is a Binance deposit address using open-source forensics tools.

31. Inca identified wallet 0xd0DBa3b846964963035eb3Bc343E1e378e41Dff3 as a Kraken deposit address and confirmed this address both received Class Plaintiff's stolen funds and is a Kraken deposit address using open-source forensics tools.

32. Inca identified wallet 0xfA13A14D924CfDaDa358AD2b85B17f7d5282C6bB as an OKX deposit address and confirmed this address both received Class Plaintiff's stolen funds

and is an OKX deposit address using open-source forensics tools.

33. Inca identified wallet 0xa29E963992597B21bcDCaa969d571984869C4FF5 as a B2C2 deposit address and confirmed this address both received Class Plaintiff's stolen funds and is an B2C2 deposit address using open-source forensics tools.

34. Inca identified wallet 0xD4Dcd2459BB78d7a645Aa7E196857D421b10D93F as a Big.ONE deposit address and confirmed this address both received Class Plaintiff's stolen funds and is a Big.ONE deposit address using open-source forensics tools.

35. Inca identified wallet 0x9F828ff3552B805E4781c47153f476d722080bF1 as a Bitkub deposit address and confirmed this address both received Class Plaintiff's stolen funds and is a Bitkub deposit address using open-source forensics tools.

36. Inca identified wallet 0xEe674c4Bb8a8A7946353AaA7245A9F6054c4e34F as a Huione Pay deposit address and confirmed this address both received Class Plaintiff's stolen funds and is a Huione Pay deposit address using open-source forensics tools.

37. As repositories of ill-gotten gains under Defendants' control, these three wallets are critical targets for freezing to safeguard assets for recovery by Class Plaintiff and the Class.

E. Conclusion

38. In summary, Inca's analysis demonstrates that the cryptocurrency assets belonging to Class Members, including Plaintiff Douglas Bunker, were systematically misappropriated by the Defendants through the use of fraudulent platforms. The wallets that now hold the stolen funds are identified in Appendix A.

39. Based upon my expertise in blockchain forensics and my substantial experience investigating "pig butchering" schemes similar to this one, if Class Plaintiff is required to wait until after the Defendants receive notice of this action, it is highly likely that Defendants will

transfer cryptocurrency at issue beyond the reach of discovery or recovery.

40. Cryptocurrency assets are easily transferred across borders and often laundered through untraceable means such as privacy coins, decentralized exchanges, or “mixers” that anonymize transactions. If these funds are moved, Class Plaintiff’s ability to trace or recover them may be lost forever, making a legal remedy not only impractical but virtually impossible.

41. I am familiar with the process of providing notice via the Input Data Message (IDM) process, whereby a message with the URL to a website containing documents is sent using the Input Data field on a transaction on the Ethereum blockchain (a “Service Transaction”). Each of the Deposit Wallets will receive a Service Transaction containing the message. The message will contain the URL to a website containing relevant filings in this case (the “Service Website”), including the Complaint, Plaintiff’s Emergency Motion, and any Orders issued by the Court. The Service Website will include a mechanism to track when a person visits the Service Website. In my experience, this method of notice is reasonably calculated to and would likely result in actual notice of those documents to the individuals or entities that control those wallets, and the existence and contents of those service tokens would be readily apparent to the owners.

FURTHER AFFIANT SAYETH NAUGHT.

Executed on June 10, 2025

DocuSigned by:

CAC32ADB9CDD4CE...

Adam Zarazinski

APPENDIX A

Binance (1)

0xF8D4f7aea1f91E9db99499CBc3319c3572fa7844

Kraken (1)

0xd0DbA3b846964963035eb3Bc343E1e378e41Dff3

OKX (1)

0xfA13A14D924CfDaDa358AD2b85B17f7d5282C6bB

B2C2 (1)

0xa29E963992597B21bcDCaa969d571984869C4FF5

Big.ONE (1)

0xD4Dcd2459BB78d7a645Aa7E196857D421b10D93F

Bitkub (1)

0x9F828ff3552B805E4781c47153f476d722080bF1

Huione Pay (1)

0xEe674c4Bb8a8A7946353AaA7245A9F6054c4e34F

EXHIBIT B

DOUGLAS BUNKER, an individual,
on behalf of himself and all others similarly
situated

V.

Defendants.

Hon. Bennett Braun

1. Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, I, Douglas Bunker, certify that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters I certify as aforesaid that I verily believe the same to be true.

2. The statements herein are based on my own personal knowledge and if called to testify as a witness in this matter, I would testify as set forth herein.

3. I am over twenty-one years of age.

4. In or around January 2025, I was contacted via a text message by someone identifying herself as Ava Garcia ("Garcia") who claimed to reside in Los Angeles, California.

5. At that time, I was recently terminated from my job at AT&T because my position was relocated from Chicago, Illinois to Dallas, Texas.

6. I was actively searching for employment in January of 2025.

7. Garcia presented herself as a member of a firm called Blockfi and offered me a

potential employment opportunity with the company.

8. After communicating via text messages for a few days, Garcia asked me to communicate via WhatsApp.

9. Garcia told me that Blockfi was a cryptocurrency lending and trading platform that allowed users to earn interest on crypto deposits and take out crypto-backed loans.

10. Garcia also told me that in November 2022, Blockfi filed for Chapter 11 bankruptcy protection, citing significant exposure to the collapse of the FTX exchange.

11. Blockfi halted withdrawals and eventually shut down its web platform in May of 2024. In October of 2023, Blockfi emerged from bankruptcy and announced plans to wind down all remaining operations, including returning crypto assets to customers.

12. Garcia represented to me that she wanted to relaunch Blockfi. In connection with this, Garcia offered me a job with Blockfi as a Capital Planning and Strategy Manager. This position purportedly provided a \$320,000 annual salary.

13. In connection with this purported job offer, Garcia directed me to Wisdom Futures, a platform for cryptocurrency trading. According to Garcia, the platform would allow me to become familiar with digital asset markets and trading mechanisms in preparation for my employment.

14. Garcia showed me how to make trades on the platform. Garcia represented that Wisdom Futures provided the opportunity to trade options on BTC, specifically through a method known as binary options trading. In this model, participants are required to predict the directional movement of BTC's price within a set time frame — whether the price would move up or down.

15. Garcia further claimed that Blockfi had access to an algorithm that enabled it to “time the market” with precision, boasting a 95% trade success rate on the Wisdom Futures

platform.

16. Garcia informed me that successful trades on the platform typically resulted in returns of approximately 30% of the invested amount. Relying on these representations, and under Garcia's direction, I proceeded to engage in trading activity on the Wisdom Future's platform.

17. In order to fund the trades, I pulled funds out of my retirement accounts and deposited these funds into my checking account. From my checking account, I transferred the funds into my Coinbase account. On Coinbase, I bought cryptocurrency and transferred it into my Wisdom Futures account.

18. Over the course of my involvement with Wisdom Futures in January and February 2025, I invested a total of approximately \$384,311.30 worth of cryptocurrency assets into the Wisdom Futures platform. These funds were deposited in multiple transactions and were represented to be actively traded on my behalf.

19. According to the account statements presented by Wisdom Futures, my balance eventually grew to over \$1.6 million.

20. On February 22, 2025, I was able to initiate a successful withdrawal of approximately \$30,000, which was deposited into my Coinbase account. I also made several smaller withdrawals during this period. These initial transactions were presented as proof of the platform's legitimacy and used to further encourage me to increase my investments.

21. Subsequently, when I attempted to make a larger withdrawal, I was informed by customer service representatives of Wisdom Futures that I was required to pay a "blockchain fee" equal to 10% of his alleged earnings. I paid this fee.

22. Thereafter, after attempting another large withdrawal, I was told that my account had been flagged for suspected money laundering activity, and that I would need to pay a "fund

verification fee” of an additional 10% fee in order to unfreeze and access my funds. I did not pay this fee as I was unable to withdraw more funds from my retirement accounts.

23. At no point did Wisdom Futures provide any legitimate justification or supporting documentation for these purported fees, nor were any of the remaining funds ever returned to me. Between January and February 2025, I transferred a total of \$384,311.30 across 12 transactions to Wisdom Futures, as set forth in the table below:

No.	Date/Time	From Exchnage	From Address	To Address	Asset Type	Asset Amount	USD Equivalent
1.	01/14/2025 16:39	Coinbase	0xc98aa 55347C 821 4EF490 9fc841B C5d 13ba9faf 27	0x22e3D e95d1ea0 74a44ED 6c7c1Db 13ca983f FB407	ETH	1.58371541 0950256	\$5,067.25
2.	01/16/2025 21:05	Coinbase	0xc98aa 55347C 821 4EF490 9fc841B C5d 13ba9faf 27	0x77D2d 74d686F A26a894 F21A678 c40C9E3 52315A7	ETH	1.47321286 502486	\$4,916.78
3.	01/28/2025 00:50	Coinbase	0xc98aa 55347C 821 4EF490 9fc841B C5d 13ba9faf 27	0x77D2d 74d686F A26a894 F21A678 c40C9E3 52315A7	ETH	4.51541139 8031155	\$14,367.79
4.	02/10/2025 22:08	Coinbase	0xc98aa 55347C 821 4EF490 9fc841B C5d 13ba9faf 27	0x4Ffe51 E288B25 2ad7F00 29eC465 a bD3B317 360e3	ETH	7.24377945 1311856	\$19,309.84

5.	02/12/2025 23:19	Coinbase	0xc98aa 55347C 821 4EF490 9fc841B C5d 13ba9faf 27	0x4Ffe51 E288B25 2ad7F00 29eC465 a bD3B317 360e3	ETH	0.00181587 7304802269	\$4.99
6.	02/13/2025 00:23	Coinbase	0xc98aa 55347C 821 4EF490 9fc841B C5d 13ba9faf 27	0x4Ffe51 E288B25 2ad7F00 29eC465 a bD3B317 360e3	ETH	7.19565324 3 688424731	\$19,709.03
7.	02/14/2025 20:17	Coinbase	0xc98aa 55347C 821 4EF490 9fc841B C5d 13ba9faf 27	0x4Ffe51 E288B25 2ad7F00 29eC465 a bD3B317 360e3	ETH	21.6587359 73215153	\$59,327.47
8.	02/18/2025 19:30	Coinbase	0xc98aa 55347C 821 4EF490 9fc841B C5d 13ba9faf 27	0x4Ffe51 E288B25 2ad7F00 29eC465 a bD3B317 360e3	ETH	37.6190557 6170038	\$98,996.97
9.	02/24/2025 23:11	Coinbase	0xA9D1 e08C77 93af 67e9d92 fe308d5 697 FB81d3 E43	0x57cE0 3Bc8060 8 57E6cA7 565112d 9 c37C3db 02f0d	USDT	25.0041	\$25.01
10.	02/25/2025 14:15	Coinbase	0xA9D1 e08C77 93af 67e9d92 fe308d5 697	0x4Ffe51 E288B25 2ad7F00 29eC465 a	ETH	10.10248691	\$24,382.33

			FB81d3 E43	bD3B317 360e3			
11.	02/25/2025 15:41	Coinbase	0xA9D1 e08C77 93af 67e9d92 fe308d5 697 FB81d3 E43	0x57cE0 3Bc8060 8 57E6cA7 565112d 9 c37C3db 02f0d	ETH	0.15862414	\$377.15
12.	02/25/2025 01:18	Coinbase	0xA9D1 e08C77 93af 67e9d92 fe308d5 697 FB81d3 E43	0x57cE0 3Bc8060 8 57E6cA7 565112d 9 c37C3db 02f0d	USDT	137,807	\$137,826.69

FURTHER AFFIANT SAYETH NAUGHT.

Executed on June 10, 2025

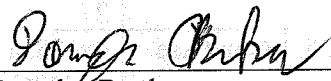

Douglas Bunker

EXHIBIT C

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

STEPHEN B. SHAYA, on behalf of
Himself and all others similarly situated,

Plaintiff,

Case No. 24-cv-10670

Hon. Mark A. Goldsmith

v.

KYLIE NOFS, ZHU SHICAI, LUO
YANBING, LIN YIN, YANG ZHENLIN,
and JOHN DOE NOS. 1-25,

Defendants.

ORDER
TO SHOW CAUSE AND GRANTING MOTION FOR TEMPORARY
RESTRAINING ORDER (Dkt. 3)

This matter is before the Court on Plaintiff's Emergency Motion for Temporary Restraining Order and for Order to Show Cause Why a Preliminary Injunction Should Not Issue (Dkt. 3). The Court has reviewed the Motion and Brief in Support of the same, as well as the Declaration of Stephen Shaya, the Declaration of Charles Zach, and the Declaration of Kenneth F. Neuman. The Court is satisfied that pursuant to Federal Rule of Civil Procedure 65(b)(1), the issuance of this Order to Show Cause and Temporary Restraining Order is warranted without written or oral notice to the Defendants based on Plaintiff's setting forth specific facts of the

likelihood of immediate and irreparable injury if time were afforded to allow Defendants to be heard in opposition to Plaintiff's Motion before ruling, and because notice prior to the issuance of this Order should not be required for the reasons set forth in Plaintiff's Motion and Brief in Support. Based on the foregoing, and for the reasons explained below, the Court GRANTS Plaintiff's Motion for a Temporary Restraining Order (Dkt. 3) in its entirety this 18th day of March, 2024, at 5:00PM.

It is hereby **ORDERED THAT:**

1. Plaintiff's motion for a temporary restraining order is GRANTED.
2. Defendants KYLIE NOFS, ZHU SHICAI, LUO YANBING, LIN YIN, YANG ZHENLIN, JOHN DOES NOS. 1-25, Binance Holdings Ltd., WhiteBIT, MaskEX, BTSE, B2C2, and any of their agents, servants, employees, attorneys, partners, successors, assigns, subsidiaries, or any other persons through which they act, or who act in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device, or any of them, (collectively, the "Enjoined Parties") are hereby temporarily restrained from withdrawing, transferring, selling, encumbering, or otherwise altering any of the cryptocurrency or assets held in the wallet addressed listed in Appendix A of this Order, whether such property is located inside or outside of the United States of America.

3. Plaintiff's attorneys shall cause a copy of this Order, together with a copy of the papers upon which it is based, to be served on or before March 22, 2024, upon the person or persons controlling the wallets identified in Appendix A to this Order via a special-purpose Ethereum-based token (the "Service Token"), delivered or airdropped into the wallets identified in Appendix A to this Order. The Service Token will contain a hyperlink (the "Service Hyperlink") to a website Plaintiff's counsel will cause to be created, wherein Plaintiff's counsel shall cause to be published this Order and all papers upon which it is based. The Service Hyperlink will include a mechanism to track when a person clicks on the Service Hyperlink. Such service shall constitute actual notice of this Order and sufficient service on the person or persons controlling the corresponding wallet addresses identified in Appendix A of this Order.

4. Binance Holdings Ltd., WhiteBIT, MaskEX, BTSE, B2C2, and any of their agents, servants, employees, attorneys, partners, successors, assigns, subsidiaries, or any other persons through which they act, or who act in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device, or any of them, are hereby directed, within twenty-four (24) hours of receiving actual notice of this Order to provide notice of the same to any of their customers associated with the wallet addresses

identified in Appendix A of this Order, including Defendants, and provide counsel for Plaintiff copy of such notice.

5. Pursuant to FED. R. CIV. P. 65(b), the Defendants, Enjoined Parties and anyone else wishing to be heard, shall appear on April 1, 2024 at 9 AM for a hearing at the United States District Court, Theodore Levin U.S. Courthouse, 231 W. Lafayette Boulevard, Detroit, Michigan, where they may show good cause for why this Court should not enter a preliminary injunction further enjoining the withdraw, transfer, sale, encumbrance, or alteration of the cryptocurrency or assets held in the wallet addressed listed in Appendix A of this Order during the pendency of this action, whether such property is located inside or outside of the United States of America, and imposing such additional relief as the Court deems just and proper.

6. The Defendants, the Enjoined Parties, and anyone else wishing to be heard, shall file with the Court and serve on Plaintiff's counsel any response, opposition, affidavits or declarations no later than seven (7) days prior to the hearing for preliminary injunction. If such documents are filed and served, Plaintiff may file a reply brief in support of its request for preliminary injunctive relief no later than two (2) days prior to the preliminary injunction hearing.

7. Defendants and the Enjoined Parties are hereby on notice that failure to timely serve and file an opposition, or failure to appear at the hearing, may result in

the imposition of a preliminary injunction against them pursuant to Rule 65 of the Federal Rules of Civil Procedure.

8. The temporary restraining order set forth in this Order will expire fourteen (14) days from its entry unless, for good cause shown, this Order is extended or Defendants consent that it should be extended for a longer period. However, the Court may, upon demonstration of good cause by any party-in-interest, shorten or lift this Order.

9. Defendants and the Enjoined Parties are further notified of their right to apply to the court for modification or dissolution of this Temporary Restraining Order, if appropriate and supported by a showing of good cause, on notice or such shorter notice as the court may allow.

10. Notice was not provided to Defendants prior to issuance of this Order either because their identities have not yet been ascertained or because the Court has determined that providing such notice would cause a likelihood of immediate, irreparable injury or loss, particularly through the dissipation of the assets listed in Appendix A of this Order.

11. Pursuant to FED. R. CIV. P. 65(c), the Court in its discretion determines that no bond is required.

12. This Order was Issued March 18, 2024 at 5:00PM.

Dated: March 18, 2024
Detroit, Michigan

s/Mark A. Goldsmith
MARK A. GOLDSMITH
United States District Judge

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was served upon counsel of record and any unrepresented parties via the Court's ECF System to their respective email or First Class U.S. mail addresses disclosed on the Notice of Electronic Filing on March 18, 2024.

s/Jennifer McCoy
Case Manager

APPENDIX A

Cryptocurrency Addresses (categorized by exchange)

Binance

- 1MiobFphxPJ4WiKahfBo2MaZQEvfpnzHp
- 0x3e771B4Aae63A8Ff4D6e748b217a478C9e3fD0Fc
- 0xbDB99397306D5Ed439A866a1196C2878fFD30af0
- 0x00adC74eca60bc8570fBfbf2Ae0001bdBA9987d1
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- 0x9D6D61B5b466F870E809659B6c0EFE0cc9B06BA4
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- 15szMaFnEgsfYAKuVKjafPyeV7kdkKx1LV
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- 15yoLFniWtKSt8YTdBCR3YdmnX2DNk3SHM
- 16cX4spbtNpGhqzTpBhedop7EBHPS3tgrk
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- 1936HAeaa6mE95dqPKkrbMTzBkAZxepJkE
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- 1D45EvvmMEYFUEt4K27Z4gBvcj4kLBDstD
- 1DaJCDCWMpxMuNADciKHnrmUE8fZkAwE43
- 1DBnQCCNfeeHkyiXdL253yZB3zWPysohWY
- 1DEq9xyaobP5A7RkihSVR1fJftAyMDG89Q
- 15S577eRkxhuLtPBGgy5DWDFOCba9nyXmH
- 16puhJn5DyFU31ZoykhG4JyVADue7WPzyH
- 17vbwJdLMBTiieyqoo7iENkZmoCwHpvQvd
- 1AzzxvmtCaTewtty1VejmMsJabdj4ruLXM
- 1BrnjhdJNHuZAwKvR5ouL4JgT2qKAfvwSf
- 1FvRHcz5udj8hMiNcq4TPus8MPn3v7s3Yv
- 1JWirwX2uvD5w2VxVk2uP5Nsrz7EPSVpHm
- 1JZ5nd4i6AMR4oNDxJrNiwptwRSXXrmCde
- 14frtNUnULbiqZqtpnapUBVkgjATVqtgeg
- 14Hnf5HwW8RTpxkfaLyH3XqpCYKhDXLP9c
- 157diGyebe2NiQB577xcfT9tvj26WcuLCY
- 15EFyTcNxyFquTtngh3Hd558yZs9HtiwyT
- 16WmYHZfhB3zwSpqfpSX1TaDqYUfa6zbcu
- 174GdhvgviWBV8fnw69smJrkbYDkmDsXoy
- 1D14zBoQ6N9RUTecA6UsKfpQNe8xXnAE8c
- 1FL2inyBSyQxZv2nhKBsg3pbXEXn4JqDq9
- 1FrDNEu54dwhyBtwoahxJLcvigT5CbbYzm
- 1FVPV1LYkZt3zuRUTtc7GHB3zRMnLSVyUS
- 1HPZd5ARUsmZXLqzooSAbiT69oka4HVxxh

Whitebit

- 0x12c8aB32bfC3b5da73d987073EB854d212909c85
- 0x50bAa1501fa610d79269c50fBcd52eFE46C80d80

MaskEx

- 15BG9ze2GaB6ZZrHxcsXEWJew9K4bNPE5X
- 16fogJ7eQnSkaB7HXshjgWKG5g2XDYuZWk

BTSE

- 0xDDAad971BE05321FD541372CD710a7f0555972eD (Omnibus Account)

The above BTSE account is an “omnibus account,” meaning that, on information and belief, it contains funds in addition to Defendants’ funds.

B2C2

- 0x66E092fD00c4E4eb5BD20F5392C1902d738aE7bC (Omnibus Account)

The above B2C2 account is an “omnibus account,” meaning that, on information and belief, it contains funds in addition to Defendants’ funds. On information and belief, the following transactions hashtags (“TX Hash”) involved Defendants’ funds.

- 0x2d316ca9d2b52989107a020f14af82408f17c1e5c83cbd9450f5893be8b42c3a (TX Hash)
- 0xc11f4ad41b733373d0d673f6be4c4654b6beaa7529770c4b8d04ec7f62ebb948 (TX Hash)
- 0x5ff986baa5bdb8405dc04d2ccee1ca1ed52bf5ff277115ce79b6d44932555712 (TX Hash)
- 0x2ac884b86d774e2be6fa501452d413124bec1e45b6c872b11ba0fd397c3c1815 (TX Hash)
- 0xbe9b2f25b1b2da44f2c139a62e0aa97d87601187ca1a582ea74f1f0d5f84ee5d (TX Hash)
- 0x990da9517570415f126672ea5c85127ef9ecd6c3ed8f47f569dceaa5004ffbe9 (TX Hash)
- 0xe6a52077edb1dccfa984cdb66bdf3ead032cc7ceed998fbef0c95f99d6ffc03 (TX Hash)
- 0x6f4903a36c9f71f2cbcc30dc9ec9f53dea241507fb2e7e5c9191df0d67feec5a (TX Hash)
- 0x3306915a99fcc9cdc09f2ee067564af35f13474cff2f5a090295fc6bb08b2543 (TX Hash)

- 0x25f14dfd96ca516c02ef69e5594670e27c1df0425fbfe36acd77250870ce651c (TX Hash)
- 0xfa804d4bac7d30c55eafc5fd4a4c4fd344c38079b4682647550d087365140e24 (TX Hash)
- 0xa1ed9a9db5bd3394cd1417d0286f35e65a732c0e43240a8425a2734f9b376cf0 (TX Hash)
- 0xb2d775989fe37bf33c35becfa54d6fc9cebd330eccd376db3af7c25f31744ded (TX Hash)
- 0xb332d28abca541199f60dc330419d42f0bbf60458e7a2b82d74a716dc45dcf45 (TX Hash)
- 0x020b7e77931290d162d00cfe8e80c29ca9492c4d3ae41f61872fa10810f3c0e6 (TX Hash)
- 0x4cfe9b82fc5886718804bf525f429476357156e3540cc9e2c3ad92823a069d69 (TX Hash)
- 0xa91d23889f9d5b86f2b955a83de12516052a0aff004971963de3305bd8d03741 (TX Hash)
- 0xa775eb324e6fdef4b5414523b9a36609a98b75f285d6b7d119b8e18b825ae7d4 (TX Hash)

PRESENT: HON. RICHARD G. LATIN, J.S.C.

At IAS Part 46 of the Supreme Court of the State of New York, held in and for the County of New York, at the Courthouse, 71 Thomas Street, New York, New York 10013 on this 18th day of December 2023

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

RACHEL POUYAFAR, on behalf of herself)
and all others similarly situated,)
)
Plaintiff,)
)
-against-)
)
YUNHAI QUAN and JOHN DOE NOS. 1-25,)
)
Defendants.)
)

Index No. 654820/2023
Hon. Richard G. Latin, J.S.C.

~~PROPOSED~~ ORDER
TO SHOW CAUSE AND
TEMPORARY RESTRAINING
ORDER MS #2

Upon reading the filing by Class Plaintiff Rachel Pouyafar (“Class Plaintiff”), on behalf of herself and all others similarly situated (the “Proposed Class Members”), of the Amended ~~Affidavit~~ ^{Affirmation} Complaint, the ~~Affirmation of Charles Zach, dated December 8, 2023, the Affirmation of Rishi Bhandari, dated December 8, 2023, and the memorandum of law in support of this request for emergency relief by order to show cause for a preliminary injunction and a temporary restraining order pending the hearing on the preliminary injunction, pursuant to Civil Practice Law and Rules (“CPLR”) 6301, 6312 and 6313 and hearing wherein Class Plaintiff on behalf of the Proposed Class Members asserts that they will suffer immediate and irreparable injury in the event that Defendants Yunhai Quan and John Doe Nos. 1-25 (collectively, “Defendants”) are able to sell, transfer, convey or otherwise dissipate cryptocurrency allegedly stolen from the Proposed Class Members by Defendants;~~

LET Defendants show cause before this Court, at a virtual appearance via Microsoft Teams, on December 22, 2023, at 10:00 a.m./~~p.m.~~, or as soon thereafter as counsel may be

heard, why an order should not be issued: (i) preliminarily enjoining during the pendency of this action the Defendants from disposing of, processing, routing, facilitating, selling, transferring, encumbering, removing, paying over, conveying or otherwise interfering with Defendants' property, debts, accounts, receivables, rights of payment, or tangible or intangible assets of any kind, whether such property is located inside or outside of the United States, including, but not limited to, the cryptocurrency held at the "hot wallet" addresses listed in Exhibit A of this Order to Show Cause (the "Binance Hot Wallets"); and it is further

plaintiff shall file an undertaking pursuant to CPLR 6313 in the sum of \$5,000.00
ORDERED that, ~~in the exercise of the Court's discretion pursuant to CPLR § 6313(c),~~

~~Plaintiff is not required to give an undertaking pending the hearing on this order to show cause;~~

and it is further

ORDERED that Mandel Bhandari LLP, Class Plaintiffs' attorneys, shall cause to be served a copy of this Order to Show Cause, together with a copy of the papers upon which it is based, on or before December 19, 2023, upon the person or persons controlling the Binance Hot Wallets via special-purpose Ethereum-based tokens (the "Service Tokens"), delivered or airdropped into the Binance Hot Wallets. The Service Tokens will contain a hyperlink (the "Service Hyperlinks") to a website Mandel Bhandari LLP will cause to be created, wherein Mandel Bhandari LLP shall cause to be published this Order to Show Cause and all papers upon which it is based. The Service Hyperlinks will include a mechanism to track when a person clicks on the Service Hyperlink. Such service shall constitute good and sufficient service for purposes of jurisdiction under New York law on the person or persons controlling the Binance Hot Wallets; and it is further

ORDERED that Mandel Bhandari LLP, Class Plaintiffs' attorneys, shall serve a copy of this Order to Show Cause, together with a copy of the papers upon which it is based, on or before

December 19 ___, 2023, via overnight mail upon (i) BAM Trading Services, Inc. d/b/a Binance.US, 252 NW 29th Street, 9th Floor, Suite 905, Miami, FL 33127 and (ii) BAM Trading Services, Inc. d/b/a Binance.US, 1 Letterman Drive, Building C, Suite 3-800, San Francisco, CA 94129; and it is further


ORDERED that pending ^{hearing} ~~argument~~ on the motion for a preliminary injunction, a Temporary Restraining Order, pursuant to CPLR 6313, shall be entered freezing the Binance Hot Wallets listed in Exhibit A of this Order to Show Cause; and it is further

ORDERED, that opposing papers, if any, to this motion shall be served via mail to Mandel Bhandari LLP, 80 Pine Street, 33rd Floor, New York, NY 10005, and via email to rb@mandelbhandari.com, so as to be received on or before ___, 2023, and reply papers, if any shall be filed and served in the manner set forth above so as to be received on or before ___, 2023.

~~Dated: New York, New York~~

_____, 2023

ORDERED



Hon. Richard G. Latin,
J.S.C.

Please email arothfel@nycourts.gov to receive the link to the virtual appearance

Appendix A

1. 0xcc21d63f7f1201c201c574af1d4d8be4a7a85c45
2. 0x0847a80fcf205bc9850825210cbcb0f1da0cc083
3. 0x0e740ce9a4707d38dc7c2ebaccc35df2b42c43e8
4. 0x47a885fc9d952b46eb961c9f9346fdb5a3ccce31
5. 0xa861175e2a696d5afe06e84336ccb94568087b73
6. 0x0f6a3a689426c592370de20d6b1ec093ea17d219
7. 0x94307efb4be20e2cfd257842cf1b7224768aeed9
8. 0xd11573c7065ad6fb967b596d3c020ab93f7f0685
9. 0x5213ebc0746b9e441680a4e7417f48e6f6aa344d
10. 0x8774b7134c3ea3405a1ff9fcd90d7c1b50e1d85
11. 0xbd1d2f3e03ca9e82813446052be35473843a6b59
12. 0x038a2cf462dafb509696405f7a02e9fa2e498d5c
13. 0x27a93d839cdbdce1e648ec8e3feb79387c52cc2
14. 0x84d174ae1478db35beaa0b878e681b8053f71460
15. 0x753ebfaba611a0820af0c455a7d29a7d73267fee
16. 0x134583c611aaf9f126eb63fbdd9e4359b95db1dd
17. 0xead0c6d566bf874b8f27e164772ea7afd28fbd2f
18. 0x47a885fc9d952b46eb961c9f9346fdb5a3ccce31
19. 0x99895845183ce5283ca87563e883a4ecd546a477
20. 0x504434da8c50bfcae5dfcfdb3c7daf5112ba6d5c
21. 0x247f0db29097501184e19c285c2a3e0eae1d874f
22. 0x8b8a28566f56893d3d3a7599fe4c7809687d8cd0
23. 0x7DBa1df8fC3953d20637178D50797B1b57B3191C
24. 0x22c00e46deaa2bf271c2578b45e66ad6f9df1b80
25. 0x61876383236191b546ca706a55eb9832f26b82b1

2024-46570 / Court: 334

CAUSE NO. _____

NATALIA ELMOWAFI, on behalf of	§	IN THE DISTRICT COURT OF
Herself and all others similarly situated,	§	
	§	
Plaintiff,	§	
	§	
V.	§	HARRIS COUNTY, TEXAS
	§	
CHRIS YANG and JOHN DOES 1-25,	§	
	§	
Defendants.	§	____ JUDICIAL DISTRICT

**TEMPORARY RESTRAINING ORDER AGAINST
CHRIS YANG AND JOHN DOES 1-25**

On this day, the Court considered Plaintiff Natalia Elmowafi's *ex parte* application for temporary restraining order. Plaintiff appeared through her attorney of record and presented the application. The application was conducted on an *ex parte* basis pursuant to TEX.R.CIV.P. 680.

The Court, having read and considered Plaintiff's verified application for temporary restraining order, is of the opinion that it clearly appears from the facts set forth in that application that:

1. Plaintiff will probably recover from Defendants.
2. Harm to Plaintiff is imminent, and if the Court does not issue the temporary restraining order ("TRO"), she will be irreparably injured because Defendants will transfer her money, cryptocurrency, assets, or other property to unknown and untraceable locations, causing irreparable injury to Plaintiff.
3. Plaintiff has demonstrated to the satisfaction of this Court that she will suffer immediate and irreparable harm for which she has no adequate remedy at law in the event Defendants are not restrained from maintaining the status quo as it relates to the accounts identified by Plaintiff.
4. Plaintiff has alleged, and the Court finds, that she has a substantial likelihood of recovery for the theft of her cryptocurrency assets as described in Exhibit A. The Court further finds

that issuance of this TRO on an ex parte^{*}basis is necessary to prevent the Defendants from transferring, dissipating, or hiding the cryptocurrency assets described in Exhibit A hereto.

5. Exhibit A to this order is a list of cryptocurrency wallets – digital locations holding keys to the assets belonging to the plaintiff and putative class members. Exhibit A is incorporated as if fully set out herein.

Therefore, upon Plaintiff's filing with the clerk of this court a bond in the amount of \$ 1,000.00 or cash in lieu of such bond, conditioned that Plaintiff will pay all damages that may be adjudged against her if the TRO granted herein is dissolved in whole or in part, it is hereby ORDERED that:

(1) Defendants, non-parties Binance, OKX, Gate.io, KuCoin, LBank, ByBit, HTX, BloFin, and any of their agents, servants, employees, attorneys, partners, successors, assigns, subsidiaries, or any other person(s) through which they act, or who act in active concert with them and who receive actual notice of this Order (collectively, the "Enjoined Parties"), are hereby temporarily restrained from withdrawing, transferring, selling, encumbering, or otherwise altering any of the cryptocurrency or assets held in the wallets identified in Exhibit A of this Order, whether such property is located inside or outside of the United States of America.

(2) Plaintiff's attorneys, investigators, or others working on their behalf shall cause a copy of this Temporary Restraining Order, together with a copy of the papers upon which it is based, as well as Plaintiff's Verified Original Class Action Petition, Application for Temporary Restraining Order, Temporary, and Permanent Injunctions ("Petition"), to be served upon the person or persons controlling the wallets identified in Exhibit A of this Order via a special purpose token or similar device delivered into each of the wallets identified in Exhibit A, and each of these service tokens will contain a hyperlink to a website maintained by Plaintiff's counsel, counsel's investigators, or others working on their behalf, that will include both this Order and all papers upon which it is based. The hyperlink will include a mechanism to track when a person clicks on

the hyperlink. This process shall constitute actual notice of this Order and sufficient service of process on Defendants and the person or persons controlling the corresponding wallet addresses identified in Exhibit A of this Order

(3) Proof of such service shall be filed with the Court prior to hearing on Plaintiff's application for temporary injunction.

(4) Binance Holdings Ltd and KuCoin, and/or any of their agents, servants, employees, attorneys, partners, affiliates, successors, assigns, subsidiaries, or any other persons through which they act, or who act in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, are hereby directed, within twenty-four (24) hours of receiving actual notice of this Order to provide notice of the same to any of their customers associated with any of the wallet addresses identified in Exhibit A of this Order, including Defendant Chris Yang, and provide counsel for Plaintiff a copy of such notice.

It is further ORDERED that Plaintiff's application for temporary injunction is set for hearing on the docket of the 334th District Court of Harris County, Texas, 201 Caroline, 14th Floor, Houston, Texas 77002 on the 30 day of July, 2024 at 10:30 o'clock a.m. As described above, notice was not provided to Defendant prior to issuance of this Order either because their identities have not yet been ascertained or because this Court has determined that providing such notice would cause a likelihood of immediate, irreparable injury or loss, particularly through the dissipation of the assets listed in Exhibit A of this Order.

This order is entered on July 24, 2024 at 4 :39 p. m.

This order expires on the _____ day of _____, 2024.

Signed: <u>7/24/2024</u>	
DATE	JUDGE PRESIDING

Exhibit A

Binance

0x6E031365EBa4A48E47015aF708c943c2F119C52b
0xe4CAC07aaba8e667Ef8413aFDE82cdA897a80804
0x270Cb3c9869A2A09C23b8E0B838501724DAE5C9B
0xc70b18eAaa79f87E79deB79a9f6e2886CA7aEDbC
0xA66d89F035756F98FF9aC4a3b48e1E5fdE086E26
0x28E6d72063A5B9B26173F81609D07aF899682f7F
0x1F7C1deaDfB8FA8f5CD9A42cf34C70327c19C420
0xEeF5E766036AF94C5599C1025774706706F5B7ea
0x3Bf212B83c37A33fC4F2aF3f8fBDeBE25D4118F6
0x723a01d4344d97b0Cf937eEc599AFF717028108d
0x48ca7E8A3D62c546cD57BdDCE6354cfA72C3f478
0xd31734Cdeb17aE29Dfe161b1EF729e4611047E19
0x7db44943441A61Fe5359bea8c7b344f4Cc663Ca1
0x6Ba52c611A6fdAb14c77B5b12b53C9B85d0A4465
0x8851b21d296942e804b3Eaa47049BD62c7C419A8
0x33D591c68bbfb5bAA6753dB30aa937756c6b3fA30
15Q1cvrFiG4rDPQa4CPT28v6v142KDtfYM

OKX

0xd49cd43230860f7A244D52FCD78a43CbE068e8Ff
0xa4A76eC9697Be8fcF1fDb907d9e2F64378c83762
0x0eC4E0303897a8E8b477Fdce43e577B3981b5617
0xdA22870E0Bd87133250fbC319476E278D7af93c2
0x5d8814d1268d70d89c2EE8cdF9e14fF64902fcE6

ByBit

0x64fA177058113A5D668A4a33809514740AB20a57
0xf614c8dA40D87B16a04150ec36fBC23e8f303aAf

KuCoin

0xCB63262C60aa7CBCe8E128F746D75DEf6B59dDA3

BloFin

0xE385be9087900D61db242d6776A1468Bc3EfebC5

HTX

1MspmvmHMLA2y841xapZcCEoFHiwG1yeap

EXHIBIT D

Yogaratnam v. Dubois

United States District Court for the Eastern District of Louisiana

February 23, 2024, Decided; February 23, 2024, Filed

CIVIL ACTION NO. 24-393 SECTION: "G"(4)

Reporter

2024 U.S. Dist. LEXIS 31033 *; 2024 WL 758387

JEYSEN ZIVAN YOGARATNAM VERSUS DUBOIS et al.

Subsequent History: Motion granted by, Judgment entered by [Yogaratnam v. Doe, 2024 U.S. Dist. LEXIS 83592 \(E.D. La., May 8, 2024\)](#)

Motion granted by [Yogaratnam v. Doe, 2024 U.S. Dist. LEXIS 189473 \(E.D. La., Aug. 21, 2024\)](#)

Motion denied by [Yogaratnam v. Defendant, 2024 U.S. Dist. LEXIS 196031 \(E.D. La., Oct. 29, 2024\)](#)

Core Terms

cryptocurrency, funds, temporary restraining order, notice, stolen, traced, injunction, irreparable, wallet, investor, courts, freeze

Counsel: [*1] For Jeysen Zivan Yogaratnam, Plaintiff: Reagan Charleston Thomas, LEAD ATTORNEY, Aylstock, Witkin, Kreis, and Overholtz, Pensacola, FL.

Judges: NANNETTE JOLIVETTE BROWN, CHIEF UNITED STATES DISTRICT JUDGE.

Opinion by: NANNETTE JOLIVETTE BROWN

Opinion

ORDER AND REASONS

Before the Court is Plaintiff Jeysen Zivan Yogaratnam's ("Plaintiff") "Emergency Ex Parte Motion for Temporary Restraining Order Without Notice Against Defendant '1' a/k/a 'Darina Dubois' and John Does 1-20."¹ In the motion, Plaintiff seeks a freeze of his cryptocurrency

assets currently located at the Destination Addresses held by Defendant "1" a/ka/ "Darina Dubois" or her cohorts Defendants John Does 1-20, without prior notice to Defendants.² Having considered the motion, the memoranda in support and in opposition, the record, and the applicable, the Court grants the motion. This Order serves as the Court's findings of fact and conclusions of law.

I. Background

According to the Complaint, Defendants deceived Plaintiff into transferring approximately \$294,215 worth of cryptocurrency into Defendants' private cryptocurrency wallet addresses (collectively, "Destination Addresses") after Defendant 1 a/k/a "Darina Dubois" fraudulently represented that she [*2] was a cryptocurrency investor who would assist Plaintiff in investing his cryptocurrency.³ Plaintiff allegedly believed that he had downloaded a legitimate and regulated cryptocurrency exchange smartphone application called CTRL-FX, but under the guidance of Defendant 1, Plaintiff instead downloaded an illegitimate application.⁴ At the direction of Defendant 1, Plaintiff began transferring cryptocurrency he held on his Coinbase and Kraken accounts to what he believed was the legitimate CTRL-FX exchange.⁵ Plaintiff alleges that the app was entirely simulated and served as a vehicle of theft for Defendants, giving them a mechanism to provide Plaintiff with false account statements that masked the fraudulent scheme Defendants were

¹ Rec. Doc. 6.

² *Id.* at 1.

³ Rec. Doc. 1 at 1, 3-4.

⁴ *Id.* at 4.

⁵ *Id.* at 5-6.

perpetrating.⁶ Plaintiff alleges that the "CTRL-FX" exchange to which Plaintiff was sending his cryptocurrency holdings was actually--unbeknownst to Plaintiff--Defendants' own private cryptocurrency wallet addresses.⁷

According to the Complaint, Plaintiff retained CNC Intelligence Inc., a forensic cryptocurrency tracing expert company, which has traced Plaintiff's stolen assets to Destination Addresses believed to be under Defendants' control.⁸ Specifically, [*3] Plaintiff has identified the following cryptocurrency wallet addresses held primarily at cryptocurrency exchanges Bitkub, Binance, Blofin, and Tokenlon:⁹

 [Go to table 1](#)

On February 15, 2024, Plaintiff filed his Complaint, asserting (1) conversion, (2) unjust enrichment, (3) imposition of constructive trust and disgorgement of funds, and (4) conspiracy claims against Defendants.¹⁰ The Court has diversity jurisdiction over this case because the amount in controversy exceeds \$75,000 and the suit is between Plaintiff, a citizen of Nevada, and Defendants, citizens [*4] of a foreign state.¹¹ Venue is proper in this District because Defendants are not residents in the United States, and therefore may be sued in any judicial district.¹²

On February 22, 2024, Plaintiff filed the instant Motion for Temporary Restraining Order seeking to freeze Plaintiff's assets at the specified Destination Addresses held by Defendants.¹³

II. Plaintiff's Arguments

⁶ *Id.* at 6-7.

⁷ *Id.* at 4.

⁸ *Id.* at 8.

⁹ Rec. Doc. 1-4.

¹⁰ Rec. Doc. 1 at 8-11.

¹¹ See [28 U.S.C. § 1332\(a\)\(2\)](#).

¹² See [18 U.S.C. § 1965\(a\)](#), [\(b\)](#), and [28 U.S.C. § 1391\(b\)](#), [\(c\)](#). Under [28 U.S.C. § 1391\(c\)\(3\)](#), a defendant who does not reside in the United States—regardless of citizenship—may be sued in any district.

¹³ Rec. Doc. 6.

A. Plaintiff's Arguments in Support of the Motion

First, Plaintiff contends that he has a substantial likelihood of success on the merits of his claims, as he asserts that it is clear he was victimized by Defendants and defrauded of cryptocurrency that belonged to him.¹⁴ Plaintiff notes that "each and every transaction has been traced on the blockchain," so there is a "definitive trail of Plaintiff's stolen assets."¹⁵ Second, Plaintiff avers that he will suffer irreparable harm if Defendants are not enjoined because there is a "significant risk that Defendants may dissipate the money stolen from Plaintiff or simply transfer those funds into untraceable cryptocurrency accounts or to offshore entities organized in unknown locations."¹⁶ Third, Plaintiff argues that there is little prejudice to Defendants if the Court issues [*5] the Temporary Restraining Order because at worst, Defendants will only suffer from a delay in shifting their stolen funds to an untraceable cryptocurrency account.¹⁷ Fourth, Plaintiff contends that the Court issuing a temporary restraining order serves the public interest because it promotes the objectives of the U.S. Department of the Treasury's Financial Crimes Enforcement Network "by providing assurance that courts will protect investors' assets from theft and will aid investors in their recovery of stolen assets when they can be readily located and traced to specific locations, like the stolen investor assets in this action."¹⁸ Fifth, Plaintiff contends that his only remedy to recover the funds fraudulently taken from him is through his right to equitable relief.¹⁹ Plaintiff notes that a legal remedy for monetary relief alone will not protect him from losing his equitable ownership interest in the stolen funds located in Destination Addresses.²⁰ Accordingly, Plaintiff moves the Court to issue an Order prohibiting Defendants from transferring or alienating the funds in the aforementioned digital wallets.²¹

¹⁴ Rec. Doc. 6 at 7.

¹⁵ *Id.* at 8.

¹⁶ *Id.*

¹⁷ *Id.* at 9.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

III. Legal Standard

[Federal Rule of Civil Procedure Rule 65](#) governs injunctions and restraining orders, [*6] and [Rule 65\(b\)](#) sets forth the procedural rules governing the issuance of temporary restraining orders. Under [Rule 65\(b\)](#), a court may issue a temporary restraining order without notice only if:

(A) [S]pecific facts in an affidavit or a verified complaint clearly show that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition; and

(B) [T]he movant's attorney certifies in writing any efforts made to give notice and the reasons why it should not be required.²²

When a TRO is "issued without notice to the adverse party," the order must state "the date and hour it was issued; describe the injury and state why it is irreparable; state why the Order was issued without notice; and be promptly filed in the clerk's office and entered in the record."²³ "The order expires at the time after entry—not to exceed 14 days—that the court sets, unless before that time the court, for good cause, extends it for a like period or the adverse party consents to a longer extension. The reasons for an extension must be entered in the record."²⁴

The plaintiff must additionally establish the following essential elements: (1) a substantial likelihood of success on the [*7] merits; (2) a substantial threat that failure to grant the injunction will result in irreparable injury; (3) the threatened injury outweighs any damage that the injunction will cause to the adverse party; and (4) the injunction will not do disservice to the public interest.²⁵ Because such relief is an extraordinary remedy, to justify entry of a temporary restraining order or preliminary injunction,²⁶ the petitioner must "clearly

carr[y] the burden of persuasion on all four elements."²⁷ If a plaintiff fails to carry its burden as to any one of these factors, injunctive relief cannot be granted.²⁸ Regardless of whether the temporary restraining order is granted, [Federal Rule of Civil Procedure 52\(a\)](#) requires the Court to "state the findings of fact and conclusions of law that support its action."²⁹

IV. Analysis

For the reasons discussed in more detail below, Plaintiff has demonstrated that he is entitled to a TRO preventing removal or transfer of Plaintiff's assets contained in the Destination Addresses to preserve the status quo pending the outcome of this litigation.³⁰ As a general rule courts may not freeze a defendant's assets prior to trial in a case where only money damages are sought.³¹ However, in this case, Plaintiff seeks [*8] the equitable remedy of a constructive trust over the property.³² According to the Complaint, Plaintiff resides in Nevada, the acts giving rise to the theft occurred in Nevada, and Nevada's policies are the most impaired if its law is not applied.³³ Therefore, the Court applies Nevada law to this case. Nevada law expressly recognizes the imposition of constructive trusts.³⁴

²⁷ [PCI Transp., Inc. v. Fort Worth & W. R.R. Co.](#), 418 F.3d 535, 545 (5th Cir. 2005) (internal quotation marks and citations omitted).

²⁸ See [Enterprise Int'l Inc. v. Corp. Estatal Petrolera Ecautoriana](#), 762 F.2d 464, 472 (5th Cir. 1985).

²⁹ [Fed. R. Civ. P. 52\(a\)\(1\), \(2\)](#).

³⁰ See, e.g., [Hikmatullaev v. Villa](#), No. 23-22338, 2023 U.S. Dist. LEXIS 111619, 2023 WL 4373225, at *3 (S.D. Fla. June 28, 2023) (finding that "[p]laintiffs request to have [cryptocurrency] accounts frozen to prevent dissipation of the assets . . . is logical, appropriate, and is a common remedy employed in similar cases").

³¹ [Grupo Mexicano de Desarrollo, S.A. v. All. Bond Fund, Inc.](#), 527 U.S. 308, 119 S. Ct. 1961, 144 L. Ed. 2d 319 (1999).

³² Rec. Doc. 1 at 9-10.

³³ See [La. Civ. Code art. 3542](#).

³⁴ See [Holland v. Anthony L. Barney, Ltd.](#), 139 Nev. Adv. Rep. 49, 540 P.3d 1074, 1083 (Nev. App. 2023) ("Equitable remedies, such as equitable liens and constructive trusts, are available to a plaintiff when legal remedies, such as statutory

²² [Fed. R. Civ. P. 65\(b\)\(1\)\(A\), \(B\)](#).

²³ [Fed. R. Civ. P. 65\(b\)\(2\)](#).

²⁴ *Id.*

²⁵ [Janvey v. Alquire](#), 647 F.3d 585, 595 (5th Cir. 2011).

²⁶ The legal standard for issuance of a temporary restraining order and for a preliminary injunction are the same. See [Gregory v. Miller](#), No. 04-3017, 2007 U.S. Dist. LEXIS 19974, 2007 WL 891878, at *2 (E.D. La. Mar. 21, 2007) (Engelhardt, J.).

Numerous courts have recognized that it is appropriate to issue a temporary restraining order and freeze assets to preserve the funds for the equitable remedy.³⁵ Further, numerous district courts, including at least one other district judge in the Eastern District of Louisiana, have issued a TRO in this exact circumstance to freeze a cryptocurrency asset.³⁶

Plaintiff has shown a strong likelihood of success on the merits of his conversion claim. Under Nevada law, conversion is "a distinct act of dominion wrongfully exerted over another's personal property in denial of, or inconsistent with his title or rights therein or in derogation, exclusion, or defiance of such title or rights."³⁷ Plaintiff has produced evidence suggesting that he owned the funds traced to Defendants' Destination Addresses. It appears [*9] from the record that Defendants have no right to claim either possession or ownership of the stolen assets, and Defendants'

review, are not available or are inadequate. The Nevada Supreme Court previously approved the use of the Restatement (First) of Restitution (1937), [] and recognized both equitable liens and constructive trusts as remedies to restore property belonging to another.") (internal citations and quotation marks omitted). Assuming that Louisiana law applies to this case, the Louisiana Civil Code prohibits the imposition of a constructive trust or equitable lien on any property. [*Mansfield Hardwood Lumber Co. v. Johnson*, 268 F.2d 317, 319 \(5th Cir. 1959\)](#). However, Louisiana courts regularly grant writs of sequestration and place assets in the registry of the court during the adjudication process. See [*La. Code of Civ. Pro. art. 3571*](#). A writ of sequestration is equitable in nature because the plaintiff is seeking that the court compels the defendant to perform a certain act or refrain from a certain act.

³⁵ [*In re Focus Media, Inc.*, 387 F.3d 1077, 1084 \(9th Cir. 2004\)](#); [*Absolute Activist Value Master Fund Ltd. v. Devine*, 2016 U.S. Dist. LEXIS 52263, 2016 WL 1572388, at *3 \(M.D. Fla. Apr. 19, 2016\)](#); [*Clayton v. Heartland Resources, Inc.*, 2008 U.S. Dist. LEXIS 97086, 2008 WL 5046806, at *4 \(W.D. Ky. Nov. 21, 2008\)](#).

³⁶ See *Lin v. Defendant 1 a/k/a "Fanxin Lin,"* Case No. 23-5878 (E.D. La. (Dec. 13, 2023) (Guidry, J.); *Patel v. Doe*, Case No. 23-24651, (N.D. Fla. Jan. 11, 2024) (Rodgers, J.); *Blum v. Doe*, Case No. 23-24734, (N.D. Fla. Dec. 13, 2023) (Rodgers, J.); *Ohlin v. Defendant 1 a/k/a "SELINA,"* Case No. 23-8856, (N.D. Fla. May 26, 2023) (Wetherell, J.); [*Astrove v. John Doe*, Case No. 22-80614, 2022 U.S. Dist. LEXIS 129286, 2022 WL 2805315 \(S.D. Fla. Apr. 21, 2022\)](#) (Ruiz, J.).

³⁷ [*Evans v. Dean Witter Reynolds, Inc.*, 116 Nev. 598, 606, 5 P.3d 1043, 1048 \(2000\)](#) (quoting [*Wantz v. Redfield*, 74 Nev. 196, 198, 326 P.2d 413, 414 \(1958\)](#)).

taking of the funds is clearly inconsistent with Plaintiff's rights of ownership.³⁸ Plaintiff's cryptocurrency assets are specific, identifiable property that CNC Intelligence, Inc. has traced to Defendants' Destination Addresses.

Plaintiff has shown that irreparable harm will ensue absent a TRO, considering the speed with which cryptocurrency transactions are made, as well as the anonymous nature of those transactions.³⁹ Plaintiff's potential recovery of assets will disappear if Defendants transfer the allegedly stolen assets into inaccessible digital wallets, which could occur at any moment, and the likelihood of that occurrence would be significantly raised should the Court require Defendants to be notified of Plaintiff's Motion prior to the issuance of a TRO.

The balance of hardships also favors Plaintiff because a TRO preserves the status quo and prevents irreparable harm until such time as the Court may hold a hearing. Entry of a TRO also does not harm the public interest, which is properly served by promoting the objectives of the U.S. Department of [*10] the Treasury and providing assurance that courts will protect and aid investors in their recovery of stolen assets.⁴⁰

Finally, the Court enters the TRO without notice to Defendants because Plaintiff provided specific facts in

³⁸ Under Louisiana law, a conversion occurs "when one wrongfully does any act of dominion over the property of another in denial of or inconsistent with the owner's rights," such as when one wrongfully exercises or assumes authority over another's goods, depriving him of possession, permanently or for an indefinite time. [*F.G. Bruschweiler Antiques, Ltd. v. GBA Great British Antiques, LLC*, 03-792 \(La. App. 5 Cir. 11/25/03\); 860 So. 2d 644, 649-50](#). Even assuming that Louisiana law applies to this case, Plaintiff has established a substantial likelihood of success on the merits of his conversion claim.

³⁹ See, e.g., [*Hikmatullaev*, 2023 U.S. Dist. LEXIS 111619, 2023 WL 4373225, at *3](#) (noting that "[c]ourts have found that such a showing satisfies the irreparable harm prong because of 'the speed with which cryptocurrency transactions are made as well as the anonymous nature of those transactions'" (quoting [*Astrove*, 2022 U.S. Dist. LEXIS 129286, 2022 WL 2805315, at *3](#))).

⁴⁰ See [*2023 U.S. Dist. LEXIS 111619, \[WL\] at *3*](#) ("[E]ntering a TRO favors the public interest because . . . [f]reezing [] cryptocurrency accounts reassures the public that even with transactions conducted in the cryptocurrency space, there is an adequate remedy at law to prevent fraud or theft.").

the Complaint showing that immediate and irreparable loss will result absent the TRO and Plaintiff does not currently know Defendants' true identities.⁴¹ Additionally, because of the apparent strength of the case, the Court will require Plaintiff to post a modest amount of security, in the amount of \$100, pursuant to [Federal Rule of Civil Procedure 65\(c\)](#).⁴²

Accordingly,

IT IS HEREBY ORDERED that Plaintiff Jeysen Zivan Yogaratnam's Emergency Ex Parte Motion for Temporary Restraining Order Without Notice Against Defendant '1' a/k/a 'Darina Dubois' and John Does 1-20⁴³ is **GRANTED**. A TRO is entered as follows:

1. Defendants and their agents, servants, employees, attorneys, partners, successors, assigns, and all other persons or entities through which she/they act or who act in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device, or **[*11]** any of them, are hereby temporarily restrained from withdrawing, transferring, or encumbering any assets currently held by, for, or on behalf of Defendants or any business entity through which she/they act or which act in active concert or participation with them; including but not limited to those assets currently held in: (1) the Destination Addresses; (2) any account at any other financial institution, bank, trading exchange, or investment firm; and (3) any cryptocurrency wallet or cryptocurrency trading account they maintain or control anywhere other than in the Destination Addresses.

2. Notice was not provided to Defendant "1" or JOHN DOES 1-20 prior to entry of this Order because her/their identities are presently unknown to Plaintiff.

3. Pursuant to [Fed. R. Civ. P. 65\(c\)](#), which requires that security must typically be posted by Plaintiff, the Court has determined that One Hundred Dollars (\$100.00) is adequate to pay the costs and damages, if any, sustained by any party found to

have been wrongfully enjoined or restrained by this Order. Therefore, pursuant to [Fed. R. Civ. P. 65](#), Plaintiff shall—within ten (10) calendar days of this Order—post a bond in the amount of One Hundred Dollars (\$100.00) to secure this Order. **[*12]** In lieu of a bond, Plaintiff may post cash or its equivalent with the Clerk of Court.

4. Upon a showing of good cause by any party-of-interest, the Court may enter a further order amending the amount of Plaintiff's bond requirement as a means of providing a source of funds to which Defendants may be entitled for a wrongful injunction or restraint.

5. This Temporary Restraining Order will expire fourteen (14) days from its entry in accordance with [Fed. R. Civ. P. 65\(b\)\(2\)](#) unless, for good cause shown, this Order is extended or Defendant "1" or JOHN DOES 1-20 consent that it should be extended for a longer period of time. However, the Court may, upon demonstration of good cause by any party-of-interest, shorten or lift this Order.

6. A hearing to determine whether to convert this temporary restraining order into a preliminary injunction is set for March 8, 2024, at 10:00 A.M., United States District Court, Eastern District of Louisiana, 500 Poydras Street, New Orleans, Louisiana 70130, Courtroom C-227.

NEW ORLEANS, LOUISIANA, this 23rd day of February, 2024, at 12:30 PM.

/s/ Nannette Jolivet Brown

NANNETTE JOLIVETTE BROWN

CHIEF JUDGE

UNITED STATES DISTRICT COURT

⁴¹ See cases cited in n.36, *supra*.

⁴² *Id.*

⁴³ Rec. Doc. 6.

Table1 ([Return to related document text](#))

No	Bitkub Destination Address	Funds Traced (USDT)
.		
1	0x7b7b86bfe06929a7a32aaf9c7bb87c27a816cc7b	(See total below)
2	0x3d1d8a1d418220fd53c18744d44c182c46f47468	(See total below)
		Total: 153.900 USDT
No	Blofin Destination Address	Funds Traced (USDT)
.		
1	0xc383e037ab6872adae3ec35714b8d8cc46bea867	(See total below)
2	0x0e747eb2ff0f26fb77c3alea67ee07fac2dbb783	(See total below)
		Total: 1.063.609
No	Binance Destination Address	Funds Traced (BTC)
.		
1	0x376795c8b53b69a712f1024cf8537f980eb3bcbf	77.763.16356 USDT
		Total: 77.763.16356 USDT
No	Tokenlon Destination Address	Funds Traced (BTC)
.		
1	3JA4StsiJwsgMvnxj8JgchmBEZMTH9mUWm	3.28654 BTC
2	3JMjHDTJjKPnrvS7DycPAgYcA6HrHRk8UG	3.63019 BTC
		Total: 6.91673 BTC

Table1 ([Return to related document text](#))

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EXHIBIT E

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF FLORIDA
PENSACOLA DIVISION**

JOHN J. BLUM,

Plaintiff,

v.

CASE NO. 3:23-cv-24734-MCR-HTC

**DEFENDANT 1 a/k/a
MIA TARA, et al.,**

Defendants.

ORDER

Plaintiff John J. Blum has filed an Emergency Motion for Temporary Restraining Order Without Notice against Defendant 1 a/k/a MIA TARA and her accomplices JOHN DOES 1-20.¹ ECF No. 5. On consideration, the motion is granted.

I. Background

According to the Verified Complaint, Defendants deceived Blum into transferring approximately \$1,160,615.58 worth of cryptocurrency into Defendants' private cryptocurrency wallet addresses (collectively "Destination Addresses") after

¹ Blum does not know the true identities of the Defendants but believes they are foreign nationals. ECF No. 5 at 6 (stating that the only available identifiable information are Defendants' cryptocurrency wallet addresses). As a result, Defendants have not been served with the Verified Complaint or the pending Emergency Motion for TRO. *See similarly Ohlin et al. v. Defendant 1 a/k/a Selina, et al.*, No. 3:23-cv-08856, at *2 (N.D. Fla. May 26, 2023) (granting a TRO where plaintiffs did not know the true identity of defendant).

Defendant 1 fraudulently represented that she was a cryptocurrency investor who would assist Blum in investing his cryptocurrency. ECF No. 1 at 1. Relying on Defendants' misrepresentations, Blum believed he had downloaded a legitimate and regulated cryptocurrency exchange smartphone application but instead downloaded and ultimately transferred his cryptocurrency assets to a smartphone application that facilitated the transfer of Blum's cryptocurrency assets into Defendants' Destination Addresses. Blum alleges that blockchain analytics traced the path of Blum's cryptocurrency assets to various unauthorized transfers to Destination Addresses under Defendants' sole control. *See* ECF No. 1 at 8, 11. Blum alleges that, through a company he hired to investigate, he was able to trace his stolen assets to Destination Addresses owned or controlled by Defendants.² More specifically, Blum identifies the following Destination Addresses located within the MEXC, OKX, and HTX cryptocurrency exchanges, *see* ECF Nos. 1-1 and 5:

Destination Addresses	
MEXC	32CEytgVfa8qSLRKj6SJKSKEA24KJaewkH
MEXC	3Kg3fotNUVXAWKDn7NyKgJBDEJxy1v4GCE
MEXC	3NadyvuQjcCm41CqHfUVakjVRkq2jRSXDd
MEXC	32vy55gghsFgEppwjWLaff3bv6udZM4wY
MEXC	3KxwJnLDhxhamuRkVznrpm2zCP3B6mot4

² According to the Verified Complaint, Blum retained CipherBlade, a forensic cryptocurrency tracing expert, to trace the stolen assets. ECF No. 1 at 9. While the Destination Addresses are not listed in the Verified Complaint, Blum attached CipherBlade's tracing report containing the Destination Addresses to the Verified Complaint and incorporated it by reference. ECF No. 1-1.

MEXC 38Zdq6Tc4n8qK6mxPEa76CU3LamYFWLMvN
MEXC 13uZyaPbt4rTwYQ8xWFySVUzWH3pk2P5c7
MEXC 33ze68qZoBE9R4uMtRQGNnvgFTYN4sPBUq
OKX 3DCFNFRVBdyzGjHsJzn1tid2rJhu5S19Ta
OKX bc1quhruqrghgcca950rvhtrg7cpd7u8k6svpzgzmry8xyukac15lkq0r8l2d
38r6qe12gLJJy2N1UTjUVrkn7rneQKjwAN
HTX 1PSPQhnNrCqMR9eWSh8csrE929Yo7sQeLB
HTX 1AQLXAB6aXSVbRMjbhSBudLf1kcsbWSEjg
323DZ6xJK7KSescPmW2MPNkWU1JXCD9uUx

On December 1, 2023, Blum filed a four-count Complaint in this Court for (1) conversion; (2) unjust enrichment; (3) imposition of constructive trust and disgorgement of funds; and (4) conspiracy. ECF No. 1. Ten days later, Blum filed this *ex parte* Emergency Motion for Temporary Restraining Order seeking to freeze Defendants' assets at the specified Destination Addresses. ECF No. 5.

II. Legal Standard

A court may grant a temporary restraining order ("TRO") *ex parte* when certain conditions are met. Fed. R. Civ. P. 65(b)(1); *see Granny Goose Foods, Inc. v. Bhd. of Teamsters & Auto Truck Drivers Local No. 70 of Alameda Cnty.*, 415 U.S. 423, 439 (1974) (noting that a TRO "should be restricted to serving their underlying purpose of preserving the status quo and preventing irreparable harm just so long as is necessary to hold a hearing, and no longer"). Before a TRO may be issued, specific facts in the form of an affidavit or verified complaint must demonstrate that an "immediate and irreparable injury, loss, or damage will result to the movant

CASE NO. 3:23-cv-24734-MCR-HTC

before the adverse party can be heard in opposition,” and the attorney for the movant must certify in writing any efforts made to provide notice to the adverse party. Fed. R. Civ. P. 65(b)(1). When a TRO is “issued without notice to the adverse party,” the order must state “the date and hour it was issued; describe the injury and state why it is irreparable; state why the Order was issued without notice[;] and be promptly filed in the Clerk’s Office and entered in the record.” *Astrove v. John Doe*, No. 9:22-cv-80614, 2022 WL 2805315, at *2 (S.D. Fla. Apr. 22, 2022) (quoting Fed. R. Civ. P. 65(b)(1)).

The party seeking a TRO must demonstrate that “(a) there is a substantial likelihood of success on the merits; (b) the TRO . . . is necessary to prevent irreparable injury; (c) the threatened injury outweighs the harm that the TRO . . . would cause to the non-movant; and (d) the TRO . . . would not be averse to the public interest.” *Parker v. State Bd. of Pardons & Paroles*, 275 F.3d 1032, 1034-35 (11th Cir. 2001) (quoting *Zardui-Quintana v. Richard*, 768 F.2d 1213, 1216 (11th Cir. 1985)); *Schiavo ex rel. Schindler v. Schiavo*, 403 F.3d 1223, 1232 (11th Cir. 2005) (finding that “[t]he first of the four prerequisites to temporary injunctive relief is generally the most important”).

III. Discussion

Blum is entitled to a TRO preventing removal or transfer of Defendants' assets contained in the Destination Addresses to preserve the *status quo ante* pending the outcome of this litigation. *See, e.g., Hikmatullaev v. Villa*, No. 23-cv-22338-ALTMAN/REID, 2023 WL 4373225, at *3 (S.D. Fla. June 28, 2023) (finding that “[p]laintiffs request to have [cryptocurrency] accounts frozen to prevent dissipation of the assets . . . is logical, appropriate, and is a common remedy employed in similar cases”).

Blum has shown a strong likelihood of success on the merits of his claims against Defendants. It appears from the record that Defendants have no right to claim either possession or ownership of the stolen assets. Blum's cryptocurrency assets are specific, identifiable property that can be traced to Defendants' Destination Addresses. Blum has shown that irreparable harm will ensue absent a TRO, considering the speed with which cryptocurrency transactions are made, as well as the anonymous nature of those transactions. *See, e.g., Hikmatullaev*, 2023 WL 4373225, at *3 (noting that “[c]ourts have found that such a showing satisfies the irreparable harm prong because of ‘the speed with which cryptocurrency transactions are made as well as the anonymous nature of those transactions’” (quoting *Astrove*, 2022 WL 2805315, at *3)).

The balance of hardships also favors Blum because a TRO preserves the *status quo ante* and prevents irreparable harm until such time as the Court may hold a hearing. Entry of a TRO also does not harm the public interest, which is properly served by promoting the objectives of the U.S. Department of the Treasury and providing assurance that courts will protect and aid investors in their recovery of stolen assets. *See id.*, at *3 (“entering a TRO favors the public interest because . . . [f]reezing [] cryptocurrency accounts reassures the public that even with transactions conducted in the cryptocurrency space, there is an adequate remedy at law to prevent fraud or theft”).

Lastly, the Court enters the TRO without notice to the Defendants because Blum provided specific facts in his Verified Complaint showing that immediate and irreparable loss will result absent the TRO and Blum does not currently know the Defendants’ true identities. *See, e.g., Ohlin et al. v. Defendant 1 a/k/a Selina, et al.*, No. 3:23-cv-08856, at *4 (N.D. Fla. May 26, 2023) (entering a TRO without notice for similar reasons). Additionally, because of the apparent strength of the case, Blum need only provide a modest amount of security pursuant to Fed. R. Civ. P. 65(c). *Id.* at *7 (finding that plaintiffs only needed to provide \$100 in security because of the “apparent strength” of their case).

Accordingly, Blum's Emergency Motion for Temporary Restraining Order, ECF No. 5, is **GRANTED**. A TRO is entered as follows:

1. Defendants and their agents, servants, employees, attorneys, partners, successors, assigns, and all other persons or entities through which she/they act or who act in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device, or any of them, are hereby temporarily restrained from withdrawing, transferring, or encumbering any assets currently held by, for, or on behalf of Defendants or any business entity through which she/they act or which act in active concert or participation with them; including but not limited to those assets currently held in: (1) the Destination Addresses; (2) any account at any other financial institution, bank, trading exchange, or investment firm; and (3) any cryptocurrency wallet or cryptocurrency trading account they maintain or control anywhere other than in the Destination Addresses.
2. Notice was not provided to Defendant 1 or JOHN DOES 1-20 prior to entry of this Order because her/their identities are presently unknown to Plaintiff.

3. Pursuant to Fed. R. Civ. P. 65(c), which requires that security must typically be posted by Plaintiff, the Court has determined that One Hundred Dollars (\$100.00) is adequate to pay the costs and damages, if any, sustained by any party found to have been wrongfully enjoined or restrained by this Order. Therefore, pursuant to Fed. R. Civ. P. 65, Plaintiff shall — within ten (10) calendar days of this Order — post a bond in the amount of One Hundred Dollars (\$100.00) to secure this Order. In lieu of a bond, Plaintiff may post cash or its equivalent with the Clerk of Court.
4. On a showing of good cause by any party-of-interest, the Court may enter a further order amending the amount of Plaintiff's bond requirement as a means of providing a source of funds to which Defendants may be entitled for a wrongful injunction or restraint.
5. This TRO will expire fourteen (14) days from its entry in accordance with Fed. R. Civ. P. 65(b)(2) unless the Court extends this Order upon a showing of good cause or Defendants consent that it should be extended for a longer period of time. However, the Court may, upon demonstration of good cause by any party-of-interest, modify or lift the Order.

An evidentiary hearing to determine whether to convert this TRO into a preliminary injunction is scheduled for December 19, 2023 at 9:00 a.m. (CT), in Courtroom 5, United States Courthouse, One North Palafox Street, Pensacola, FL 32502. Plaintiff is directed to serve the Defendants with this Order and to file a notice of compliance on the Court's docket. Three hours are reserved.

DONE AND ORDERED this 13th day of December 2023 at 5:20 p.m. (CT).

M. Casey Rodgers

M. CASEY RODGERS
UNITED STATES DISTRICT JUDGE

EXHIBIT F

Jacobo v. Doe

United States District Court for the Eastern District of California

June 7, 2022, Decided; June 7, 2022, Filed

No. 1:22-cv-00672-DAD-BAK (BAM)

Reporter

2022 U.S. Dist. LEXIS 101504 *; 2022 WL 2052637

GRACIELA JACOBO, Plaintiff, v. JOHN DOE,
Defendant.

Subsequent History: Motion granted by, in part, Motion denied by, in part [Jacobo v. Doe, 2022 U.S. Dist. LEXIS 103730 \(E.D. Cal., June 9, 2022\)](#)

Core Terms

cryptocurrency, funds, temporary restraining order, injunctive relief, conversion, wallet, irreparable harm, alleges, preliminary injunction, damages, freeze, notice, pool, merits, stolen, constructive trust, dissipation, conversion claim, likelihood of success, ex parte motion, public interest, district court, restitution, injunction, invested, unknown

Counsel: [*1] For Graciela Jacobo, Plaintiff: Mathieu Putterman, Putterman Law, APC, Newport Beach, CA.

Judges: Dale A. Drozd, UNITED STATES DISTRICT JUDGE.

Opinion by: Dale A. Drozd

Opinion

ORDER GRANTING PLAINTIFF'S EX PARTE MOTION FOR A TEMPORARY RESTRAINING ORDER

(Doc. No. 2)

On June 3, 2022, plaintiff Graciela Jacobo, proceeding with counsel, filed the complaint in this action against an unidentified John Doe defendant, asserting claims of fraudulent inducement, negligent misrepresentation, replevin, conversion, unjust enrichment, imposition of a constructive trust and disgorgement of funds, and possession of stolen property in violation of [California Penal Code § 496](#). (Doc. No. 1 ("Compl.")). Plaintiff

seeks restitution, the imposition of a constructive trust, and damages arising from the alleged harm caused to her by the defendant's actions. (*Id.* at 14.) With her complaint, plaintiff also filed an *ex parte* motion for a temporary restraining order seeking to freeze defendant's cryptocurrency assets at the specified cryptocurrency wallet addresses. (Doc. No. 2-1 at 8-9.) Pursuant to General Order No. 617 addressing the public health emergency posed by the coronavirus pandemic, on June 6, 2022, the court took this matter under submission to be decided [*2] on the papers, without holding a hearing. (Doc. No. 5.) For the reasons explained below, the court will grant plaintiff's motion for a temporary restraining order.

BACKGROUND

In her complaint and accompanying declaration (Doc. No. 2-4), plaintiff alleges the following. Plaintiff jointly maintains a MetaMask cryptocurrency wallet with her son, who remains unnamed in the complaint. (Compl. at ¶ 11.) At all relevant times, plaintiff's son served as plaintiff's authorized agent who could communicate on her behalf, and plaintiff conferred with her son on the relevant matters at issue. (*Id.* at ¶¶ 12, 15.) On or about May 5, 2022, defendant John Doe contacted plaintiff's son through the social networking service Twitter. (*Id.* at ¶ 11.) Thereafter, defendant continued his conversation with plaintiff's son on the WhatsApp messaging platform, where they discussed cryptocurrency investing and defendant represented that "he could show [p]laintiff how easy it was to make money with cryptocurrency." (*Id.*) Defendant also represented that he and the entity that employed him were affiliated with the Ethereum Foundation, a well-known organization that supports the Ethereum cryptocurrency platform and [*3] related technologies. (*Id.* at ¶ 13.) Through defendant's communications, plaintiff and plaintiff's son developed "a sense of trust, reliability, and dependability" on defendant. (*Id.* at ¶ 15.)

Following defendant's instruction, plaintiff or plaintiff's son linked plaintiff's MetaMask cryptocurrency wallet to the website www.AMMDeFi.org, which defendant represented "would allow [p]laintiff to have her assets placed into a liquidity pool for a limited period of time." (*Id.* at ¶ 16.) According to defendant, plaintiff would receive a return of her invested assets with interest upon expiration of that limited period of time. (*Id.*) Plaintiff funded her MetaMask wallet with approximately \$1,400,000.00, used those funds to purchase the Tether cryptocurrency, and invested the Tether into the liquidity pool vehicle purportedly managed by defendant. (*Id.* at ¶ 17.) Plaintiff alleges, however, that the investment vehicle proved to be "nothing but a sham vehicle designed by [d]efendant to gain direct access to the funds in [p]laintiff's MetaMask wallet," and that defendant provided false updates as to the balance of plaintiff's investment position. (*Id.* at ¶¶ 18-19.)

Each time plaintiff sought to [*4] withdraw her funds from the liquidity pool, defendant offered false excuses as to why she would be unable to do so, including representing that withdrawal would require an exit fee of several hundred thousand dollars. (*Id.* at ¶¶ 20-21.) Plaintiff alleges that defendant manufactured this exit fee excuse to keep plaintiff's funds under defendant's control long enough for defendant to transfer her assets to himself and to take "every available opportunity" to sieve additional funds from plaintiff. (*Id.* at ¶¶ 22-23.)

Plaintiff alleges that blockchain analytics have traced the path of plaintiff's cryptocurrency assets to unauthorized transfers to "cryptocurrency accounts under [d]efendant's sole control," which may "have been liquidated into fiat currency and dissipated by [d]efendant." (*Id.* at ¶ 24.) Plaintiff identifies a number of cryptocurrency wallet addresses ("Destination Addresses") to which her stolen assets have been traced and alleges that those wallet addresses are owned or controlled by defendant or an unknown third party "to whom he has transferred those stolen assets and which have been used to launder" plaintiff's assets. (*Id.* at ¶ 25.) Plaintiff provides the following cryptocurrency [*5] wallet addresses at the Binance, FTX, OKX (OKEx), Poloniex, Tokenlon, and gate.io cryptocurrency exchanges:

 [Go to table1](#)

 [Go to table2](#)

 [Go to table3](#)

 [Go to table4](#)

 [Go to table5](#)

 [Go to table6](#)

(*Id.*)

As noted [*6] above, plaintiff's complaint against defendant asserts the following seven causes of action for: (1) fraudulent inducement; (2) negligent misrepresentation; (3) replevin; (4) conversion; (5) unjust enrichment; (6) imposition of a constructive trust and disgorgement of funds; and (7) possession of stolen property in violation of [California Penal Code § 496](#). (Doc. No. 1.) As also noted above, plaintiff seeks restitution of the \$1.4 million allegedly stolen from her by defendant, the imposition of a constructive trust over and disgorgement of the assets in the Destination Addresses, and damages arising from the alleged harm. (*Id.* at 14.)

Plaintiff filed the pending *ex parte* motion for a temporary restraining order with her complaint. (Doc. No. 2-1.) In that *ex parte* motion, plaintiff seeks to freeze defendant's assets, including the assets held in the Destination Addresses, to preserve the *status quo* during the litigation of this action. (*Id.* at 9.) Because defendant's identity is currently unknown to plaintiff, defendant has not been served with the complaint or with plaintiff's pending motion for a temporary restraining order.

LEGAL STANDARD

The standard governing the issuing of a temporary restraining order is [*7] "substantially identical" to the standard for issuing a preliminary injunction. See [Stuhlberg Int'l Sales Co. v. John D. Brush & Co.](#), 240 F.3d 832, 839 n.7 (9th Cir. 2001). "The proper legal standard for preliminary injunctive relief requires a party to demonstrate 'that he is likely to succeed on the merits, that he is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in his favor, and that an injunction is in the public interest.'" [Stormans, Inc. v. Selecky](#), 586 F.3d 1109, 1127 (9th Cir. 2009) (quoting [Winter v. Nat. Res. Def. Council, Inc.](#), 555 U.S. 7, 20, 129 S. Ct. 365, 172 L. Ed. 2d 249 (2008)); see also [Ctr. for Food Safety v. Vilsack](#), 636 F.3d 1166, 1172 (9th Cir. 2011) ("After [Winter](#), 'plaintiffs must establish that irreparable harm is likely, not just possible, in order to obtain a preliminary

injunction.""); [*Am. Trucking Ass'n, Inc. v. City of Los Angeles*, 559 F.3d 1046, 1052 \(9th Cir. 2009\)](#). A plaintiff seeking a preliminary injunction must make a showing on all four of these prongs. [*All. for the Wild Rockies v. Cottrell*, 632 F.3d 1127, 1135 \(9th Cir. 2011\)](#). The Ninth Circuit has also held that "[a] preliminary injunction is appropriate when a plaintiff demonstrates . . . that serious questions going to the merits were raised and the balance of hardships tips sharply in the plaintiff's favor." [*Id.* at 1134-35](#) (quoting [*Lands Council v. McNair*, 537 F.3d 981, 987 \(9th Cir. 2008\)](#) (*en banc*)).² The party seeking the injunction bears the burden of proving these elements. [*Klein v. City of San Clemente*, 584 F.3d 1196, 1201 \(9th Cir. 2009\)](#); see also [*Caribbean Marine Servs. Co. v. Baldrige*, 844 F.2d 668, 674 \(9th Cir. 1988\)](#) (citation omitted) ("A plaintiff must do more than merely allege imminent harm sufficient to establish standing; a plaintiff must *demonstrate* immediate threatened injury as a prerequisite [*8] to preliminary injunctive relief."). Finally, an injunction is "an extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such relief." [*Winter*, 555 U.S. at 22](#).

A court may only issue a temporary restraining order without notice to the adverse party when:

(A) specific facts in an affidavit or a verified complaint clearly show that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition [and] (B) the movant's attorney certifies in writing any efforts made to give notice and the reasons why it should not be required.

[*Fed. R. Civ. P. 65\(b\)\(1\)*](#). *Ex parte* temporary restraining orders "should be restricted to serving their underlying purpose of preserving the *status quo* and preventing irreparable harm just so long as is necessary to hold a hearing, and no longer." [*Granny Goose Foods, Inc. v. Brotherhood of Teamsters & Auto Truck Drivers Local No. 70 of Alameda Cnty.*, 415 U.S. 423, 439, 94 S. Ct. 1113, 39 L. Ed. 2d 435 \(1974\)](#).

²The Ninth Circuit has found that this "serious question" version of the circuit's sliding scale approach survives "when applied as part of the four-element [*Winter* test."](#) [*All. for the Wild Rockies*, 632 F.3d at 1134](#). "That is, 'serious questions going to the merits' and a balance of hardships that tips sharply towards the plaintiff can support issuance of a preliminary injunction, so long as the plaintiff also shows that there is a likelihood of irreparable injury and that the injunction is in the public interest." [*Id.* at 1135](#).

ANALYSIS

A. [Rule 65](#) Notice

[*Federal Rule of Civil Procedure 65*](#) requires "the movant's attorney [to] certif[y] in writing any efforts made to give notice and the reasons why it should not be required." Here, plaintiff's counsel has provided an affidavit attesting to the following: (1) defendant's legal name is unknown and may only be determined through expedited discovery to the cryptocurrency exchanges at [*9] which he holds cryptocurrency wallets; and (2) if plaintiff must wait until after discovery commences and defendant receives notice of this action, it is highly likely that plaintiff's assets will be dissipated by defendant beyond the reach of recovery. (Doc. No. 2-3, Declaration of Attorney David C. Silver, at ¶¶ 6-7.)

The cryptocurrency at issue here "poses a heightened risk of asset dissipation." [*Fed. Trade Comm'n v. Dluca*, No. 0:18-cv-60379-RKA, 2018 WL 1830800, at *2-3 \(S.D. Fla. Feb. 28, 2018\)](#), *report and recommendation adopted*, No. 0:18-cv-60379-KMM, 2018 WL 1811904 (S.D. Fla. Mar. 12, 2018). As one district court has explained, "cryptocurrencies are circulated through a decentralized computer network, without relying on traditional banking institutions or other clearinghouses. This independence from traditional custodians makes it difficult for law enforcement to trace or freeze cryptocurrencies in the event of fraud or theft[.]" *Id.* If defendant were provided notice of this action, "it would be a simple matter for [him] to transfer [the Tether] to unidentified recipients outside the traditional banking system, including contacts in foreign countries, and effectively put it beyond the reach of this [c]ourt." *Id.*

The court finds that issuance of relief on an *ex parte* basis is justified for the [*10] reasons set forth above. As such, the court turns to whether it may grant plaintiff's requested injunctive relief.

B. An Asset Freeze is Appropriate Relief at This Stage of Litigation

Typically, a court may issue an order to freeze the assets of a defendant only after the claims have been brought to judgment. [*Grupo Mexicano de Desarrollo S.A. v. Alliance Bond Fund, Inc.*, 527 U.S. 308, 322, 119 S. Ct. 1961, 144 L. Ed. 2d 319 \(1999\)](#). However, where, as here, the plaintiff seeks equitable relief (see Compl. at 14), a court has may grant injunctive relief to freeze a defendant's assets if the requirements for a preliminary

injunction are otherwise satisfied. *In re Focus Media, Inc.*, 387 F.3d 1077, 1084 (9th Cir. 2004) (citations omitted). The Ninth Circuit has specifically recognized that the rule against injunctive relief does not apply to underlying claims for fraudulent conveyance and constructive trust. (*Id.* at 1085.) Judges of this district court have also ordered injunctive relief to secure assets subject to a claim for the imposition of a constructive trust, which plaintiff seeks in her complaint in this action. See *Rumbaugh v. Harley, No. 2:18-cv- 01970-KJM-AC*, 2018 U.S. Dist. LEXIS 143033, 2018 WL 4002854, at *9 (E.D. Cal Aug 22, 2018); (Compl. at ¶ 64). Furthermore, as discussed above, the fact that the assets at issue here are held in cryptocurrency weighs in favor of the granting of injunctive relief and a freezing of the assets because there is a [*11] high risk of asset dissipation with cryptocurrency. See *Dluca*, 2018 WL 1830800 at *2-3 (holding that "[t]he same factors that justify issuance of relief on an *ex parte* basis also establish that an asset freeze [of cryptocurrency] and other equitable relief are appropriate."). The court therefore finds that it has the authority to issue injunctive relief to freeze defendant's assets in this matter, and now turns to address the merits of plaintiff's motion for a temporary restraining order below.

C. Whether a Temporary Restraining Order is Appropriate

1. Likelihood of Success on the Merits

Plaintiff contends that she is likely to succeed on the merits of the seven causes of action asserted in her complaint. (Doc. No. 2-1 at ¶¶ 16, 18; see also Compl. at 1.) Because, as explained below, the court finds that plaintiff has shown a likelihood of success on her conversion claim and will grant her *ex parte* motion for temporary injunctive relief on that basis, the court will not address plaintiff's likelihood of success on the merits with regard to her other claims.

"Conversion occurs where the defendant wrongfully exercises dominion over the property of another." *Bank of New York v. Fremont General Corp.*, 523 F.3d 902, 914 (9th Cir. 2008) (citations omitted). Under California law, the elements of [*12] a conversion claim are: "(1) plaintiff's ownership or right to possession of the property at the time of the conversion; (2) [defendant's] conversion by a wrongful act or disposition of plaintiff's property rights; and (3) damages." *Joe Hand Promotions, Inc. v. Roseville Lodge No. 1293*, 161 F. Supp. 3d 910, 916 (E.D. Cal. 2016). "Because

conversion is a strict liability claim, a defendant's 'good faith, lack of knowledge, motive, or intent are not relevant' in establishing a claim for conversion." *Id.* (quoting *Joe Hand Promotions, Inc. v. Albright*, 2:11-cv-02260-WBS-CMK, 2013 U.S. Dist. LEXIS 79268, 2013 WL 2449500, at *8 (E.D. Cal. June 5, 2013)).

As to the first element of her conversion claim, plaintiff alleges that she added funds to her digital wallet, used those funds to purchase Tether, and then allowed that Tether to be invested in what she believed was a legitimate investment pool.³ (Doc. No. 2-1 at 6.) Based on these allegations and the declarations submitted in support thereof, the court finds that plaintiff will likely be able to establish that she owned the cryptocurrency at issue at the time of its alleged conversion.

As to the second element of conversion, plaintiff alleges that when she deposited the Tether into what she thought was a legitimate investment pool, the funds were "actually . . . deposited under false pretenses into a cryptocurrency wallet Defendant controlled," and defendant [*13] "intentionally took possession of and assumed control over" plaintiff's cryptocurrency. (Compl. at ¶ 53.) In addition, plaintiff alleges that defendant "abscond[ed]" with her assets and "knew the property he received was stolen." (Doc. No. 2-1 at 6; Compl. at ¶ 54.) Although plaintiff willingly deposited funds into the supposed investment pool over which defendant had control, it does not appear on the facts currently presented to the court that plaintiff knew that the investment pool was not in fact legitimate, nor that she consented to defendant withdrawing all of her funds from the purported investment pool. See *Bank of New York*, 523 F.3d at 914 ("A plaintiff in a conversion action

³ Plaintiff asserts that she "jointly maintains" a digital cryptocurrency wallet with her son and that her son engaged in many of the online conversations with defendant related to defendant's alleged scheme. (Doc. No. 2-1 at 5.) Plaintiff maintains that plaintiff "conferred with her son on all such matters" relating to their interactions with defendant. (*Id.*) It is unclear on the face of plaintiff's pending motion and complaint whether plaintiff herself purchased the \$1,400,000.00 worth of Tether cryptocurrency and deposited it into the allegedly fraudulent investment pool or whether her son completed the transactions at her direction using her funds. (See *id.* at 5-6.) Nonetheless, it is immaterial whether plaintiff or her son completed the transactions described above, because plaintiff's motion represents that the \$1,400,000.00 used to purchase Tether cryptocurrency was comprised of her funds and that she "allowed" the purchased cryptocurrency to be deposited into the allegedly fraudulent investment pool. (See *id.*)

must also prove that it did not consent to the defendant's exercise of dominion. . . . [T]here can be no conversion where an owner either expressly or impliedly assents to or ratifies the taking, use or disposition of his property.") (internal quotation omitted). Accordingly, the court also finds that plaintiff will likely be able to establish that her cryptocurrency was converted through a wrongful act of the defendant.

Finally, plaintiff is also likely to succeed in establishing damages, the third element of her conversion claim. As [*14] described above, plaintiff alleges that defendant's "scheme" resulted in the loss of \$1,400,000.00 worth of cryptocurrency that she invested into a digital wallet that defendant led her to believe was a legitimate investment pool. (Doc. No. 2-1 at 6.) Based on these allegations, plaintiff seeks "equitable restitution" to "return to [p]laintiff all cryptocurrency or fiat currency taken from her in connection with" defendant's alleged scam. (Compl. at 14); see *In re iPhone Application Litig.*, 844 F. Supp. 2d 1040, 1076 (N.D. Cal. 2012) (describing restitution as an available remedy for "common law tort such as conversion"). As such, the court finds plaintiff will likely be able to establish that she suffered damages in the amount of \$1.4 million worth of cryptocurrency as a result of defendant's alleged wrongful act.

Therefore, the court concludes that plaintiff has shown a likelihood of success on the merits of her conversion claim.

2. Irreparable Harm

Having found that plaintiff has shown a likelihood of success on the merits of her conversion claim, the court now turns to the likelihood that plaintiff will suffer irreparable harm in the absence of the granting of preliminary injunctive relief. The risk of irreparable harm must be "likely, not just possible." [*15] *All. for the Wild Rockies*, 632 F.3d at 1131. "Speculative injury does not constitute irreparable injury sufficient to warrant granting a preliminary injunction." *Caribbean Marine Servs. Co. v. Baldrige*, 844 F.2d 668, 674 (9th Cir. 1988).

Here, plaintiff asserts that a likely risk of irreparable harm exists because defendant "may dissipate the money . . . or simply transfer those funds into untraceable cryptocurrency accounts or to offshore entities organized in unknown locations." (Doc. No. 2-1 at 14.) Plaintiff argues that an asset freeze is imperative to avoid such dissipation due to the speed and anonymous nature of cryptocurrency transactions. (*Id.*) Here, plaintiff does not merely seek the award of legal

damages, which would be insufficient to support a claim of irreparable harm due to the fungible nature of money, but restitution, the imposition of a constructive trust over the cryptocurrency assets in the Designation Addresses, and disgorgement of such cryptocurrency. (Compl. at 14); cf. *Cal. Pharmacists Ass'n v. Maxwell-Jolly*, 563 F.3d 847, 851-52 (9th Cir. 2009) ("Typically, monetary harm does not constitute irreparable harm. . . . [E]conomic damages are not traditionally considered irreparable because the *injury can later be remedied by a damage award.*") (emphasis in original), *vacated on other grounds by Douglas v. Indep. Living Ctr. of S. Cal., Inc.*, 565 U.S. 606, 132 S. Ct. 1204, 182 L. Ed. 2d 101 (2012). In this regard, other district courts have found that the [*16] risk of irreparable harm to be likely in matters concerning fraudulent transfers of cryptocurrency due to the risk of anonymous and speedy asset dissipation. See *Heissenberg v. Doe*, No. 9:21-cv-80716- RKA, 2021 U.S. Dist. LEXIS 257218, 2021 WL 8154531, at *2 (S.D. Fla. Apr. 23, 2021) (finding irreparable harm to be likely if a temporary restraining order were not granted due to the "speed and potential anonymity of cryptocurrency transactions"); *Martinangeli v. Akerman, LLP*, No. 1:18-cv-23607-UU, 2018 U.S. Dist. LEXIS 238050, 2018 WL 6308705, at *2 (S.D. Fla. Sept. 14, 2018) (same); *Dluca*, 2018 WL 1830800 at *2-3 (same). Because "it would be a simple matter for [defendant] to transfer. . . [Tether] cryptocurrency to unidentified recipients outside the traditional banking system" and effectively place the assets at issue in this matter beyond the reach of the court, the court finds that plaintiff is likely to suffer immediate and irreparable harm in the absence of injunctive relief. See *Dluca*, 2018 WL 1830800 at *2.

3. Balance of the Equities / Public Interest

Courts "must balance the competing claims of injury and must consider the effect on each party of the granting or withholding of the requested relief," and "should pay particular regard for the public consequences in employing the extraordinary remedy of injunction." *Winter*, 555 U.S. at 24. "In assessing whether the plaintiffs have met this burden, the district court has a duty to balance the interests of all parties [*17] and weigh the damage to each." *Stormans, Inc.*, 586 F.3d at 1138 (internal quotation marks and alteration omitted).

In her pending motion for temporary restraining order, plaintiff argues that public interests support a grant of injunctive relief here because it would "provid[e] assurance that courts will protect investors' assets from theft and will aid investors in their recovery of stolen

assets," and, in doing so, "promote the objectives" of the Financial Crimes Enforcement Network (FinCEN) division of the U.S. Department of the Treasury. (Doc. No. 2-1 at 15.) Plaintiff also asserts that defendant would not be prejudiced by the granting of injunctive relief because such an order would merely maintain the *status quo* and would only delay defendant from being able to shift the assets to other accounts. (*Id.* at 14.)

Plaintiff's points are well taken. A delay in defendant's ability to transfer the assets only minimally prejudices defendant, whereas withholding injunctive relief would severely prejudice plaintiff by providing defendant time to transfer the allegedly purloined assets into other accounts beyond the reach of this court. See [Heissenberg, 2021 U.S. Dist. LEXIS 257218, 2021 WL 8154531 at *2](#) (finding the balance of hardships favored plaintiff on similar facts); [Martinangeli, 2018 U.S. Dist. LEXIS 238050, 2018 WL 6308705 at *2](#) (same). [*18] Furthermore, the public interest "is properly served by promoting the objectives of . . . FinCEN" and providing assurance to the public that courts will take action to promote protection of assets and recovery of stolen assets "when they can be readily located and traced to specific locations." [Heissenberg, 2021 U.S. Dist. LEXIS 257218, 2021 WL 8154531 at *2](#).

Thus, the balance of equities and public interest favor the granting of injunctive relief in this case.

D. Bond Requirement

[Federal Rule of Civil Procedure 65\(c\)](#) requires the party moving for a temporary restraining order to "give[] security in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained." Because defendant's identity is unknown at this time, there is no evidence before the court demonstrating that defendant will suffer any damages as a result of the requested temporary restraining order. Therefore, the court will not require plaintiff to post a bond at this time. See [Conn. Gen. Life Ins. Co. v. New Images of Beverly Hills, 321 F.3d 878, 882 \(9th Cir. 2003\)](#) ("The district court is afforded wide discretion in setting the amount of the bond, and the bond amount may be zero if there is no evidence the party will suffer damages from the injunction.") (internal citation omitted).

CONCLUSION

For the reasons stated above, plaintiff's [*19] motion for a temporary restraining order (Doc. No. 2) is granted pursuant to the terms below:

1. The court orders that, pending a hearing on a motion for a preliminary injunction, defendant and any person or entity acting in concert with him shall be restrained and enjoined from withdrawing, transferring, or encumbering any assets currently held by, for, or on behalf of defendant or any business entity which acts in concert with him, including but not limited to those assets currently held in:
 - a. The Destination Addresses (see Compl. at ¶ 25), and
 - b. Any cryptocurrency wallet or cryptocurrency trading account they maintain or control anywhere other than in the Destination Addresses;
2. No bond shall be required to be posted by plaintiff pursuant to [Rule 65\(c\) of the Federal Rules of Civil Procedure](#);
3. Notice was not provided to defendant prior to entry of this order because his identity is presently unknown to plaintiff. Plaintiff is directed to file a motion for expedited discovery in this action within fourteen days (14) of the entry of this order so that she may seek to obtain defendant's identity from the recipient cryptocurrency exchanges listed above, including a physical and/or electronic address at which defendant can be given [*20] notice of the claims asserted against him in this lawsuit as well as of this order;
4. Plaintiff is directed to submit a status report to the court with respect to any motion for expedited discovery in this action and any motion for a preliminary injunction no later than fourteen (14) days from the date of this order;
5. Within seven (7) days of learning defendant John Doe's true legal identity and obtaining his contact information, plaintiff shall serve copies of the complaint (Doc. No. 1), plaintiff's motion for temporary restraining order (Doc. No. 2), and this order on defendant John Doe in accordance with [Rule 4 of the Federal Rules of Civil Procedure](#);
6. This temporary restraining order will expire fourteen (14) days from its entry in accordance with [Fed. R. Civ. P. 65\(b\)\(2\)](#) unless, for good cause shown, this order is extended (or defendant

consents that it should be extended) for a longer period of time;

7. Defendant is notified of his right to apply to the court for modification or dissolution of this temporary restraining order, if appropriate and supported by a showing of good cause, on two (2) days' notice or such shorter notice as the court may allow. See [Fed. R. Civ. P. 65\(b\)\(4\)](#) and Local Rule 231(c)(8); and

8. Defendant is advised that his failure to timely serve and file an opposition, **[*21]** or appear at a hearing on a motion for preliminary injunction, may result in the imposition of a preliminary injunction against him pursuant to [Rule 65 of the Federal Rules of Civil Procedure](#).

IT IS SO ORDERED.

Dated: **June 7, 2022**

/s/ Dale A. Drozd

UNITED STATES DISTRICT JUDGE

Table1 ([Return to related document text](#))

Exchange	Destination Address	Asset Type	Funds under claim ¹
¹ Plaintiff represents that the value of the funds located in each of the destination addresses listed in this order were calculated using an "average confirmed with five tracing methodologies" and are listed in units of Tether ("USDT"), a cryptocurrency hosted on the Ethereum and Bitcoin blockchains that was designed so that each coin would be worth one U.S. dollar. (Compl. at ¶ 25; Doc. No. 2-1 at 6 n.2.)			
Binance	43ecaea7f78fe65f83646a864b2c73349793ddfe	USDT	45,730.26604
Binance	5cccacf95cd5df55d95e3864af4551de094784c2	USDT	222,583.588
Binance	8f44af4f841ffd7db201e81f8deb66e6eea99c06	USDT	45,543.36493
Binance	bff9f1d0d9156feb7b3182102d4ac226b9c2c44c	USDT	95,118.95336
Binance	c7e185922f923c438fc29b92309153816ba17498	USDT	4,082.182561
TOTAL			413,058.3549 USDT

Table1 ([Return to related document text](#))Table2 ([Return to related document text](#))

Exchange	Destination Address	Asset Type	Funds under claim
FTX	456fc7ea0b17b51e08a861af94e13f1dceba1db9	USDT	83,856.95211
TOTAL			83,856.95211 USDT

Table2 ([Return to related document text](#))Table3 ([Return to related document text](#))

Exchange	Destination Address	Asset Type	Funds under claim
OKX			

2022 U.S. Dist. LEXIS 101504, *21

Exchange	Destination Address	Asset	Funds under claim
(OKEx)	64452a2f3af318d86d947ba33beadfe39456ed3a	USDT	272,540.4773
TOTAL			272,540.4773 USDT

Table3 ([Return to related document text](#))Table4 ([Return to related document text](#))

Exchange	Destination Address	Asset Type	Funds under claim
Poloniex	ee861cfb2a34eb5e73ccd92fce9e4b3b6a37a2db	USDT	72,386.28453
TOTAL			72,386.28453 USDT

Table4 ([Return to related document text](#))Table5 ([Return to related document text](#))

Exchange	Destination Address	Asset Type	Funds under claim
Tokenlon	8d90113a1e286a5ab3e496fbd1853f265e5913c6	USDT	230,153.7314
TOTAL			230,153.7314 USDT

Table5 ([Return to related document text](#))Table6 ([Return to related document text](#))

Exchange	Destination Address	Asset Type	Funds under claim
gate.io	29084a44f69510471e41a91f37ee59c088e71804	USDT	46,782.12103
TOTAL			46,782.12103 USDT

Table6 ([Return to related document text](#))

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EXHIBIT G

Gaponyuk v. Alferov

United States District Court for the Eastern District of California

July 20, 2023, Decided; July 20, 2023, Filed

No. 2:23-cv-01317-KJM-JDP

Reporter

2023 U.S. Dist. LEXIS 125262 *; 2023 WL 4670043

Sergey Gaponyuk, Plaintiff, v. Evgeny Alferov, et al.,
Defendants.

Subsequent History: Motion granted by, in part
[Gaponyuk v. Alferov, 2023 U.S. Dist. LEXIS 126134](#)
[\(E.D. Cal., July 20, 2023\)](#)

Injunction denied by, Motion granted by, in part
[Gaponyuk v. Alferov, 2023 U.S. Dist. LEXIS 171692,](#)
[2023 WL 6519867 \(E.D. Cal., Sept. 26, 2023\)](#)

Later proceeding at [Gaponyuk v. Alferov, 2023 U.S.](#)
[Dist. LEXIS 202137, 2023 WL 7305250 \(E.D. Cal., Nov.](#)
[6, 2023\)](#)

Dismissed by, Without prejudice [Gaponyuk v. Alferov,](#)
[2025 U.S. Dist. LEXIS 22666 \(E.D. Cal., Feb. 6, 2025\)](#)

Core Terms

temporary restraining order, discovery, alleges, freeze,
injunction, constructive trust, cryptocurrency,
defendants', irreparable, ex parte application, requests,
withdraw, courts, notice

Counsel: [*1] Sergey Gaponyuk, Plaintiff, Pro se,
Corte Madera, CA.

Judges: Kimberly J. Mueller, CHIEF UNITED STATES
DISTRICT JUDGE.

Opinion by: Kimberly J. Mueller

Opinion

ORDER

Plaintiff Sergey Gaponyuk applies ex parte for a
temporary restraining order. See *generally* TRO App.,
ECF No. 4; Mem., ECF No. 4-2. He alleges the
defendants participated in a scheme to defraud him of

money and cryptocurrency, and he asks the court to
freeze several accounts. As explained in this order, the
court **grants** the ex parte application. Gaponyuk also
seeks early discovery to ascertain the defendants' true
identities, addresses, and other contact information. The
court **grants** that motion as well, as explained in this
order.

I. BACKGROUND

In his verified complaint, Gaponyuk alleges the
defendants contacted him through Telegram
messenger, a cloud-based messaging service, and
persuaded him to deposit money and cryptocurrency
into an account at what he describes as an "exchange
platform" going by the name "CryptoKG." See Compl. ¶¶
15-21, ECF No. 1. By August 2022, his deposits totaled
in the 28 hundreds of thousands of dollars, *id.* ¶ 32, and
he alleges his balance had grown to about \$3 million as
a result of profitable trading, *id.* ¶ 39. He attempted [*2]
to withdraw some of these funds, but the defendants
delayed, blocked his withdrawal requests and
demanded large fees, penalties or similar payments.
See *id.* ¶¶ 34-43. He hired attorneys, who investigated
and sent demand letters to the exchange, but without
securing any withdrawals. See *id.* ¶¶ 44-49. Eventually,
someone using the name Natalia threatened to "annul,"
sell, or seize Gaponyuk's account. See *id.* ¶¶ 50-54.
Gaponyuk never gained control of his account, and he
alleges CryptoKG is a scam that has defrauded others
as well. See *id.* ¶¶ 55-61.

Gaponyuk filed his complaint in this court in early July
2023. He asserts claims for breach of contract,
fraudulent inducement, negligent misrepresentation,
replevin, conversion and unjust enrichment, and he
seeks an order imposing a constructive trust and
disgorgement of funds. See *id.* ¶¶ 62-115. Finally, he
alleges the scheme violated the California Penal Code's
prohibition against possessing stolen assets. *Id.* ¶¶ 116-
24. The complaint lists six defendants by name, but

Gaponyuk is unsure of the defendants' true names and identities and addresses, and his attempts to contact them have failed. Some are last known to have lived in Ukraine. **[*3]** See *id.* ¶¶ 6-11. Gaponyuk filed his pending ex parte application for a temporary restraining order and motion for early discovery on the same day he filed his complaint. His counsel claims their attempts to communicate with the defendants have been unsuccessful. See *generally* Petkevitch Decl., ECF No. 4-3.

II. TEMPORARY RESTRAINING ORDER

Gaponyuk asks the court to issue a temporary restraining order freezing the defendant's assets until the court can rule on a motion for a preliminary injunction. The court must determine at the outset whether it may consider this request without first giving notice to the defendants. A court may issue a temporary restraining order without notice to an adverse party only if (1) "specific facts in an affidavit or a verified complaint clearly show that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition" and (2) "the movant's attorney certifies in writing any efforts made to give notice and the reasons why it should not be required." [Fed. R. Civ. P. 65\(b\)\(1\)](#).

As summarized above, Gaponyuk's attorney has filed a declaration attesting that the defendants' true names, identities, addresses and other contact **[*4]** information are unknown and that attempts to contact them have failed. See *generally* Petkevitch Decl.; see also TRO Checklist, ECF No. 4-1 ("Notice was not provided to Defendants because their identities and current physical addresses are presently either unconfirmed or unknown to Plaintiff. Further, Defendants have not been responsive to messages sent to their previous electronic addresses."). Other federal district courts have granted ex parte relief in situations like this one, noting the risks that cryptocurrencies may rapidly become lost and untraceable. See, e.g., [Jacob v. Doe, No. 22-0672, 2022 U.S. Dist. LEXIS 101504, 2022 WL 2052637, at *3 \(E.D. Cal. June 7, 2022\)](#) (citing [Fed. Trade Comm'n v. Dluca, No. 18-60379, 2018 U.S. Dist. LEXIS 237844, 2018 WL 1830800, at *2-3 \(S.D. Fla. Feb. 28, 2018\)](#), report and recommendation adopted, [2018 U.S. Dist. LEXIS 238558, 2018 WL 1811904 \(S.D. Fla. Mar. 12, 2018\)](#)). It is appropriate in these circumstances to consider Gaponyuk's application without first giving notice to the defendants.

The court also must ensure it has authority to freeze the accounts at this early point in the case. "Typically, a court may issue an order to freeze the assets of a defendant only after the claims have been brought to judgment." [Jacob v. Doe, 2022 U.S. Dist. LEXIS 101504, 2022 WL 2052637, at *3](#) (citing [Grupo Mexicano de Desarrollo S.A. v. Alliance Bond Fund, Inc., 527 U.S. 308, 322, 119 S. Ct. 1961, 144 L. Ed. 2d 319 \(1999\)](#)). A court may freeze assets earlier in the case when a plaintiff seeks equitable relief and preliminary injunctive relief or a temporary restraining order are appropriate. See [In re Focus Media Inc., 387 F.3d 1077, 1085 \(9th Cir. 2004\)](#); [Jacob v. Doe, 2022 U.S. Dist. LEXIS 101504, 2022 WL 2052637, at *3](#). Because Gaponyuk seeks equitable **[*5]** relief in part, including by constructive trust, this court may issue a temporary restraining order freezing the assets in question. See [Jacob v. Doe, 2022 U.S. Dist. LEXIS 101504, 2022 WL 2052637, at *3](#).

Turning to the request to freeze assets, a court may issue a temporary restraining order upon a showing "that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition." [Fed. R. Civ. P. 65\(b\)\(1\)\(A\)](#). The purpose of such an order is to preserve the status quo and to prevent irreparable harm "just so long as is necessary to hold a hearing, and no longer." [Granny Goose Foods, Inc. v. Brotherhood of Teamsters, 415 U.S. 423, 439, 94 S. Ct. 1113, 39 L. Ed. 2d 435 \(1974\)](#). A temporary restraining order is an extraordinary remedy, and a plaintiff who requests one must prove that remedy is proper. See [Mazurek v. Armstrong, 520 U.S. 968, 972, 117 S. Ct. 1865, 138 L. Ed. 2d 162 \(1997\)](#) (per curiam).

When courts determine whether to issue a temporary restraining order, they rely on the same factors that guide the evaluation of a motion for a preliminary injunction. [Stuhlberg Int'l. Sales Co. v. John D. Brush & Co., 240 F.3d 832, 839 n.7 \(9th Cir. 2001\)](#) (analysis for temporary restraining orders and preliminary injunctions is "substantially identical"). The moving party "must establish that he is likely to succeed on the merits, that he is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in his favor, and that an injunction is in the public **[*6]** interest." [Winter v. Natural Res. Def. Council, Inc., 555 U.S. 7, 20, 129 S. Ct. 365, 172 L. Ed. 2d 249 \(2008\)](#).

First, regarding the likelihood of success on the merits, Gaponyuk argues he is likely to prove he is entitled to a constructive trust. See Mem. at 15. "A constructive trust is an equitable remedy that compels the transfer of

wrongfully held property to its rightful owner." [*Mattel, Inc. v. MGA Entm't, Inc.*, 616 F.3d 904, 908-09 \(9th Cir. 2010\)](#) (applying California law). "A plaintiff seeking imposition of a constructive trust must show: (1) the existence of a res (property or some interest in property); (2) the right to that res; and (3) the wrongful acquisition or detention of the res by another party who is not entitled to it." *Id.* (citing [*Communist Party v. 522 Valencia, Inc.*, 35 Cal. App. 4th 980, 990, 41 Cal. Rptr. 2d 618 \(1995\)](#)). At this early stage, the allegations in Gaponyuk's verified complaint appear likely to support his request for a constructive trust. Gaponyuk claims he deposited assets in the defendants' exchange and owned them completely. He alleges he had a right to withdraw them, and he alleges the defendants stalled, blocked his withdrawals, threatened him, and took control of his assets.

Second, regarding likelihood of irreparable harm, Gaponyuk argues that unless the court acts now, there is significant risk the defendants will transfer his assets to "untraceable cryptocurrency accounts or to offshore entities [*7] organized in unknown locations." Mem. at 15. Cryptocurrency transactions also can often be accomplished anonymously. See *id.* Another judge of this court recently held in a similar case that this risk justified a temporary restraining order. See [*Jacobo*, 2022 U.S. Dist. LEXIS 101504, 2022 WL 2052637, at *5](#) (collecting authority to support conclusion that "the risk of irreparable harm [was] likely in matters concerning fraudulent transfers of cryptocurrency due to the risk of anonymous and speedy asset dissipation"). The court agrees with that assessment for purposes of this order.

Third, Gaponyuk argues a temporary asset freeze will avoid great harms to him while presenting a relative inconvenience to the defendants. See Mem. at 16. It is difficult to reach any firm conclusions about the likely harms to the defendants, having heard nothing from them and knowing nothing about how they are likely to use the accounts. The court finds, however, that a short-term freeze is unlikely to present any great harms. The court can lift this order if the defendants appear and show a continuing injunction would cause them prejudice.

Fourth, Gaponyuk argues a temporary asset freeze will serve the public's interest in stopping, investigating and remedying frauds. [*8] See Mem. at 16-17. The court agrees. See, e.g., [*Jacobo*, 2022 U.S. Dist. LEXIS 101504, 2022 WL 2052637, at *6](#) (finding similarly in similar case).

For these reasons, the court grants the ex parte application for a temporary restraining order. [*Rule 65*](#) requires the party seeking a temporary restraining order to give security "in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained." [*Fed. R. Civ. P. 65\(c\)*](#). District courts may set the bond at zero "if there is no evidence the party will suffer damages from the injunction." [*Conn. Gen. Life Ins. Co. v. New Images of Beverly Hills*, 321 F.3d 878, 882 \(9th Cir. 2003\)](#). No evidence on the current record shows the defendants will be harmed by a temporary restraining order. The court will not require plaintiff to post a bond at this time.

III. EARLY DISCOVERY

As noted, Gaponyuk also asks the court's permission to conduct discovery immediately. Ordinarily, [*Federal Rule of Civil Procedure Rule 26*](#) permits no discovery "from any source before the parties have conferred as required by [*Rule 26\(f\)*](#)." [*Fed. R. Civ. P. 26\(d\)\(1\)*](#). But a plaintiff may request, and a court may grant, permission to begin discovery sooner. See *id.* Courts normally require the party requesting early discovery to show "good cause." See, e.g., [*Semitool, Inc. v. Tokyo Electron Am., Inc.*, 208 F.R.D. 273, 276 \(N.D. Cal. 2002\)](#). A variety of considerations guide the court's decision, including the breadth and purpose of the [*9] plaintiff's request, how burdensome it will be to comply, how far in advance of the ordinary timeline the request is made, and whether a preliminary injunction is in force. [*Rovio Ent. Ltd. v. Royal Plush Toys, Inc.*, 907 F. Supp. 2d 1086, 1099 \(N.D. Cal. 2012\)](#).

One reason to permit early discovery might be to "ascertain the identity of a Doe defendant." [*Jacobo v. Doe*, No. 22-00672, 2022 U.S. Dist. LEXIS 103730, 2022 WL 2079766, at *2 \(E.D. Cal. June 9, 2022\)](#) (collecting authority). When a plaintiff requests early discovery for this purpose, courts consider whether the plaintiff has described the Doe defendant specifically enough to show that defendant is a "real person who can be sued in federal court"; what steps the plaintiff has already taken to understand who the Doe defendant is; whether the complaint is likely to withstand a motion to dismiss; and whether discovery will reveal information that will permit the plaintiff to serve process. *Id.* (quoting [*ZG TOP Tech. Co. v. Doe*, No. 19-0092, 2019 U.S. Dist. LEXIS 29616, 2019 WL 917418, at *2 \(W.D. Wash. Feb. 25, 2019\)](#)).

Gaponyuk requests permission to seek discovery from specific cryptocurrency exchanges to obtain information that only they possess: the defendants' "real names, physical addresses, and mailing or contact addresses." Mem. at 19. His complaint describes the defendants with particularity and makes specific allegations about messages he has exchanged with them, which shows they are likely real people who can be named in litigation. [*10] He explains what steps his attorneys have already taken to contact and find the defendants and why he cannot do more without discovery. The burdens on the recipient exchanges seem unlikely to be heavy at this stage. The court cannot say now whether the complaint is likely to survive a motion to dismiss, but Gaponyuk's verified allegations do show, for the limited purpose of his ex parte application, he is "likely to succeed" on the merits of his request for a constructive trust. The exchanges may also have contact information and other details that could be useful to identify the defendants. For these reasons, the court finds good cause to permit Gaponyuk to conduct early discovery targeted at obtaining the defendants' real names, addresses, and contact information.

IV. CONCLUSION

The ex parte application for a temporary restraining order and for expedited discovery (ECF No. 4) is **granted**. Plaintiff **shall immediately file** a proposed temporary restraining order and proposed order granting discovery. Plaintiff must **email a word-processable copy** of the same proposed orders to kjmorders@caed.uscourts.gov.

IT IS SO ORDERED.

DATED: July 20, 2023.

/s/ Kimberly J. Mueller

CHIEF UNITED STATES DISTRICT [*11] JUDGE

EXHIBIT H



Positive

As of: June 7, 2025 12:57 AM Z

Hikmatullaev v. Marco Alessandro Villa

United States District Court for the Southern District of Florida

June 28, 2023, Decided; June 28, 2023, Entered on Docket

CASE NO. 23-cv-22338-ALTMAN/REID

Reporter

2023 U.S. Dist. LEXIS 111619 *; 2023 WL 4373225

TEMURBEK HIKMATULLAEV, et al., Plaintiffs, v.
MARCO ALESSANDRO VILLA, et al., Defendants.

Subsequent History: Adopted by [Hikmatullaev v. Villa, 2023 U.S. Dist. LEXIS 116139, 2023 WL 4363566 \(S.D. Fla., July 5, 2023\)](#)

Magistrate's recommendation at [Hikmatullaev v. Marco Alessandro Villa, 2023 U.S. Dist. LEXIS 133251 \(S.D. Fla., Aug. 1, 2023\)](#)

Core Terms

Watch, freeze, transferred, cryptocurrency, Stolen, temporary restraining order, preliminary injunction, RECOMMENDATION, irreparable, Wallet, dissipation

Counsel: [*1] For ASATILLA YAKVALKHODJAEV, an individual, TEMURBEK HIKMATULLAEV, an individual, Plaintiffs: Christina Maria Flores, Hart McLaughlin & Eldridge LLC, Chicago, IL; Chirag H. Patel, PRO HAC VICE, Clark Hill LLP, Chicago, IL; Lisa Carney Eldridge, PRO HAC VICE, Clark Hill LLP, Philadelphia, PA.

Judges: LISETTE M. REID, UNITED STATES MAGISTRATE JUDGE.

Opinion by: LISETTE M. REID

Opinion

REPORT AND RECOMMENDATION ON PLAINTIFFS' MOTION FOR TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION

This cause is before the Court on Plaintiffs' Temurbek Hikmatullaev ("Hikmatullaev") and Asatilla Yakvalkhodjaev ("Yakvalkhodjaev") (collectively "Plaintiffs") Combined Application for Entry of an *Ex*

Parte Temporary Restraining Order and for a Preliminary Injunction ("Motion for TRO"). [ECF No. 5]. The Motion for TRO was referred to me by the Honorable Roy K. Altman for a report and recommendation. [ECF No. 13]. For the reasons addressed below it is recommended that the Motion for TRO be **GRANTED in part and DENIED in part**.

BACKGROUND

The instant dispute revolves around Plaintiffs' attempt to purchase a rare \$1,000,000 Richard Mille watch (the "Watch") as a gift. Hikmatullaev, a dual citizen of the United States and Uzbekistan, is the [*2] Chief Economic Officer ("CEO") of Global Concierge Services, LLC ("GCS"), "a company focused on obtaining rare items like the Watch, to locate a Watch for sale." [ECF Nos. 5 at 3; 5-1 at ¶¶ 2-3]. In May 2023, Hikmatullaev, working through GCS and its representative Reece Frederik ("Frederik"), contacted an individual named Dario Mazzanati ("Mazzanati") for his assistance in obtaining the Watch. [ECF Nos. 5 at 3; 5-1 at ¶¶ 5-6]. Mazzanati had previously assisted GCS in obtaining items for its customers. [ECF Nos. 5 at 3; 5-1 at ¶ 6]. Mazzanati introduced Frederik to Marco Alessandro Villa ("Villa"), Alessio Mulasso ("Mulasso"), and Giorgio Mariani ("Mariani"), as well as the corporation Villa operated through, Lumech, Inc. ("Lumech") (collectively "Defendants"). [ECF Nos. 5 at 4; 5-1 at ¶ 7-11]. They met at Villa's home in Miami Beach, Florida, on May 13, 2023, to complete the transaction. [ECF Nos. 5 at 5; 5-1 at ¶ 19].

Defendants represented that they had the Watch for sale, and Villa sent a video to Hikmatullaev in which he displayed the Watch. [ECF Nos. 5 at 4 n.3; 5-1 at ¶ 12]. Ultimately, Villa agreed to sell Hikmatullaev the Watch for \$1,000,000. [ECF Nos. 5 at 4; 5-1 at ¶ 13]. [*3] Hikmatullaev agreed, but informed Villa that "time was of the essence" because the Watch was to be given as a gift. [ECF Nos. 5 at 4; 5-1 at ¶¶ 13-14]. Following

discussion, both parties agreed "that the most effective mode to conduct the transaction was through an equivalent exchange for cryptocurrency assets ... [specifically] Tether's U.S. Dollar Token ("USDT"), a stablecoin that generally maintains a value equal to the U.S. Dollar." [ECF Nos. 5 at 4; 5-1 at ¶ 15].

Hikmatullaev, however, did not have an active cryptocurrency account. [ECF Nos. 5 at 4; 5-1 at ¶ 16]. As such, Hikmatullaev had Yakvalkhodjaev facilitate the transaction through his Binance account ("Yakvalkhodjaev's wallet"), although Hikmatullaev completely funded the transaction. [ECF Nos. 5 at 4; 5-1 at ¶¶ 16-18].

Hikmatullaev sent the \$1,000,000 agreed upon purchase price in a series of transactions. On May 13, 2023, Hikmatullaev sent an initial test transaction of \$86 USDT to (0xB7d58dF3C80C12948FC14aAa0cc4d1bE1DCD4163) ("Villa's Coinbase Wallet"), which Villa confirmed had been received. [ECF Nos. 5 at 5; 5-1 at ¶¶ 16-18]. The same day, Hikmatullaev sent \$100,000 USDT to Villa's Coinbase Wallet, which Villa again [*4] confirmed he had received. [ECF Nos. 5 at 5; 5-1 at ¶¶ 24-25]. Hikmatullaev sent the remaining \$900,000 USDT the following day, after which Villa indicated he had the last transfer but that "Coinbase had flagged the transaction as suspicious and therefore would release the \$900,000 USDT transfer after its review of the transaction." [ECF Nos. 5 at 6; 5-1 at ¶ 27].

Plaintiffs never received the Watch. Villa "issued a false invoice ... [which] incorrectly states the amount Hikmatullaev sent to Villa, it d[id] acknowledge that Villa represented that he intended to sell Hikmatullaev the Watch." [ECF Nos. 5 at 6; 5-1 at ¶¶ 27-30]. Defendants informed Hikmatullaev that they wanted to cancel the transaction. [ECF Nos. 5 at 6; 5-1 at ¶ 36]. Villa returned \$188,000 USDT to Hikmatullaev through Yakvalkhodjaev's wallet. [ECF Nos. 5 at 6; 5-1 at ¶ 36]. The remaining \$812,086, however, was never returned, nor did Defendants tender the Watch. [ECF Nos. 5 at 6; 5-1 at ¶¶ 41-42]. Consequently, Plaintiffs initiated the instant lawsuit.

On June 23, 2023, Plaintiffs filed a seven count Complaint asserting claims for: (1) conversion; (2) breach of contract; (3) fraud; (4) civil conspiracy; (5) unjust enrichment; [*5] and (6) violations of the [Florida Deceptive and Unfair Trade Practices Act, Fla. Stat. § 501.201, et seq.](#) [ECF No. 1]. Three days later Plaintiffs filed the instant Motion for TRO in which Plaintiffs seek:

(1) entry of an Order directing Coinbase to freeze the Defendant Villa's Coinbase accounts, and any other account containing the Stolen Assets, and (2) entry of an Order restricting Defendants' international travel. See *generally* [ECF No. 5].

LEGAL STANDARD

To obtain a Temporary Restraining Order, a party must demonstrate "(1) a substantial likelihood of success on the merits; (2) that irreparable injury will be suffered if the relief is not granted; (3) that the threatened injury outweighs the harm the relief would inflict on the non-movant; and (4) that the entry of the relief would serve the public interest." [Schiavo ex. rel Schindler v. Schiavo, 403 F.3d 1223, 1225-26 \(11th Cir. 2005\)](#).

Additionally, [Fed. R. Civ. P. Rule 65](#) provides that:

The court may issue a temporary restraining order without written or oral notice to the adverse party or its attorney if:

(A) specific facts in an affidavit or a verified complaint clearly show that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition; and

(B) the movant's attorney certifies in writing any efforts made to give notice and the reasons [*6] why it should not be required.

[Fed. R. Civ. P. 65\(b\)\(1\)](#). As part of their equitable powers, courts have the inherent authority to order prejudgment relief, including freezing assets, when necessary to preserve the availability of permanent relief. See [Levi Strauss & Co. v. Sunrise Int'l. Trading Inc., 51 F.3d 982, 987 \(11th Cir. 1995\)](#) (explaining that a "request for equitable relief invokes the district court's inherent equitable powers to order preliminary relief, including an asset freeze, in order to assure the availability of permanent relief").

Ex parte temporary restraining orders "should be restricted to serving their underlying purpose of preserving the status quo and preventing irreparable harm just so long as is necessary to hold a hearing, and no longer." [Granny Goose Foods, Inc. v. Bd. of Teamsters & Auto Truck Drivers Local No. 70, 415 U.S. 423, 439, 94 S. Ct. 1113, 39 L. Ed. 2d 435 \(1974\)](#).

DISCUSSION

Plaintiffs have shown a strong likelihood of success on the merits in their claims against Defendants. Plaintiffs have proffered evidence demonstrating that they transferred \$812,086 USDT to Defendants in exchange for the Watch. Plaintiffs have alleged that despite this payment they never received the Watch or a refund for the \$812,086 USDT Villa retained. These facts establish a *prima facie* case for conversion, breach of contract, and unjust enrichment.

Specifically, Plaintiffs have also demonstrated that they are likely [*7] to succeed on their fraud claim. Plaintiffs' Complaint sets forth specific statements and conduct by Defendants, that if true, would establish that Defendants intentionally made statements aimed at inducing Plaintiffs into believing that if they transferred the Stolen Assets, Defendants would tender the Watch to Plaintiffs.

Plaintiffs have further demonstrated that they will suffer irreparable harm if a TRO is not entered against Defendants. Specifically, Plaintiffs have shown there is a likely danger that if Defendants' assets are not frozen, the cryptocurrency assets Defendants fraudulently obtained and still retain may be absconded with or otherwise dissipated before Plaintiffs can obtain the relief sought in the Complaint. Courts have found that such a showing satisfies the irreparable harm prong because of "the speed with which cryptocurrency transactions are made as well as the anonymous nature of those transactions" freezing assets are necessary to "maintain the *status quo* to avoid dissipation of the money illegally taken" from a plaintiff. [*Astrove v. Doe*, No. 22-CV-80614-RAR, 2022 U.S. Dist. LEXIS 129286, 2022 WL 2805315, at *3 \(S.D. Fla. Apr. 22, 2022\)](#). That is the situation the Court is presented with here.

This Court finds that the balance of hardships favors Plaintiffs because a preliminary [*8] injunction will preserve the *status quo ante* and prevent Defendants from irreparably dissipating the Stolen Assets before this Court may conduct a trial on the merits of Plaintiffs' claims and enter final equitable relief. See [*Astrove v. Doe*, No. 22-CV-80614-RAR, 2022 U.S. Dist. LEXIS 129067, 2022 WL 2805345, at *4-5 \(S.D. Fla. June 17, 2022\)](#) (concluding that the balance of equities does not favor the defendant where the defendant would only be prohibited from selling, transferring, or encumbering the property while litigation moves forward).

Lastly, entering a TRO favors the public interest because it encourages compliance with the law and disincentivizes and punishes criminal behavior. See [*Atl. Univ. Bd. of Trs. v. Parsont*, 465 F. Supp. 3d 1279,](#)

[*1298 \(S.D. Fla. 2020\)*](#). Freezing the cryptocurrency accounts reassures the public that even with transactions conducted in the cryptocurrency space, there is an adequate remedy at law to prevent fraud or theft.

Having determined that a TRO is appropriate, the Court must address the exact relief Plaintiffs seek in the TRO. Not only do Plaintiffs request that Defendants' Coinbase accounts or any other account containing the stolen assets be frozen, they also request Defendants be required to turn over their passports to the Court and be prohibited from travelling internationally. Plaintiffs request to have the pertinent Coinbase accounts [*9] frozen to prevent dissipation of the assets in controversy here is logical, appropriate, and is a common remedy employed in similar cases. The same cannot be said for Plaintiffs' request that Defendants be required to turn over their passports.

In support for this request, Plaintiffs cite [*Bank of Am., N.A. v. Veluchamy*, 643 F.3d 185 \(7th Cir. 2011\)](#). In that case, the Seventh Circuit concluded that district courts have the "power to temporarily seize the passports of judgment-debtors who are subject to a production of assets order." [*Id.* at 186](#). Even a cursory reading of this case would illuminate an important distinguishing fact from those presented here: the defendants in [*Veluchamy*](#) were judgment debtors and the defendants here are not. The [*Veluchamy*](#) court noted that a court's "injunction power reaches orders 'essential to prevent the dissipation of assets.'" [*Id.* at 189](#) (quoting [*SEC v. Lauer*, 52 F.3d 667, 671 \(7th Cir. 1995\)](#)). The court, however, also noted that

Whether such controls are necessary will depend upon the circumstances of the case, but it will be a rare case where any extraordinary steps are needed. In the lion's share of cases, the debtor will not have moved assets to a locale beyond the court's jurisdiction, and thus the court's other powers—especially its power to order the holding financial institution itself [*10] to freeze the assets—will be enough to safeguard the court's ability to enforce a production order.

Id. In that case, the Seventh Circuit noted that the district court's "bases for findings of necessity and flight risk were clear and largely uncontested ... [because] [t]he district court was faced with debtors who had previously transferred abroad all of the funds now subject to the order and were simultaneously hesitant to disclose information that would have revealed those

transfers." *Id.*

At this juncture, aside from Plaintiffs' allegations that Defendants have strong international ties, there is nothing to indicate they would flee this jurisdiction of this Court. While this Court understands Plaintiffs concerns in this respect, the Court's order directed to Coinbase to freeze the assets in Defendants accounts and any other accounts in which the funds have been transferred is the appropriate remedy to preserve the *status quo*. As such, Plaintiffs' request that Defendants be required to turn over their passports and be prohibited from travelling internationally is unwarranted.

The last issue to address is Plaintiffs' request that this Court not require them to post any bond. [Rule 65\(c\)](#) provides [*11] that a court issuing a preliminary injunction or TRO should do so "only if the movant give security in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained." [Fed. R. Civ. P. 65\(c\)](#). Yet, "[c]ourts retain extensive discretion to set the amount of a bond required as a condition for issuing a preliminary injunction and may, in fact, elect to require no bond at all." [Astrove v. Doe, No. 22-CV-80614-RAR, 2022 U.S. Dist. LEXIS 129067, 2022 WL 2805345, at *5 \(S.D. Fla. June 17, 2022\)](#) (citing [BellSouth Telecom., Inc. v. MCI Metro Access Transmission Svcs., LLC, 425 F.3d 964, 971 \(11th Cir. 2005\)](#)).

Here, Plaintiffs argue the Court should not impose a bond requirement because "Plaintiffs only seek to freeze the Stolen Assets and the accounts they may be in and not all of Defendants' assets." [ECF No. 5 at 18]. The Court agrees because Plaintiffs ask only to freeze the amount owed to them. Consequently, no bond is required.

CONCLUSION

For the foregoing reasons it is **RECOMMENDED** that Plaintiffs' Motion for TRO be **GRANTED in part and DENIED in part**, and that a temporary restraining order be entered as follows:

1. Coinbase is directed to immediately freeze and restrict all transfers for any account belonging to MARCO ALESSANDRO VILLA, including but not limited to the wallet with the address 0xB7d58dF3C80C12948FC14aAa0cc4d1bE1DCD4163 until further [*12] order of this Court;

2. Coinbase is directed to restrict any accounts belonging to ALESSIO MULASSO GIORGIO MARIANI and/or LUMECH, INC., or any other account in which the Stolen Assets are Traced, until further order of this Court;

3. The amount of assets subject to the freeze in paragraphs of 1 and 2 shall not exceed \$812,086 USDT.

4. Coinbase is ordered to produce account statements for May, June, and when issued, July 2023 related to Villa's Coinbase Wallet, showing all incoming and outgoing transfers in that account.

5. No Defendant who is in possession of any of the Stolen Assets may transfer any of said funds in possession of any cryptocurrency platform, financial institution, payment processor, bank, escrow service, money transmitter for any purpose without the express authorization of this Court.

6. Plaintiffs' counsel is ordered to send a copy of this Order, the Motion for TRO, and the Complaint to Defendants and Coinbase via email and by overnight mail, to the extent addresses they are able to find a last known address for each Defendant within seven (7) days of this Court's order. Plaintiffs are further ordered to serve the Complaint or a request for waiver consistent with the [*13] Federal Rules of Civil Procedure.

7. Any Defendant or Coinbase may petition the Court to modify the asset restraint set out in this Order.

8. If the District Judge adopts the recommendations made in the Report, a hearing will be set before this Court within fourteen days of the Order, at which time Defendants and/or any other affected persons may challenge the appropriateness of this Order and move to dissolve the same and at which time the Court will hear argument on Plaintiffs requested Preliminary Injunction.

Pursuant to [28 U.S.C. § 636\(b\)\(1\)](#) and Local Magistrate Rule 4(a), Plaintiff has **THREE** (3) days from the date of this Report and Recommendation to serve and file written objections, if any, with the District Judge.¹ See

¹ Because this Report and Recommendation stems from an *ex parte* application, the Undersigned is shortening the normal objection period for Plaintiffs, and Defendants will not have the opportunity to object to the Undersigned's recommendations because of the *ex parte* nature of a temporary restraining order.

generally Jeffrey S. by Ernest S. v. State Bd. of Educ. of State of Ga., 896 F.2d 507 (11th Cir. 1990). Failure to timely file objections will bar a *de novo* determination by the district judge of anything in this Report and shall constitute a waiver of a party's "right to challenge on appeal the District Court's order based on unobjected-to factual and legal conclusions." [11th Cir. R. 3-1](#); see also [Harrigan v. Metro-Dade Police Dep't Station #4](#), 977 F.3d 1185, 1191-92 (11th Cir. 2020); [28 U.S.C. § 636\(b\)\(1\)\(C\)](#).

SIGNED this 28th day of June, 2023.

/s/ Lisette M. Reid

LISETTE M. REID

UNITED STATES MAGISTRATE JUDGE

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EXHIBIT I



Positive

As of: June 7, 2025 12:56 AM Z

Astrove v. Doe

United States District Court for the Southern District of Florida

April 22, 2022, Decided; April 22, 2022, Entered on Docket

CASE NO. 22-CV-80614-RAR

Reporter

2022 U.S. Dist. LEXIS 129286 *; 2022 WL 2805315

ANDREW ASTROVE, Plaintiff, v. JOHN DOE, Defendant.

Subsequent History: Motion granted by [Astrove v. Doe, 2022 U.S. Dist. LEXIS 184727 \(S.D. Fla., May 31, 2022\)](#)

Injunction granted at [Astrove v. Doe, 2022 U.S. Dist. LEXIS 129067, 2022 WL 2805345 \(S.D. Fla., June 17, 2022\)](#)

Later proceeding at [Astrove v. Doe, 2022 U.S. Dist. LEXIS 129069 \(S.D. Fla., June 17, 2022\)](#)

Core Terms

cryptocurrency, temporary restraining order, stolen, funds, notice, traced, preliminary injunction, irreparable, transferred

Counsel: [*1] For Andrew Astrove, an individual, Plaintiff: David Chad Silver, Jason Stuart Miller, LEAD ATTORNEYS, Silver Miller, Coral Springs, FL; Eric F. Rosenberg, PRO HAC VICE, Silver Miller, Riverdale, MD.

Judges: RODOLFO A. RUIZ II, UNITED STATES DISTRICT JUDGE.

Opinion by: RODOLFO A. RUIZ II

Opinion

ORDER GRANTING PLAINTIFF'S EX PARTE EMERGENCY MOTION FOR ENTRY OF TEMPORARY RESTRAINING ORDER AND SETTING HEARING ON MOTION FOR PRELIMINARY INJUNCTION

THIS CAUSE comes before the Court on Plaintiff's Emergency Motion for Temporary Restraining Order Without Notice against Defendant JOHN DOE [ECF No. 3] ("Motion"). As explained below, after careful review of the Motion and Plaintiff's Declaration [ECF No. 3-1], Plaintiff has satisfied the requirements for the issuance of a temporary restraining order.

BACKGROUND

Under Defendant's guidance, Plaintiff opened a cryptocurrency account at U.S.-based cryptocurrency exchange Coinbase, which Plaintiff funded with monies that were used to purchase cryptocurrency that was subsequently transferred to what Plaintiff believed was another cryptocurrency exchange, "MINE DIGITAL." Plaintiff funded his Coinbase account with approximately One Million Four Hundred Thousand Dollars (\$1,400,000.00); [*2] used those funds to purchase Tether¹, and then sent those Tether to an investment account allegedly created for Plaintiff that was overseen by Defendant JOHN DOE.

According to Defendant, the external investment account into which Plaintiff's Tether was being deposited was maintained at Australian cryptocurrency exchange Mine Digital. Defendant provided Plaintiff Mine Digital's purported exchange website URL as: "MCWLEX.xyz" and instructed Plaintiff to set up his cryptocurrency account there. As Plaintiff later learned, the correct website URL for Mine Digital is

¹Tether (often abbreviated with the symbol "USDT") is a cryptocurrency hosted on the Ethereum and Bitcoin blockchains. It is categorized as a "stablecoin," because it was originally designed so that each coin would always be worth One Dollar (\$1.00 USD). Thus, one USDT is worth roughly \$1.00; and 1,400,000 USDT are worth roughly \$1,400,000.00. Tether has one of the largest market caps, and is one of the most widely-circulated cryptocurrencies, in the world.

"minedigital.exchange," not "MCWLEX.xyz."

Evidence in the record suggests Defendant cloned the real Mine Digital website so that his cloned copy would appear to be a legitimate cryptocurrency exchange. The cloned site to which Defendant directed Plaintiff was not legitimate, though; it served as an engine of theft for Defendant, providing him a mechanism to proffer Plaintiff false account statements and real-time values of cryptocurrency markets on legitimate exchanges that masked the fraudulent scheme Defendant was perpetrating upon Plaintiff. In essence, the "Mine Digital account" to which Plaintiff was sending his cryptocurrency [*3] holdings was actually — unbeknownst to Plaintiff — Defendant's own private cryptocurrency address.

Through blockchain analytics tracing the path of Plaintiff's cryptocurrency assets, it has become apparent that Defendant has stolen all of Plaintiff's assets; and those assets have been transferred to cryptocurrency accounts under Defendant's sole control or have been liquidated into fiat currency and dissipated by Defendant.

For example, Plaintiff's stolen assets have been traced to the following cryptocurrency wallet addresses at cryptocurrency exchanges FTX, KRAKEN, OKX (OKEx), BINANCE, GATE.IO, and ZB.COM — wallet addresses which are believed to be owned or controlled by Defendant or an unknown third-party to whom he has transferred those stolen assets, and which have been used to launder the assets stolen from Plaintiff:

 [Go to table1](#)

In addition to the foregoing, as of the date of this filing, blockchain analytics have traced Plaintiff's stolen funds to and/or through the following cryptocurrency wallet addresses (among others), which are believed to be owned or controlled by Defendant or an unknown third-party to whom he has transferred those stolen assets, and which are believed to still be holding some of the assets stolen from Plaintiff:

 [Go to table2](#)

As a result of the foregoing scheme, Plaintiff has lost approximately [*5] One Million Four Hundred Thousand Dollars (\$1,400,000.00) and is left trying to get answers to help him uncover where his funds are or where they went after they were stolen by JOHN DOE.

LEGAL STANDARD

Under [Federal Rule of Civil Procedure 65](#), a Court may grant a temporary restraining order *ex parte*. As required by the Rule, specific facts in the form of an affidavit or Verified Complaint must demonstrate an "immediate and irreparable injury, loss, or damage will result to movant before the adverse party can be heard in opposition," and the attorney for the movant must certify in writing any efforts made to provide notice to the adverse party. See [Fed. R. Civ. P. 65\(b\)\(1\)](#). Any Order issued without notice to the adverse party must state "the date and hour it was issued; describe the injury and state why it is irreparable; state why the Order was issued without notice and be promptly filed in the Clerk's Office and entered in the record. The Order expires at a time after entry — not to exceed fourteen (14) days." *Id.* at [\(b\)\(2\)](#).

To obtain a temporary restraining order, a party must demonstrate "(1) a substantial likelihood of success on the merits; (2) that irreparable injury will be suffered if the relief is not granted; (3) that the threatened injury [*6] outweighs the harm the relief would inflict on the nonmovant; and (4) that the entry of the relief would serve the public interest." [Schiavo ex. rel Schindler v. Schiavo, 403 F.3d 1223, 1225-26 \(11th Cir. 2005\)](#). *Ex parte* temporary restraining orders "should be restricted to serving their underlying purpose of preserving the status quo and preventing irreparable harm just so long as is necessary to hold a hearing, and no longer." [Granny Goose Foods, Inc. v. Bhd. of Teamsters & Auto Truck Drivers Local No. 70 of Alameda Cnty., 415 U.S. 423, 439, 94 S. Ct. 1113, 39 L. Ed. 2d 435 \(1974\)](#).

ANALYSIS

Plaintiff has shown a strong likelihood of success on the merits of his claims against Defendant JOHN DOE for: (1) fraudulent inducement, (2) negligent misrepresentation, (3) replevin, (4) conversion, and (5) unjust enrichment as well as for imposition of a constructive trust and disgorgement of funds held by JOHN DOE in the aforementioned Destination Addresses to which JOHN DOE transferred any portion of the funds purportedly stolen from Plaintiff. Specifically, in light of the foregoing facts, Plaintiff is entitled to a temporary restraining order freezing Defendant JOHN DOE's assets — including the Destination Addresses maintained by Defendant JOHN DOE, for him, or by any entity under his control — to

preserve the *status quo ante* pending the outcome of this litigation.

The cryptocurrency assets at issue are specific, identifiable [*7] property and can be traced in JOHN DOE's assets in the Destination Addresses or elsewhere. Plaintiff has established in his Motion and the Declaration in support thereof that Plaintiff's rights will be immediately and irreparably harmed absent a temporary restraining order from this Court. Without entry of the temporary restraining order, Plaintiff may be unable to recover for his equitable claims.

Moreover, considering the speed with which cryptocurrency transactions are made as well as the anonymous nature of those transactions, it is imperative to freeze the Destination Addresses to maintain the *status quo* to avoid dissipation of the money illegally taken from Plaintiff. Plaintiff was victimized by the theft of his cryptocurrency assets, and it appears from the record that JOHN DOE has no right to claim either possession or ownership of Plaintiff's stolen assets. Therefore, there is a high likelihood Plaintiff will succeed on his claims.

The balance of hardships also favors Plaintiff because a temporary restraining order would preserve the *status quo ante* and prevent irreparable harm until such time as the Court may hold a hearing. Entry of a temporary restraining order will also [*8] not harm the public interest, which is properly served by promoting the objectives of the Financial Crimes Enforcement Network [FinCEN] (a division of the U.S. Department of the Treasury) and providing assurance that courts will protect investors' assets from theft and will aid investors in their recovery of stolen assets when they can be readily located and traced to specific locations, like the purloined assets in this action.

Lastly, because of the apparent strength of Plaintiff's case, the Court concludes that Plaintiff need only provide a modest amount of security pursuant to [Fed. R. Civ. P. 65\(c\)](#) at this time.

CONCLUSION

For the foregoing reasons, it is hereby **ORDERED AND ADJUDGED** that Plaintiff's Motion [ECF No. 3] is **GRANTED**. A temporary restraining order is entered as follows:

1. Defendant JOHN DOE and his agents, servants, employees, attorneys, partners, successors, assigns,

and all other persons or entities through which he/they act or who act in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device, or any of them, are hereby temporarily [*9] restrained from withdrawing, transferring, or encumbering any assets currently held by, for, or on behalf of Defendant JOHN DOE or any business entity through which he acts or which acts in active concert or participation with him; including but not limited to those assets currently held in: (1) the Destination Addresses; (2) any account at any other financial institution, bank, trading exchange, or investment firm; and (3) any cryptocurrency wallet or cryptocurrency trading account they maintain or control anywhere other than in the Destination Addresses.

2. Notice was not provided to Defendant JOHN DOE prior to entry of this Order because his identity is presently unknown to Plaintiff. The Court will separately consider a request from Plaintiff to engage in expedited discovery through which Plaintiff intends to obtain from the recipient cryptocurrency exchanges listed above Defendant JOHN DOE's identity, including a physical and/or electronic address at which Defendant JOHN DOE can be contacted about the claims asserted against him in this lawsuit.

3. Pursuant to [Fed. R. Civ. P. 65\(c\)](#), which requires that security must typically be posted by Plaintiff, the Court has determined that One Thousand Dollars [*10] (\$1,000.00) is adequate to pay the costs and damages, if any, sustained by any party found to have been wrongfully enjoined or restrained by this Order. Therefore, pursuant to [Fed. R. Civ. P. 65](#), Plaintiff shall — within ten (10) calendar days of this Order — post a bond in the amount of One Thousand Dollars (\$1,000.00) to secure this Order. In lieu of a bond, Plaintiff may post cash or its equivalent with the Clerk of Court.

4. Upon a showing of good cause by any party-of-interest, the Court may enter a further order amending the amount of Plaintiff's bond requirement as a means of providing a source of funds to which Defendant JOHN DOE may be entitled for a wrongful injunction or restraint.

5. A telephonic hearing is set before this Court on Tuesday, May 3, 2022, at 10:00 A.M., at which time Defendant and/or any other affected persons may challenge the appropriateness of this Order and

move to dissolve the same and at which time the Court will hear argument on Plaintiff's requested preliminary injunction. The parties are instructed to call 1- 877-402-9753 by no later than 9:55 A.M. The access code is 9372453 and the password is 0918. The Court requires that the Parties appear via a landline if possible [*11] (i.e. not a cellular phone or a speaker phone) for clarity.

22nd day of April, 2022.

/s/ Rodolfo A. Ruiz II

RODOLFO A. RUIZ II

UNITED STATES DISTRICT JUDGE

6. Defendant JOHN DOE shall file with the Court and serve on Plaintiff's counsel any answering affidavits, pleadings, motions, expert reports or declarations and/or legal memoranda no later than five (5) days prior to the hearing for preliminary injunction.

7. If Defendant JOHN DOE timely files with the Court any papers opposing entry of a preliminary injunction, Plaintiff may file with the Court responsive or supplemental pleadings, materials, affidavits, or memoranda and shall serve same on Defendant JOHN DOE or his counsel-of-record no later than two (2) days prior to the preliminary injunction hearing.

8. Defendant JOHN DOE is hereby on notice that failure to timely serve and file his opposition, or failure to appear at the hearing, may result in the imposition of a preliminary injunction against him pursuant to [Fed. R. Civ. P. 65](#).

9. This Temporary Restraining Order will expire fourteen (14) days from its entry in accordance with [Fed. R. Civ. P. 65\(b\)\(2\)](#) unless, for good cause shown, this Order is extended or Defendant JOHN DOE consents that it should be extended for a longer period of time. However, the Court may, upon demonstration of good cause by any party-of-interest, [*12] shorten or lift this Order.

10. As soon as is practical upon learning from the Recipient Cryptocurrency Exchanges Defendant JOHN DOE's true identity and obtaining his contact information, Plaintiff shall forthwith serve a copy of the Complaint, Motion, and this Order on Defendant JOHN DOE by U.S. First Class Mail, overnight delivery, facsimile, electronic mail, or personally by agents or employees of Plaintiff, by private process server, upon any person or entity that may have possession or control of any property, property right, funds, or asset that may be subject to any provision of this Order.

11. The above dates may be revised upon stipulation by all parties and approval of this Court.

DONE AND ORDERED in Fort Lauderdale, Florida, this

Table1 ([Return to related document text](#))

#	EXCHANGE	DESTINATION ADDRESS	ASSET TYPE	ASSETS UNDER CLAIM
				(average confirmed with five separate tracing methodologies; in cryptocurrency unit)
1	FTX	e9d3aa47497e63d27916ec0947174e2f778581bb	USDT	380,056.73823
.				USDT
		57ae39494b91f947866b86d9655c0e7fdc093f14	USDT	169,304.42112
				USDT
	Bitfinex.com	d4dcd2459bb78d7a645aa7e196857d421b10d9		83,401.620357
3	/Crypto.com	3f	USDT	USDT
.				
	OKX	39243d72d9c26d26bd8317838908e7f2682af2 [*4]		80,060.512581
4	(OKEx)	84	USDT	USDT
.				
				60,978.520990
5	Binance	70fc0e221578f6d47f958cfa2bff1f9320bc6eec	USDT	USDT
.				
				38,726.667998
6	FTX	ccfaedbcfe19f10607ce7f9b0d64295d979b606d	USDT	USDT
.				
		49b8229ddd86b47e6ebab43bd54b71e80aff3a0		18,910.227524
7	gate.io	f	USDT	USDT
.				
		15df4ca7b60d09f0070e4c42ef08031c7316768		
8	ZB.com	6	USDT	5,908.5983 USDT
.				
			TOTAL	837,347.3072 USDT

Table1 ([Return to related document text](#))**Table2** ([Return to related document text](#))

#	DESTINATION ADDRESS	ASSET TYPE	ASSETS UNDER CLAIM
			(average confirmed with five separate tracing methodologies; in cryptocurrency unit)
1	431758befb274b88599401a1d7445dcb50c71122	USDT	11,721.149170 USDT
2		USDT	7,704.7557322

#	DESTINATION ADDRESS	ASSET TYPE	ASSETS UNDER CLAIM
			(average confirmed with five separate tracing methodologies; in cryptocurrency unit)
	e7b36e1a636d31aa3d2e8918f80fecdb41f8cd6d		USDT
3	e0fe2b4c9f7d58a05b4a16b71ef8afb42557aef2	USDT	5,980.596504 USDT
4	7b6d0d7a60f3b14f721195c0d289807e9dde9559	USDT	2,444.308878 USDT
		TOTAL	27,850.81028 USDT

Table2 ([Return to related document text](#))

End of Document

EXHIBIT J

Bullock v. Doe

United States District Court for the Northern District of Iowa, Central Division

November 3, 2023, Decided; November 3, 2023, Filed

No. 23-CV-3041 CJW-KEM

Reporter

2023 U.S. Dist. LEXIS 234778 *

MICHAEL ALLEN BULLOCK, Plaintiff, vs. JESSICA DOE and JOHN DOES I-XX, Defendants in personam, And 119,873.29 U.S. DOLLAR COIN and 119,873 TETHER VIRTUAL CURRENCY, Defendants in rem, And BAM MANAGEMENT US HOLDINGS INC., BAM TRADING SERVICES, INC. d/b/a Binance.US, PAYWARD VENTURES, INC. d/b/a Kraken, CIRCLE INTERNET FINANCIAL, LLC d/b/a Circle, and TETHER OPERATIONS LIMITED d/b/a Tether, Relief Parties and Garnishees.

Subsequent History: Injunction granted at [Bullock v. Doe, 2023 U.S. Dist. LEXIS 234781 \(N.D. Iowa, Dec. 18, 2023\)](#)

Motion granted by, in part, Motion denied by, in part [Bullock v. Doe, 2024 U.S. Dist. LEXIS 34485, 2024 WL 671621 \(N.D. Iowa, Jan. 29, 2024\)](#)

Core Terms

crypto, movant, preliminary injunction, merits, irreparable harm, parties, transactions, temporary restraining order, injunction, Garnishee, transfers, factors, Scam, platforms, weighs, public interest, cryptocurrency, appears, dollar, harms, likelihood of success, prevailing, freeze, traded, fair chance, Directing, damages, frozen, adequate legal remedy, conversion claim

Counsel: [*1] For BAM Trading Services Inc., Garnishee: Jeffrey A Brauer, PRO HAC VICE, Hahn Loeser & Parks LLP, Cleveland, OH; Kevin J Visser, LEAD ATTORNEY, Simmons Perrine Moyer Bergman PLC, Cedar Rapids, IA.

For CIRCLE INTERNET FINANCIAL LLC, Garnishee: Colleen Bal, PRO HAC VICE, Wilson Sonsini Goodrich & Rosati, San Francisco, CA; R Scott Johnson, LEAD ATTORNEY, Thomas M Patton, Fredrikson & Byron, Des Moines, IA.

For MICHAEL ALLEN BULLOCK, Plaintiff: Joseph Robert Casey, Harding Law Office, Des Moines, IA; Marc S Harding, Harding Law Office PC, Des Moines, IA.

For Payward Ventures Inc, Garnishee: Elisabeth A Tursi, Mark E Weinhardt, The Weinhardt Law Firm, Des Moines, IA.

Judges: C.J. Williams, United States District Judge.

Opinion by: C.J. Williams

Opinion

TEMPORARY RESTRAINING ORDER

I. INTRODUCTION

This matter is before the Court on plaintiff's Motion for Temporary Restraining Order, filed October 19, 2023. (Doc. 2). Plaintiff seeks the following relief:

A temporary restraining order (TRO) and an Order to Show Cause for a preliminary injunction:

- a. precluding Defendants Jessica Doe and John Does I-XX, from disposing of, processing, routing, facilitating, selling, transferring, encumbering, removing, paying over, conveying or [*2] otherwise interfering with Plaintiff's property, including but not limited to Plaintiff's 119,873.29 USDC or any equivalent currency, including 119,873 USDT for which Defendants have traded Plaintiff's USDC, whether in their accounts held with the Relief Parties and Garnishees or in the Scam Addresses described herein; and
- b. directing Relief Parties and Garnishees BAM Management US Holdings Inc., BAM Trading, Inc. d/b/a Binance.US, (collectively "Binance") and

- Payward Ventures, Inc. d/b/a Kraken ("Kraken") to
- i. deny Defendants and any other users' access to their platforms and any accounts those users might hold; [and]
 - ii. freeze every user account on their platforms which have received or will receive cryptocurrency from any of the Scam Addresses described herein.
- c. Directing Relief Party and Garnishee Circle Internet Financial, LLC ("Circle") to blacklist the Scam Addresses described herein or otherwise prevent them from transacting in USDC.
- d. Directing Relief Party and Garnishee Tether Operations Limited ("Tether") to freeze the ability of the Scam Addresses described herein to transact in USDT.

(Doc. 2, at 1-2). Relief Party Payward Ventures, Inc. d/b/a Kraken ("Kraken") filed a [*3] response to plaintiff's motion on October 25, 2023, disputing plaintiff's allegations relating to Kraken. (Doc. 11). Kraken and plaintiff also jointly requested a hearing on the TRO before the Court enter its order. (*Id.*, at 2-3). Since that time, plaintiff and Kraken entered into and have filed a joint motion to strike Kraken from the case based on an out-of-court agreement between the parties. (Doc. 13). The Court held a hearing on November 3, 2023, at which plaintiff's counsel appeared and now considers the matter fully submitted. For the following reasons, plaintiff's Motion for a Temporary Restraining Order is generally **granted**, but with slightly different relief than that requested by plaintiff.

II. FACTUAL BACKGROUND

The factual background is based on the allegations in plaintiff's complaint, including attachments to the complaint. The Court's finding of facts in this Opinion are provisional and are not binding at trial on the merits. See [*Univ. of Tex. v. Camenisch*, 451 U.S. 390, 395, 101 S. Ct. 1830, 68 L. Ed. 2d 175 \(1981\)](#) ("[F]indings of fact and conclusions of law made by a court granting a preliminary injunction are not binding at trial on the merits."); [*United States Sec. and Exch. Comm'n v. Zahareas*, 272 F.3d 1102, 1105 \(8th Cir. 2001\)](#) (same). Additional facts will be discussed as they relate to the Court's analysis.

In April 2023, plaintiff [*4] accepted a Facebook friend request from an account with the name "Xin Jessica Li" who is identified as defendant Jessica Doe ("Jessica") in this suit. (Doc. 3, at 6). Beginning in June 2023, Jessica

started messaging plaintiff on Facebook, and later through the platform WhatsApp, where they "built a relationship and became friends, messaging each other every day on WhatsApp." (*Id.*). Jessica told plaintiff she planned to visit Iowa. (*Id.*). On July 1, 2023, Jessica began telling plaintiff about cryptocurrency, saying that she "was a successful amateur trader of cryptocurrency-based options contract" and that she had success because of "information leaked by her godmother, a purported insider and analyst at an options trading firm." (*Id.*, at 7). On July 5, Jessica offered to teach plaintiff about buying option contracts in order to "help plaintiff reach his personal financial goals." (*Id.*).

On July 13, Jessica convinced plaintiff to open an account on [www.crypto.com](#), a major cryptocurrency exchange which plaintiff says is run by Foris DAX Asia Pte. Ltd. and its subsidiaries. (*Id.*). Then, between August 4 and October 5, plaintiff made four wire transfers from his bank account to his [crypto.com](#) [*5] account at Jessica's direction. (*Id.*). In total, the four transfers added up to \$120,000. (*Id.*). Plaintiff borrowed extra funds and liquidated his 401(k)-retirement account to trade for cryptocurrency. (*Id.*, at 8).

Jessica then led plaintiff through a series of transactions involving various cryptocurrencies and exchange platforms which are quite involved and complex, the details of which are difficult to fully comprehend. First, plaintiff exchanged his U.S. dollars into "U.S. Dollar Coin" ("USDC"), which is a type of cryptocurrency called a "stablecoin," which generally means the value of USDC is tied to a "reference asset," in this case the U.S. dollar. (*Id.*). This means that one USDC is worth essentially one U.S. dollar. (*Id.*). USDC was created and is maintained by Relief Party Circle Internet Financial, LLC d/b/a Circle ("Circle"). (*Id.*). It appears plaintiff performed this transaction on the [www.crypto.com](#) exchange. (*Id.*).

Jessica then led plaintiff through a series of crypto trades on an exchange called "Zaifint," which also goes by "Zaif INT." (*Id.*). Zaifint has a website and an application; the application's publisher is listed as "Ardaa Eskici," which plaintiff believes is a [*6] pseudonym used by the John Doe defendants. (*Id.*, at 9). Jessica gave plaintiff step-by-step instructions on how to make transfers of his USDC to certain destinations known as "addresses," which Jessica represented belonged to the Zaifint platform. (*Id.*, at 10). In total, Jessica led plaintiff to make six transactions between July and October sending USDC from plaintiff's [crypto.com](#) account to what plaintiff believed were

Zaifint addresses. (*Id.*, at 11). In total, plaintiff's transactions amounted to \$119,957.69 as translated from crypto to the U.S. dollar. (*Id.*). Jessica represented to plaintiff that each transfer had earned a large profit, and by October plaintiff believed his crypto had grown to a total over \$917,000 on the Zaifint platform. (*Id.*). In reality, Zaifint is not a legitimate crypto exchange platform, and plaintiff's transfers went to addresses controlled by Jessica and/or the John Doe defendants. (*Id.*). It appears Jessica and/or John Doe took the crypto deposited by plaintiff through a "path of fraudulent conveyances" which led the crypto to certain addresses controlled by Jessica and/or John Doe. (*Id.*, at 15).

When plaintiff asked Jessica how to get his crypto back into [*7] his crypto.com account from the Zaifint exchange, Jessica directed him to a Telegram account, which is an instant messaging service. (*Id.*, at 12). When plaintiff messaged Zaifint's Telegram account, an apparent representative of Zaifint told plaintiff that Zaifint would not release plaintiff's funds unless he gave Zaifint personally identifying information, including three months of bank statements. (*Id.*). Zaifint also told plaintiff he would need to give them 10% of the value of the crypto he believed he had earned with Zaifint, approximately \$91,700, before they would release plaintiff's crypto back to his crypto.com account. (*Id.*). Plaintiff did not pay the extra payment Zaifint asked for and demanded the return of his crypto or the U.S. dollar equivalent. (*Id.*). The Zaifint representatives then told plaintiff that his account had been frozen, his funds seized and inaccessible, and threatened to harm plaintiff's credit rating. (*Id.*). Zaifint and Jessica have still not returned plaintiff's funds. (*Id.*).

Somehow, plaintiff has tracked—or at least believes he may have tracked—the addresses, or some of the addresses, where plaintiff's crypto is currently or has been located during the [*8] series of transactions Jessica and John Doe put the crypto through. (*Id.*, at 15). Plaintiff lists an address for both Binance and Kraken, where the crypto apparently currently is. (*Id.*). Plaintiff also lists eighteen other addresses, which Jessica and John Does apparently used in their various transfers of the crypto. (*Id.*).

Plaintiff claims that, in total, he had 119,873.29 USDC, worth approximately \$119,873.29. (*Id.*, at 16). Through the transactions, defendants moved the crypto around, eventually turning it into the same amount of USDT. The USDT is in Jessica and/or John Does' accounts at Binance and Kraken, according to plaintiff. (*Id.*). Plaintiff believes that defendants Jessica and John Does do not

know that plaintiff has caught onto their scheme. That is, defendants do not know that plaintiff has located the crypto and knows that defendants have it. (*Id.*, at 17).

III. APPLICABLE LAW

Plaintiff seeks a temporary restraining order and an order to show cause for a preliminary injunction under [Federal Rule of Civil Procedure 65](#). (Doc. 2). "[I]t is well-settled in this circuit that applications for preliminary injunctions and temporary restraining orders are generally measured against the same factors, which were set [*9] forth in the seminal decision in [Dataphase Systems, Inc. v. C L Systems, Inc.](#), 640 F.2d 109, 113 (8th Cir. 1981) (*en banc*)." [Wachovia Sec., L.L.C. v. Stanton](#), 571 F. Supp.2d 1014, 1031 (N.D. Iowa 2008); see also [S.B. McLaughlin & Co., Ltd. v. Tudor Oaks Condominium Project](#), 877 F.2d 707, 708-09 (8th Cir. 1989) (indicating that the [Dataphase](#) factors are the Eighth Circuit test for a TRO). The [Dataphase](#) factors include "(1) the movant's probability of success on the merits, (2) the threat of irreparable harm to the movant absent the injunction, (3) the balance between the harm and the injury that the injunction's issuance would inflict on other interested parties, and (4) the public interest." [McLeodUSA Telecomms. Servs., Inc. v. Qwest Corp.](#), 361 F. Supp. 2d 912, 918 (N.D. Iowa 2005) (citing [Dataphase](#), 640 F.2d at 114). "No single factor in itself is dispositive; in each case all of the factors must be considered to determine whether on balance they weigh toward[] granting the injunction." [Baker Elec. Co-op., Inc. v. Chaske](#), 28 F.3d 1466, 1472 (8th Cir. 1994) (citation and internal quotation marks omitted). The Eighth Circuit Court of Appeals has cautioned as follows:

[C]are must be exercised in balancing the equities, especially since a preliminary injunction motion is too early a stage of the proceedings to woodenly assess a movant's probability of success on the merits with mathematical precision. Rather, the essential inquiry is whether the balance of other factors tips decidedly toward the movant and the movant has also raised questions so serious and difficult as to call for more deliberate investigation.

[Gen. Mills, Inc. v. Kellogg Co.](#), 824 F.2d 622, 624-25 (8th Cir. 1987) (internal citations omitted). [*10]

The movant bears the burden of establishing the propriety of a preliminary injunction. [Goff v. Harper](#), 60 F.3d 518, 520 (8th Cir. 1995). "[T]he burden on the movant is heavy, in particular where . . . 'granting the

preliminary injunction will give [the movant] substantially the relief it would obtain after a trial on the merits." [*United Indus. Corp. v. Clorox Co.*, 140 F.3d 1175, 1179 \(8th Cir. 1998\)](#) (second alteration in original) (quoting [*Sanborn Mfg. Co., Inc. v. Campbell Hausfeld/Scott Fetzer Co.*, 997 F.2d 484, 486 \(8th Cir. 1993\)](#)). Ultimately, "the question is whether the balance of equities so favors the movant that justice requires the court to intervene to preserve the status quo until the merits are determined." [*Dataphase*, 640 F.2d at 113](#). Or, in the context of a temporary restraining order, whether "justice requires the court to intervene to preserve the status quo" until further hearing on the preliminary injunction can be had.

Finally, there are two extra requirements the Court must find are satisfied before issuing a TRO without notice to a party: first, that "specific facts in an affidavit or a verified complaint clearly show that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition" and, second, that "the movant's attorney certifies in writing any efforts made to give notice and the reasons why it should not be required." [*Fed. R. Civ. P. 65\(b\)\(1\)*](#).

IV. DISCUSSION [*11]

The movant bears the burden of establishing the propriety of a preliminary injunction. [*Baker Elec. Co-op., Inc.*, 28 F.3d at 1472](#). As discussed above, in determining whether to grant a temporary restraining order, the Court considers: (1) the movant's probability or likelihood of success on the merits; (2) the threat of irreparable harm or injury to the movant absent the injunction; (3) the balance between the harm to the movant in the absence of injunctive relief and the harm that the injunction's issuance would inflict upon other interested parties; and (4) the public interest. [*Dataphase*, 640 F.2d at 114](#). The Court must consider and balance all four factors, but "a party moving for a preliminary injunction is required to show the threat of irreparable harm." [*Baker Elec. Co-op., Inc.*, 28 F.3d at 1472](#). The Court will address each factor in turn.

A. Likelihood of Success on the Merits

The Court first considers plaintiff's likelihood of success on the merits. The Eighth Circuit has explicitly rejected the notion that the phrase "probability of success on the merits" should be read to mean that a movant can

"prove a greater than fifty [percent] likelihood that he will prevail on the merits." [*Dataphase Sys., Inc.*, 640 F.2d at 113](#). Rather, the Eighth Circuit has explained that in cases not seeking to enjoin "government action based [*12] on presumptively reasoned democratic processes," courts should "apply the familiar 'fair chance of prevailing' test" to assess whether a movant has a likelihood of success on the merits. [*Planned Parenthood Minn., N.D., S.D. v. Rounds*, 530 F.3d 724, 732-33 \(8th Cir. 2008\)](#). The "fair chance of prevailing" test "asks only whether a movant has demonstrated a 'fair chance of prevailing' in the ultimate litigation and . . . does not require a strict probabilistic determination of the chances of a movant's success when other factors, for example irreparable harm, carry substantial weight." [*1-800-411-Pain Referral Serv., LLC v. Otto*, 744 F.3d 1045, 1053-54 \(8th Cir. 2014\)](#) (citations omitted). Although a motion for a preliminary injunction or TRO requires the Court to consider the likelihood of success on the merits, it "is not a decision on the merits of the underlying case." [*Branstad*, 118 F. Supp. 2d at 939](#) (quoting [*Hubbard Feeds v. Animal Feed Supplement, Inc.*, 182 F.3d 598, 603 \(8th Cir. 1999\)](#)).

Plaintiff brought nine claims in total: six against both Jessica and John Does, one against John Does only, and two in rem claims against the USDC and USDT defendants. (See Doc. 3). The claims against both Jessica and John Does are: (1) Conversion; (2) Racketeering; (3) Conspiracy to commit racketeering; (4) Negligent infliction of emotional distress; (5) Fraudulent misrepresentation; and (6) Voidable transactions. (*Id.*, at 17-25). Plaintiff's claim against the John Does' [*13] defendants is "aiding and abetting tortious conduct." (*Id.*, at 25-26). Plaintiff's remaining two causes of action are a claim for "declaratory action" and a claim for constructive trust. (*Id.*, at 26-28). Plaintiff need not show a likelihood of success on the merits for each claim to succeed on its motion for a preliminary injunction. [*Minn. Made Hockey, Inc. v. Minn. Hockey, Inc.*, 761 F. Supp. 2d 848, 857 \(D. Minn. 2011\)](#). The Court will discuss whether plaintiff has a "fair chance" of prevailing on the merits generally. [*Planned Parenthood Minn., N.D., S.D.*, 530 F.3d at 732-33](#).

The Court will mainly focus on the conversion cause of action because it appears to be at the heart of the case, and because it appears the conversion claim is plaintiff's main basis for requesting an injunction or TRO. The Iowa Supreme Court defines conversion as "the wrongful control or dominion over another's property contrary to that person's possessory right to the property." [*Blackford v. Prairie Meadows Racetrack &*](#)

[*Casino, Inc.*, 778 N.W.2d 184, 188 \(Iowa 2010\)](#) (internal quotations omitted). Although there may be complicated issues in this litigation because of the unique nature of crypto currency and the various transfers, addresses, and types of crypto, at this stage plaintiff appears to have a fair chance of prevailing on his conversion claim.

It appears that plaintiff converted his U.S. dollars into crypto, which he then transferred [*14] to what he thought was a legitimate exchange of some sort in Zaifint, all at the request and direction of Jessica. Thus, the property—the U.S. dollars and/or crypto—was plaintiff's property. Through a series of transactions, Jessica and/or John Does moved plaintiff's crypto to a place where they had control of it, thus satisfying the control or dominion aspect of a conversion claim. Plaintiff demanded the crypto be returned to him at some point, and when Jessica and/or John Does did not do so, their control over plaintiff's property likely became contrary to plaintiff's possessory right in the property, satisfying the final element of a conversion claim. Thus, it appears plaintiff has at least a fair chance of prevailing on his conversion claim.

At this stage, plaintiff is requesting, essentially, that the crypto accounts and addresses associated with the various transactions be frozen so that Jessica and John Does do not "cash out" before litigation can proceed. Because the claim underlying this request is mainly conversion—i.e., defendants have plaintiff's property wrongfully—plaintiff's likelihood of success on the merits of this claim suffice for this factor to weigh in favor of [*15] plaintiff and the Court need not discuss the further causes of action.

B. Threat of Irreparable Harm

Turning to the second factor, the Court finds that there is a threat of irreparable harm if the Court denies the motion for a TRO.

"[T]o warrant a preliminary injunction, the moving party must demonstrate a sufficient threat of irreparable harm." [*Wachovia Secs., L.L.C.*, 571 F. Supp. 2d at 1044](#). "In order to demonstrate irreparable harm, a party must show that the harm is certain and great and of such imminence that there is a clear and present need for equitable relief." [*Iowa Utilities Bd. v. F.C.C.*, 109 F.3d 418, 425 \(8th Cir. 1996\)](#). "Irreparable harm occurs when a party has no adequate remedy at law, typically because its injuries cannot be fully compensated through an award of damages." [*Gen. Motors Corp. v.*](#)

[*Harry Brown's, LLC*, 563 F.3d 312, 319 \(8th Cir. 2009\)](#). "[W]here the movant has an adequate legal remedy, a preliminary injunction will not issue." [*Wachovia Secs., L.L.C.*, 571 F. Supp. 2d at 1045](#). In other words, "[t]he failure to show irreparable harm is, by itself, a sufficient ground upon which to deny a preliminary injunction[.]" [*Gelco Corp. v. Coniston Partners*, 811 F.2d 414, 418 \(8th Cir. 1987\)](#).

Plaintiff points out that, once defendants are served, "it is near certain that they will convert the stolen cryptocurrency into an untraceable currency, send it to other addresses, or transfer it beyond the reach of any forensic methods for recovery." (Doc. 2-1, at 6). The Court [*16] agrees that this factor hinges on the fact that, should the Court deny plaintiff's request for a TRO, plaintiff very likely will have no form of potential recovery. Generally, when there is an adequate legal remedy, such as seeking monetary damages against a defendant, a court will not issue a preliminary injunction or TRO. [*Wachovia Secs., L.L.C.*, 571 F. Supp. 2d at 1045](#). An award of money damages is generally considered an adequate legal remedy. When an injury "cannot be fully compensated through an award of damages," however, a party does not have an adequate remedy, and irreparable harm may occur. [*Gen. Motors Corp.*, 563 F.3d at 319](#). Here, although it appears at first glance that an award of damages could be an adequate legal remedy, the likelihood that defendants will put plaintiff's property beyond his reach and disappear, so to speak, tends to tip this factor in plaintiff's direction. This is particularly so when, as here, plaintiff has been unable to identify the people behind the alleged scheme. If defendants will likely convert the crypto to a place where plaintiff can no longer find it or find defendants themselves, plaintiff in fact likely does not have an adequate legal remedy, because a money damages judgment would be essentially meaningless.

Thus, plaintiff [*17] has shown he will suffer irreparable harm absent a TRO. This factor weighs heavily in favor of granting an injunction.

C. Balance of Harms

The Court turns next to the third [*Dataphase*](#) factor, the balance of harms. "[T]he balance of harms analysis examines the harm of granting or denying the injunction upon both of the parties to the dispute and upon other interested parties, including the public." [*Wachovia Secs., L.L.C.*, 571 F. Supp. 2d at 1047](#). It is not the same analysis as the irreparable harm analysis. *Id.* The

balance of harms analysis considers several factors including the threat of each parties' rights that would result from granting or denying the injunction, the potential economic harm to the parties, and whether the defendant has taken voluntary remedial action. *Id.* "[A]n illusory harm to the movant will not outweigh any actual harm to the non-movant." [*Frank N. Magid Assocs., Inc.*, 2017 U.S. Dist. LEXIS 217724, 2017 WL 3091457, at *5](#) (quoting [*Interbake Foods, L.L.C. v. Tomasiello*, 461 F. Supp. 2d 943, 976-77 \(N.D. Iowa 2006\)](#)). Part of the consideration under this factor is that any relief should be "no more burdensome to the defendant than necessary to provide complete relief to the plaintiffs." [*Nebraska v. Biden*, 52 F.4th 1044, 1048 \(8th Cir. 2022\)](#) (quoting [*Madsen v. Women's Health Ctr., Inc.*, 512 U.S. 753, 765, 114 S. Ct. 2516, 129 L. Ed. 2d 593 \(1994\)](#)). In this case, notably, this factor also includes consideration of the various third parties potentially subject to a TRO, including the garnishees and relief parties.

Here, plaintiff stands [*18] to potentially lose a large sum of money, or the crypto equivalent, if the Court denies his request for a TRO. If the Court grants the TRO, certain third parties will have to freeze one of many accounts and "addresses" if they have the ability to do so. As plaintiff points out, he has provided the specific addresses he requests be frozen. Further, he only requests that the addresses be frozen at this stage, and not that the crypto at the addresses be returned to plaintiff at this time. Balancing the harms, plaintiff stands to lose a large sum of money, whereas the third parties will likely only need to freeze a minimal number of addresses. One of the main considerations within this factor is the potential economic harm to the parties, and here plaintiff stands to lose far more than any other party involved. Further, because plaintiff has provided the specific addresses that need to be frozen, and only requested that they be frozen at this point, the relief will not be overly burdensome to the third parties as compared to the relief necessary to protect plaintiff's interests.

Thus, the balance of harms factor weighs in favor of plaintiff.

D. Public Interest

Last, the Court finds that the [*19] public interest would be best served if the Court grants the motion for preliminary injunction.

This factor includes "balancing the specific public interests that might be harmed and what public interests

might be served." *Rodriguez*, 608 F. Supp. 3d at 801. Here, there do not appear to be any public interests that might be seriously harmed should a TRO issue. The third parties will potentially have to freeze certain addresses they have control over or the like, which may be a slight hinderance to them. If the TRO does issue, however, the public interest to be served is the idea that this type of scam is not without consequence, and individuals who are targeted may be able to regain their property. Admittedly, this factor is more neutral than the others, and only weighs slightly in favor of plaintiff. Still, though, the factor weighs in favor of plaintiff, even if the weight of this factor may not be heavy in this case.

Thus, the public interest factor weighs in favor of plaintiff, though the weight is not heavy in this case.

E. Balance of All Factors

The final step in the Court's analysis of whether to grant the TRO is to consider the [*Dataphase*](#) factors together and to determine whether, on the whole, they weigh in favor of granting [*20] the preliminary injunction. The Court found that each factor weighed in favor of plaintiff, and therefore in favor of granting the TRO. Thus, the scale is tipped to plaintiff's side.

Plaintiff's motion for a temporary restraining order or preliminary injunction is **granted**. The Court will slightly alter plaintiff's requested relief, as one part of the request is slightly overbroad.

V. CONCLUSION

For the reasons set forth above, plaintiff's Motion for a Temporary Restraining Order and Preliminary or Permanent Injunction (Doc. 2) is **granted**.

IT IS ORDERED that, pending argument on the motion for preliminary injunction, a Temporary Restraining Order, under [*Federal Rule of Civil Procedure 65*](#) is entered:

- a. precluding Defendants Jessica Doe and John Does I-XX, from disposing of, processing, routing, facilitating, selling, transferring, encumbering, removing, paying over, conveying or otherwise interfering with Plaintiff's property, including but not limited to Plaintiff's 119,873.29 USDC or any equivalent currency, including 119,873 USDT for which Defendants have traded Plaintiff's USDC, whether in their accounts held with the Relief Parties and Garnishees or in the Scam Addresses

described herein; and

b. directing Relief Party **[*21]** and Garnishee BAM Management US Holdings Inc., BAM Trading, Inc. d/b/a Binance.US, (collectively "Binance"), to:

- i. deny defendants direct or indirect access to their platforms and any accounts defendants might hold; and
- ii. freeze every user account on their platforms which have received or will receive cryptocurrency from any of the Scam Addresses described herein.

c. Directing Relief Party and Garnishee Circle Internet Financial, LLC ("Circle:") to blacklist the Scam Addresses described herein or otherwise prevent them from transacting in USDC.

d. Directing Relief Party and Garnishee Tether Operations Limited ("Tether") to freeze the ability of the Scam Addresses described herein to transact in USDT until further order of the court.

served by email if an email is provided on or before that date.

IT IS SO ORDERED this **[*23]** 3rd day of November, 2023.

/s/ C.J. Williams

C.J. Williams

United States District Judge

Northern District of Iowa

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IT IS FURTHER ORDERED that defendants, or their attorneys, show cause before this Court in Courtroom 3, United States Courthouse for the Northern District of Iowa, 111 Seventh Avenue SE, Cedar Rapids, Iowa on **Tuesday, November 14, 2023, at 1:00 p.m.** or as soon thereafter as counsel may be heard, why an order should not be issued preliminarily enjoining during the pendency of this action defendants from disposing of, processing, routing, facilitating, selling, **[*22]** transferring, encumbering, removing, paying over, conveying or otherwise interfering with plaintiff's property, including but not limited to, plaintiff's 119,873.29 USDC or any equivalent currency, including 1119,873 USDT for which defendants have traded plaintiff's USDC, whether in their accounts held with the relief parties and Garnishees or in the scam addresses described at page 4 of plaintiff's motion (Doc. 2);

IT IS FURTHER ORDERED that Plaintiff shall serve a copy of this Order to Show Cause, together with a copy of the papers upon which it is based, on or before **1:00 p.m. on Tuesday, November 14, 2023**, upon Relief Parties and Garnishees Binance, Circle, and Tether by personal service through their registered agent. Such service shall constitute good and sufficient service for the purpose of jurisdiction under Federal and Iowa law.

IT IS FURTHER ORDERED that opposing papers, if any, to this motion shall be filed via CM/ECF and served via email to joe@iowalegal.com, so as to be received on or before **1:00 p.m. on Tuesday, November 14, 2023**, and reply papers, if any, shall be filed in CM/ECF and

EXHIBIT K



Well v. Defendant

United States District Court for the Southern District of Florida

September 1, 2023, Decided; September 1, 2023, Entered on Docket

Civil Action No. 23-21920-Civ-Scola

Reporter

2023 U.S. Dist. LEXIS 155537 *; 2023 WL 5670722

Charles Leslie Stil Well, Plaintiff, v. Defendant "1" a/k/a Amity Zhang a/k/a Zhang Xiaojie, an individual, and John Does 1-20, as yet unidentified individuals, business entities, and/or unincorporated associations, Defendants.

Core Terms

website, posting, cryptocurrency, designated, Crypto, notice, Internet, objected, Wallets, e-mail

Counsel: [*1] For CHARLES LESLIE STILWELL, Plaintiff: Diego Fernando Bobadilla, LEAD ATTORNEY, The Bobadilla Law Firm, Aventura, FL.

For CHARLES LESLIE STILWELL, Defendant: Agustin M. Barbara, LEAD ATTORNEY, The Crypto Lawyers, Miami, FL; Diego Fernando Bobadilla, The Bobadilla Law Firm, Aventura, FL.

Judges: Robert N. Scola, Jr., United States District Judge.

Opinion by: Robert N. Scola, Jr.

Opinion

Order Authorizing Alternate Service of Process

This matter comes before the Court on the Plaintiff Charles Leslie Stil Well's ("Stil Well") motion for an order authorizing alternate service of process on Defendant "1" a/k/a Amity Zhang a/k/a Zhang Xiaojie and John Does 1-20 (collectively, the "Defendants"), pursuant to [Federal Rule of Civil Procedure 4\(f\)\(3\)](#). (Mot., ECF No. 5.) The Court has carefully reviewed the motion, the record, and is otherwise fully advised in the premises. For the reasons set forth below, the Court **grants** the motion. (**Mot., ECF No. 5.**)

1. Background

Stil Well filed a complaint asserting various claims, including for violation of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), conversion, unjust enrichment, breach of fiduciary duty, and requesting, among other relief, imposition of a constructive trust and disgorgement of funds. (ECF [*2] No. 1.) Stil Well alleges that the Defendants stole \$1,333,004.00 of cryptocurrency from him pursuant to a sophisticated global internet cryptocurrency fraud and conversion scheme. (See *id.* ¶¶ 1-3; see also Stil Well Decl. ¶¶ 3-4, ECF No. 5-1.) In support of his motion, Stil Well presents the Declaration of an investigator confirming that Stil Well tracked the stolen cryptocurrency to certain electronic cryptocurrency wallets and cryptocurrency exchange accounts ("Defendants' Crypto Wallets"). (See R. M. Barbara Decl. ¶ 7, ECF No. 5-2.) Stil Well contends that the Defendants operate via the internet and utilize crypto blockchain ledger technology, *i.e.*, electronic means, as reliable forms of contact. (See A. M. Barbara Decl. ¶¶ 3-4, ECF No. 5-3; see also Stil Well Decl. ¶¶ 8-9, ECF No. 5-1.) Stil Well declares that he has good cause to believe that the Defendants are residents of the People's Republic of China ("China"). (Stil Well Decl. ¶¶ 5-7, ECF No. 5-1.)

Stil Well has created a non-fungible token ("Plaintiff's Service NFT") and a service website ("Plaintiff's Service Website"). Plaintiff's Service NFT contains (a) a notice of this action with Summons language, and (b) a hyperlink [*3] to Plaintiff's Website located at the Uniform Resource Locator ("URL"): (<https://2no.co/23-cv-21920>). (See A. M. Barbara Decl. ¶¶ 3-5, Exs. A and B, ECF No. 5-3.) Plaintiff's Website also contains a notice of this action, and will contain hyperlinks to the Summons, Complaint, and all filing and orders in this action. Stil Well seeks leave to send Plaintiff's Service NFT to the blockchain (crypto ledger) addresses of the Defendants' Crypto Wallets. Stil Well also seeks leave

to serve the Defendants via Plaintiff's Service Website.

2. Analysis

[Rule 4\(f\)\(3\)](#) permits service "by other means not prohibited by international agreement, as the court orders." [Fed. R. Civ. P. 4\(f\)\(3\)](#). Service pursuant to [Rule 4\(f\)\(3\)](#) is neither "a last resort nor extraordinary relief." See [Rio Props. v. Rio Int'l Interlink](#), 284 F.3d 1007, 1015 (9th Cir. 2002). All that is required is that the proposed service is not prohibited by international agreement and such service comports with Constitutional due process, meaning that it is "reasonably calculated" to provide the defendants notice and an opportunity to defend. See [Rio Props.](#), 284 F.3d at 1016; see also [Chanel, Inc. v. Zhixian](#), No. 10-CV-60585-COHN/SELTZER, 2010 U.S. Dist. LEXIS 50745, at *8 (S.D. Fla. Apr. 29, 2010) (Cohn, J.).

Stil Well requests that the Court permit him to serve the Defendants via NFT to their Crypto Wallets and by posting on a specifically created website. Here, service by NFT transfer and via [*4] posting on a designated website is not prohibited under international agreement. Stil Well declares that he has good cause to believe that the Defendants are residents of China. (See Stil Well Decl. ¶¶ 5-7, ECF No. 5-1.) The United States and China are signatories to the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters ("Hague Convention"). The Hague Convention does not specifically preclude service of process via NFT or by posting on a designated website.

In addition, China has not objected to service by NFT or by posting on a designated website. Where a signatory nation has objected to the alternative means of service provided by the Hague Convention, that objection is expressly limited to those means and does not represent an objection to other forms of service, such as e-mail or website posting. Cf. [Stat Med. Devices, Inc. v. HTL-Strefa, Inc.](#), No. 15-20590-CIV, 2015 U.S. Dist. LEXIS 122000, 2015 WL 5320947, at *3 (S.D. Fla. Sept. 14, 2015) (noting that an objection to the alternative forms of service set forth in the [Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters](#), Nov. 15, 1965, 658 U.N.T.S. 16, is limited to the specific forms of service objected to.) Therefore, although China has objected to the alternative means of service contemplated in Article 10 of the Hague Convention, "that objection is expressly limited to those means and

does [*5] not represent an objection to other forms of service, such as e-mail or publication." [Karsten Mfg. Corp. v. Janit Store](#), No. 18-61624-CIV, 2018 U.S. Dist. LEXIS 225682, at *3 (S.D. Fla. July 26, 2018) (Altonaga, C.J.). "A court acting under [Rule 4\(f\)\(3\)](#) therefore remains free to order alternative means of service where a signatory nation has not expressly objected to those means." *Id.* Accordingly, service by NFT or website posting does not violate an international agreement.

Further, NFT and posting on a designated website are reasonably calculated to give notice to the Defendants. By way of example, Stil Well cites a catalog of cases where courts have granted leave for a plaintiff to serve by e-mail and by website posting. (See Mot. 11 n.4, 13 n.6, ECF No. 5.) In addition, various courts in this District have authorized alternate service by NFT and website posting. See, e.g., [Steven Sun v. Defendant](#), No. 23-CV-21855-RAR, 2023 U.S. Dist. LEXIS 120838, at *5 (S.D. Fla. July 13, 2023) (Ruiz II, J.); [Bowen v. Xingzhao Li](#), No. 23-cv-20399-BLOOM/Otazo-Reyes, 2023 U.S. Dist. LEXIS 35975, at *6 (S.D. Fla. Mar. 3, 2023) (Bloom, J.); see also [Ohlin v. Defendant](#), No. 3:23cv8856-TKW-HTC, 2023 U.S. Dist. LEXIS 107680, at *2 (N.D. Fla. June 8, 2023).

Here the Defendants conducted their scheme using electronic means over the Internet and using cryptocurrency blockchain ledger technology, and Stil Well has supported his position that NFT and website posting are the most likely means to reach the Defendants. See [Rio Props. Inc. v. Rio Int'l Interlink](#), 284 F.3d 1007, 1017-18 (9th Cir. 2002) ("When faced with an international e-business scofflaw, playing hide-and-seek with the federal court, e-mail may be the only means of [*6] effecting service of process."); [Breitling U.S.A., Inc. v. 3C Elec.](#), No. 17-cv-60519-UU, 2017 U.S. Dist. LEXIS 227280, at *6 (S.D. Fla. Apr. 5, 2017) (Ungaro, J.) (concluding "that e-mail service and Internet publication are indeed the most likely means of communication to reach Defendants, who operate via the Internet and rely on electronic communications for the operation of their businesses").

Ultimately, the Court finds that Stil Weill has shown good cause why leave should be granted to allow service of any summonses, the Complaint, all filings, orders and discovery in this matter on the Defendants via NFT and posting on Stil Well's designated website.

3. Conclusion

For these reasons, the Court **grants** Stil Well's motion (**Mot., ECF No. 5**), as follows:

a. Stil Well may serve the summonses, Complaint, and all filings and discovery in this matter upon the Defendants via transfer of Plaintiff's NFT to the Defendants' Crypto Wallets which provides notice of this action and directs the Defendants to Plaintiff's Website; **AND**

b. Stil Well may serve the Summonses, Complaint, and all filings and discovery in this matter upon the Defendants via website posting by posting a copy of the same on the Plaintiff's designated serving notice website appearing at the following URL: (<https://uscourtservice.com/21920>). **[*7]**

The Clerk is **directed** to issue a Summons consistent with the foregoing. Finally, because the deadline to effect service of process has passed in this matter, the Court sua sponte grants Stil Well an extension of time up to and including **September 18, 2023**, to complete service of process.

Done and ordered in Miami, Florida, on September 1, 2023.

/s/ Robert N. Scola, Jr.

Robert N. Scola, Jr.

United States District Judge