

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Civil Action No. 9:16-cv-80060-MARRA

BRANDON LEIDEL, and
MICHAEL WILSON, individually,
and on behalf of All Others Similarly Situated,

Plaintiffs,

JURY TRIAL DEMANDED

v.

PROJECT INVESTORS, INC. d/b/a CRYPTSY,
a Florida corporation,
PAUL VERNON, an individual,
LORIE ANN NETTLES, an individual,
RIDGEWOOD INVESTMENTS, INC.,
a New Jersey corporation, and
KAUSHAL MAJMUDAR, individually,

Defendants.

SECOND AMENDED CLASS ACTION COMPLAINT

Plaintiffs, BRANDON LEIDEL and MICHAEL WILSON, individually, and on behalf of all others similarly situated (“Plaintiffs”), by and through undersigned counsel, hereby sue and make the following allegations against Defendants PROJECT INVESTORS, INC. d/b/a Cryptsy, a Florida corporation (“CRYPTSY”); PAUL VERNON, an individual (“VERNON”) (collectively “the CRYPTSY Defendants”), LORIE ANN NETTLES, an individual (“NETTLES”), RIDGEWOOD INVESTMENTS, INC., a New Jersey corporation, and KAUSHAL MAJMUDAR (“KM”), individually. In support thereof, Plaintiffs state as follows:

NATURE OF THE CASE

1. This nationwide class action is brought by Plaintiffs, individually and on behalf of a class of similarly situated users (the “Class Members”) of PROJECT INVESTORS, INC. d/b/a

SILVER LAW GROUP

Cryptsy. At all material times, the CRYPTSY Defendants operated an online business for general consumers and the public to exchange, invest, and trade in digital cryptocurrencies. Plaintiffs seek damages based upon the unlawful conduct of the CRYPTSY Defendants in denying account holders the ability to obtain funds in their accounts and in misappropriating funds held in the CRYPTSY accounts.

2. On January 15, 2016 -- a mere two days after this lawsuit was commenced and received media attention -- the CRYPTSY Defendants, in nothing less than a stunning confession, admitted on the CRYPTSY blog that:

- CRYPTSY has been insolvent since approximately Five Million Dollars (\$5,000,000.00) in client assets “disappeared” in June 2014, and CRYPTSY has been actively concealing that fact from CRYPTSY’s customers as well as from governmental and regulatory authorities,
- CRYPTSY lied to its customers about the nature of the problems that prevented CRYPTSY account holders from accessing their funds,
- CRYPTSY purposely refrained from filing with the government a Suspicious Activity Report relating to the “disappearance” of the \$5 Million,
- CRYPTSY has essentially been operating a fraudulent financial scheme for nearly eighteen (18) months by which withdrawals from CRYPTSY accounts were not being funded from the assets purportedly safeguarded in each CRYPTSY account holders’ account; rather, the funds that were withdrawn were purportedly being supplied by CRYPTSY itself from the profits in its own business operating account, and
- CRYPTSY plans to indefinitely suspend all trades and withdrawals from CRYPTSY accounts until the CRYPTSY Defendants can formulate their own brand of vigilante justice that would somehow resolve all of the crimes and misdeeds the CRYPTSY Defendants had perpetrated upon their customers.

Attached hereto as **Exhibit “A”** is a true and correct copy of the January 15, 2016 blog posting published at <http://blog.cryptsy.com>.

3. Upon information and belief, the millions of dollars in customer assets that “disappeared” in June 2014 are not missing; they were taken by the CRYPTSY Defendants and

converted to pay for their own business and personal expenses, including VERNON and NETTLES' all-cash-purchase of a \$1,374,881 waterfront mansion in Palm Beach County, Florida in March 2015 -- just a few months after the CRYPTSY customer assets allegedly "disappeared." CRYPTSY has acknowledged it never reported the alleged "disappearance" of funds to any government agency, despite being required to do so.

4. Moreover, within a few months of VERNON and NETTLES' cash purchase of the Palm Beach County mansion, she commenced marital dissolution proceedings against him -- proceedings that were concluded in less than four months with an arrangement under which NETTLES was granted ownership of the mansion.

5. Upon information and belief, the Marital Settlement Agreement which VERNON and NETTLES devised to distribute between them their marital assets was, in whole or in part, a sham and was fabricated by VERNON and NETTLES as a means of unlawfully and improperly transferring to NETTLES many of the assets secreted away from the CRYPTSY customers.

6. As a result of Defendants' bad faith and unfair and unlawful conduct, Plaintiffs and Class Members have been prevented from accessing their supposedly protected assets.

7. Plaintiffs and Class Members seek compensatory damages, exemplary and punitive damages where appropriate and allowed, and an injunction enjoining the continuation of Defendants' unlawful conduct.

PARTIES

8. Plaintiff BRANDON LEIDEL is an individual domiciled in Miami, Florida and is *sui juris*.

9. Plaintiff MICHAEL WILSON is an individual domiciled in Sherwood, Oregon and is *sui juris*.

10. CRYPTSY is a Florida corporation (Filing Document Number P13000010430; FEI/EIN 46-1916396) whose last known principal address and place of business is 160 Congress Park Drive - Suite 101, Delray Beach, FL 33445.

11. VERNON is an individual domiciled in Delray Beach, Florida; is a citizen of the State of Florida; and is *sui juris*. At all times material hereto, VERNON was the founder, operator, and Chief Executive Officer of CRYPTSY. Under the corporate entity known as CRYPTSY, VERNON conducted business worldwide, including with customers in the State of Florida. In essence, CRYPTSY and VERNON are one-and-the-same. CRYPTSY is an “alter ego” of VERNON, who dominates and controls the corporate entity to further an unlawful scheme and to further VERNON’s own personal financial interests. At times material hereto, VERNON was married to NETTLES.

12. NETTLES is an individual domiciled in Delray Beach, Florida; is a citizen of the State of Florida, and is *sui juris*. At times material hereto, NETTLES was married to VERNON.

13. RIDGEWOOD INVESTMENTS, INC., is a New Jersey corporation with its principal place of business in Essex County, New Jersey.

14. KAUSHAL MAJMUDAR (“KM”) is an individual domiciled in, and is a citizen and resident of, New Jersey, and is *sui juris*.

JURISDICTION AND VENUE

15. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1332, as amended by the Class Action Fairness Act of 2005, because the matter in controversy exceeds Five Million Dollars (\$5,000,000.00), exclusive of interest and costs, and is a class action in which some members of the Class are citizens of different states than the Defendants. *See* 28 U.S.C. § 1332(a) and 1332(d)(2)(A). This Court also has supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. § 1367.

16. Venue is proper pursuant to 28 U.S.C. § 1391 in that: (a) Defendants all reside in this judicial district, (b) a substantial part of the events or omissions giving rise to the claims set forth herein occurred in this judicial district, and (c) a substantial part of property that is the subject of the action is situated in this judicial district.

17. This Court has personal jurisdiction over Defendants because: (a) the CRYPTSY Defendants are operating, present, and/or doing business within this jurisdiction, (b) Defendants all reside within this jurisdiction, and (c) Defendants' breaches and tortious activity occurred within this jurisdiction.

FACTUAL ALLEGATIONS APPLICABLE TO ALL COUNTS

18. Bitcoin is a virtual currency that may be traded on online exchanges for conventional currencies, including the U.S. dollar, or used to purchase goods and services online. Bitcoin has no single administrator or central authority or repository.

19. On or about January 31, 2013, VERNON (a/k/a Paul "Big Vern" Vernon) registered PROJECT INVESTORS INC. as a "for profit" corporation in the State of Florida; and VERNON, by and through the corporation (known as "CRYPTSY"), began operating a website at the following web address: <http://www.cryptsy.com>.

20. CRYPTSY is registered with the Financial Crimes Enforcement Network (“FinCEN”) -- a bureau of the United States Department of the Treasury -- as a Money Services Business. CRYPTSY, as a Money Services Business, is obligated, *inter alia*, to keep certain financial records and allow free and unfettered access to consumer accounts. As demonstrated below, CRYPTSY has failed to do that.

21. CRYPTSY solicited members of the public to register new accounts, deposit Bitcoin or other cryptocurrency with CRYPTSY, and thereafter actively engage in the exchange and trade of Bitcoin as well as other (alternate) cryptocurrencies.

22. After a new user created an account, the user was given a unique web address by CRYPTSY (referred to as a “Bitcoin wallet address”) to which the user is supposed to send to CRYPTSY the user’s Bitcoin or other cryptocurrency for safeguarding.

23. A user’s account, once populated with a cryptocurrency balance, could buy, sell, or trade in alternative cryptocurrencies. All denominations of account balances for a user were listed in Bitcoin denominations, commonly styled as “BTC.” CRYPTSY, as payment for its services, took commissions on all transactions that traveled through its website.

24. In May 2015 -- nearly a year after CRYPTSY had become aware that millions of dollars in customer funds had “disappeared” -- a media source reported that CRYPTSY was not fulfilling its obligation, as a FinCEN member, to comply with all laws applicable to a company operating a monetary exchange business. In response thereto, the CRYPTSY Defendants adamantly denied that allegation, stating on the CRYPTSY blog:

We do . . . fully comply with our Federal [Money Services Business] requirements. This includes filing SAR (Suspicious Activity Reports) and CTR (Currency Transaction Reports). We also have one of the most extensive [Know Your Customer] programs in the industry, scrub accounts against the [Office of Foreign Assets

Control] list, and perform Transaction Monitoring. At a federal level, we are compliant.

As demonstrated below, the CRYPTSY Defendants' statement in that regard is false, as CRYPTSY purposefully refrained from ever filing a Suspicious Activity Report that would have alerted the proper authorities to the "disappearance" of the \$5 Million of customer assets.

25. Starting in or about November 2015, certain CRYPTSY users started having difficulties and inabilities withdrawing any and all forms of currency from their accounts. Posts on social media and e-mails provided to different news sources including www.coindesk.com demonstrate that some users have had issues taking their money out of the CRYPTSY exchange since Fall 2015. According to those news sources, the continued issues – and what some users said was a lack of clarity from CRYPTSY's management team – prompted some users, according to www.coindesk.com, to claim that the exchange was insolvent or was the target of regulatory scrutiny.

26. On November 22, 2015, VERNON posted on his Twitter account that a server failure at CRYPTSY resulted in all exchange wallets being "paused." VERNON reassured his followers that the wallets were safe and would go back online soon.

27. On November 24, 2015, VERNON posted another tweet informing CRYPTSY users that the www.cryptsy.com website was offline. VERNON blamed the downtime on a denial of service attack and assured CRYPTSY users that the CRYPTSY team was working to resolve the problem.

28. On December 9, 2015, VERNON posted another tweet thanking CRYPTSY users for their patience and promised more frequent updates.

29. On December 16, 2015, VERNON posted a tweet representing to CRYPTSY users that exchange wallets would be offline on Friday, December 18, 2015.

30. On January 5, 2016, a news source reported that CRYPTSY had suspended its cryptocurrency exchange trading and that on the homepage of www.cryptsy.com there appeared the following statement: “*Trade engine and withdrawals have been paused while we investigate . . .*” On January 6, 2015, that warning disappeared from the CRYPTSY homepage.

31. On January 12, 2016, CryptoCoinsNews quoted a “high-level source” inside Cryptsy stating: “*Our site is [messed] up at the moment . . .*”¹

32. On January 13, 2016, VERNON posted a tweet claiming that a phishing attempt was out that was not from CRYPTSY and that CRYPTSY users should not acknowledge it. While the excuses for the problems at CRYPTSY were changing, the two consistent facts were that CRYPTSY account holders were unable to withdraw their funds as they saw fit and customer confidence in CRYPTSY was waning.

33. On January 15, 2016 -- two days after this lawsuit was commenced -- VERNON posted a new tweet directing interested persons to CRYPTSY’s blog, on which the CRYPTSY Defendants retracted their earlier published excuses and made the stunning admissions that:

- CRYPTSY has been insolvent since approximately Five Million Dollars (\$5,000,000.00) in client assets “disappeared” in June 2014, and CRYPTSY has been actively concealing that fact from CRYPTSY’s customers as well as from governmental and regulatory authorities (including FinCEN),
- CRYPTSY lied to its customers about the nature of the problems that prevented CRYPTSY account holders from accessing their funds,
- CRYPTSY purposely refrained from filing with the government a Suspicious Activity Report relating to the “disappearance” of the \$5 Million;
- CRYPTSY has essentially been operating a fraudulent financial scheme for nearly eighteen (18) months by which withdrawals from CRYPTSY accounts were not being funded from the assets purportedly safeguarded in each CRYPTSY account holders’ account; rather, the funds that were withdrawn

¹ See, <https://www.cryptocoinsnews.com/cryptsy-site-messed-moment>.

were purportedly being supplied by CRYPTSY itself from the profits in its own business operating account, and

- CRYPTSY plans to indefinitely suspend all trades and withdrawals from CRYPTSY accounts until the CRYPTSY Defendants can formulate their own brand of vigilante justice that would somehow resolve all of the crimes and misdeeds the CRYPTSY Defendants had perpetrated upon their customers.

See, **Exhibit “A”** hereto.

34. Unfortunately, CRYPTSY’s self-described “temporary” suspension and loss of access to accounts has lasted for several months, and users’ transactions and desires to withdraw either U.S. dollars or cryptocurrency are being denied.

35. During the time that CRYPTSY user withdrawal issues have persisted, customers have not had full and complete access to their funds, causing immense hardship, including the inability to pay for other goods and services.

36. Adding to the concern over the admissions of misdoings at CRYPTSY is the information contained in multiple recent media reports that CRYPTSY has vacated its Delray Beach, Florida physical office space without any indication where it would be relocating. According to published reports, CRYPTSY departed its office premises in December 2015 -- something that was reportedly confirmed by a CRYPTSY staffer in CRYPTSY’s online chatroom as a planned measure aimed at “cutting expenses.”

**VERNON AND NETTLES PURCHASE A \$1.4 MILLION HOUSE
WITH CASH IN MARCH 2015**

37. While CRYPTSY was purportedly scrambling to cover up the “disappearance” of \$5 Million of customer funds and was looking to “cut[] [its] expenses,” VERNON appears to have simultaneously and inexplicably obtained a large amount of cash that he and his wife used to purchase a luxury home.

38. In March 2015, VERNON and NETTLES closed on an all-cash-purchase of a \$1,374,881 mansion in Delray Beach, Florida (the “Delray Beach Mansion”).

39. According to public records, VERNON affirmed under penalty of perjury that the Delray Beach Mansion was purchased with lawfully obtained funds.

40. Upon information and belief, the funds used to purchase the Delray Beach Mansion were not lawfully obtained and were actually derived from funds converted by the CRYPTSY Defendants from CRYPTSY account holders.

**VERNON AND NETTLES’ DIVORCE PROCEEDINGS
COMMENCE IN OCTOBER 2015 AND CONCLUDE SHORTLY THEREAFTER**

41. Amidst all of the problems going on at CRYPTSY during its self-admitted insolvency, VERNON and NETTLES were going through a formal marital dissolution proceeding.

42. In October 2015, NETTLES filed a Petition for Dissolution of Marriage in the matter styled *In re: The Marriage of Lorie Ann Nettles v. Paul Edward Vernon*, Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida - Case No. 502015DR009881XXXXSBFZ (the “Divorce Proceedings”).

43. According to filings made by NETTLES in the Divorce Proceedings:

- (a) VERNON now lives in China with both his assets and his paramour,
- (b) VERNON will not be returning to this jurisdiction in the immediate future,
- (c) VERNON is believed to be in the process of shutting down CRYPTSY,
- (d) several key CRYPTSY employees were looking for employment elsewhere (*i.e.*, with employers other than CRYPTSY) in late-2015,
- (e) CRYPTSY is under investigation by federal authorities including the Internal Revenue Service (IRS), the Criminal Investigation Division of the IRS, and the Securities and Exchange Commission, and
- (f) VERNON is intentionally and willfully dissipating his own and possibly CRYPTSY’s assets.

44. VERNON himself stated in a sworn affidavit filed on December 22, 2015 in the Divorce Proceedings that he “expect[s] [CRYPTSY] to dissolve due to economic conditions.”

45. VERNON also stated in that December 22, 2015 affidavit that the Delray Beach Mansion represents approximately eighty five percent (85%) of his personal net worth.

46. As a means of formalizing the dissolution of their marriage, VERNON and NETTLES entered into a Marital Settlement Agreement (Dated: January 22, 2016) under which, *inter alia*:

- (a) VERNON relinquished to NETTLES any and all claims of ownership to the Delray Beach Mansion;
- (b) NETTLES agreed that she would list the Delray Beach Mansion for sale within thirty (30) days from the date of entry of the Final Judgment of Dissolution of Marriage;
- (c) Upon sale of the Delray Beach Mansion, NETTLES is entitled to all net proceeds from the sale; and
- (d) VERNON likewise relinquished to NETTLES any and all claims to the net proceeds from the sale of the real property they jointly owned in Boynton Beach, Florida (“the Boynton Beach Property”), which they mutually listed for sale and which was scheduled to be sold on January 29, 2016.

Attached hereto as **Exhibit “B”** is a redacted copy of the Marital Settlement Agreement.

47. According to public records, the Boynton Beach Property was indeed sold by VERNON and NETTLES on January 29, 2016 to Allison Poquette for \$285,000.00.

48. Also according to public records, a Final Judgment of Dissolution of Marriage was filed in the Divorce Proceedings on February 3, 2016. Attached hereto as **Exhibit “C”** is a redacted copy of the Final Judgment. As set forth therein, the Marital Settlement Agreement was incorporated into the Final Judgment.

49. Plaintiffs and several similarly situated members of the Class readily fear that if the Delray Beach Mansion is sold and NETTLES is permitted to retain all net proceeds from that sale

-- after she already retained the net proceeds from the sale of the Boynton Beach Property -- Plaintiffs and their fellow aggrieved CRYPTSY customers will have been further victimized; as VERNON would thereby have been permitted to furtively transfer approximately ninety percent (90%) of his personal assets to NETTLES under the auspices of a Marital Settlement Agreement entered into during the pendency of this lawsuit with the actual intent to hinder, delay, or defraud Plaintiffs and the Class.

FACTS SPECIFIC TO PLAINTIFFS

PLAINTIFF LEIDEL

50. Plaintiff LEIDEL, on August 13, 2014, deposited 3.9409 BTC to initially fund his CRYPTSY account. The value of that deposit was approximately \$2,112.32.²

51. Over the course of time, through and including January 7, 2016, Plaintiff LEIDEL made several additional deposits of BTC into his CRYPTSY account. Attached hereto as **Exhibit “D”** is a spreadsheet memorializing each of Plaintiff LEIDEL’s deposits.

52. As of January 15, 2016, Plaintiff LEIDEL held approximately 95.2305 BTC (\$40,752.47) in his CRYPTSY account.

53. In December 2015, Plaintiff LEIDEL requested to withdraw Bitcoin from his CRYPTSY account and have it transferred to another account owned and controlled by Plaintiff LEIDEL. CRYPTSY did not honor the request, and that transaction is still pending as of the date of this pleading.

54. In January 2015, Plaintiff LEIDEL made additional requests to withdraw Bitcoin from his CRYPTSY account and have it transferred to another account owned and controlled by

² Price of BTC is historically sourced at www.coinbase.com.

Plaintiff LEIDEL. CRYPTSY did not honor the request, and that transaction is still pending as of the date of this pleading.

55. Plaintiff LEIDEL attempted to communicate with CRYPTSY regarding the “pending” withdrawals but, as of the date of this pleading, has not received a response.

56. To date, Plaintiff LEIDEL is not able to access his funds through CRYPTSY.

PLAINTIFF WILSON

57. Plaintiff WILSON, on November 18, 2015, deposited 8.653 BTC to initially fund his CRYPTSY account. The value of that deposit was approximately \$2,907.41.

58. Following his initial deposit, Plaintiff WILSON’s holdings at CRYPTSY were converted to cash in U.S. Dollars.

59. On November 21, 2015, Plaintiff WILSON requested to withdraw \$2,748.48 in cash from his CRYPTSY account and have it transferred to another account owned and controlled by Plaintiff WILSON. CRYPTSY did not honor the request, and that transaction is still pending as of the date of this pleading.

60. Following his initial November 21, 2015 withdrawal demand, Plaintiff WILSON made additional requests to withdraw cash from his CRYPTSY account and have it transferred to another account owned and controlled by Plaintiff WILSON. CRYPTSY did not honor the request, and that transaction is still pending as of the date of this pleading.

61. Plaintiff WILSON attempted to communicate with CRYPTSY regarding the demand for cash withdrawal but, as of the date of this pleading, has not received a response.

62. As of the date of this filing, Plaintiff WILSON still has \$2,748.48 in his CRYPTSY account.

63. To date, Plaintiff WILSON is not able to access his funds through CRYPTSY.

64. Plaintiffs' experience with CRYPTSY is not unique. CRYPTSY has refused to honor requests of other members of the Class, who have likewise requested to liquidate or transfer their account balances to other Money Service Businesses, only to have those requests met with silence.

65. Indeed, as of the filing of this lawsuit [DE 1], CRYPTSY's website displays a message confirming that account owners cannot withdraw or otherwise access their funds:

The screenshot shows the Cryptsy website interface. At the top, there is a navigation bar with the Cryptsy logo, a timestamp 'Jan 13th 09:41AM EDT', and links for 'Register New Account' and 'Login'. Below the navigation bar, there is a 'Support' link and a 'Market' dropdown menu. The main content area features a large orange notification box titled 'Important System Notification' with the following text: 'Phishing Attempt: There is a phishing attempt going around prompting users to go to a cryptsy-refund website. Do not go to this website or give your login details on any website other than the official Cryptsy website. There were two avenues of the Phishing attempt. One was via SMS, using our provider Twilio and gained entry into our logs and sending ability via a weak password on that account. The passwords on this account have been secured. The other avenue was via email using the same mailing service we use (Mailgun), but was not sent using our account. It is uncertain where the email list for this Phishing attempt was attained from, as we do not show any unauthorized access to our Mailgun account nor our internal systems. We are still investigating this matter. If you were a victim of this phishing, you should log into your account at Cryptsy immediately and do the following: 1. Change your password and enable 2fa if you don't already have it enabled. 2. Check your pending withdrawals, we currently have withdrawals disabled so if you see one that shouldn't be there you can request to have it cancelled. Regarding other issues that have been apparent at Cryptsy for the last couple months, I will be making another post to explain what has been happening in the next couple days. BigVern UNTIL WE ARE ABLE TO DETERMINE EXTENT OF THE PHISHING ATTEMPT, ALL WITHDRAWALS ARE PAUSED'. Below the notification box, there is a section for 'Sign up for a Cryptsy Prepaid Debit Card' with details about the program and a link to 'Find out more about the Cryptsy Prepaid Debit Card Program'. At the bottom, there is a 'Cryptsy Markets' section with a table showing market data for various cryptocurrencies.

Market	24hr Vol BTC	Price	24hr High	24hr Low	24hr Change
DOGE/BTC	99.96531915	0.00000049	0.00000053	0.00000048	-0.02000000
ETH/BTC	34.89223875	0.00424073	0.00467000	0.00365572	0.05714058
LTC/BTC	31.01516079	0.00766801	0.00773000	0.00763002	-0.00228870
DASH/BTC	20.94993746	0.00594287	0.00594287	0.00566989	0.01712706
CSC/BTC	12.44735941	0.00006191	0.00007914	0.00005556	-0.16383036
LBTCQ/BTC	11.03121103	0.00002500	0.00130000	0.00000184	-0.97448980
NMC/BTC	10.04067245	0.00152001	0.00219999	0.00151000	-0.23087316

CLASS ALLEGATIONS

66. A class action is the proper form to bring Plaintiffs' and the Class Members' claims under FRCP 23. The potential class is so large that joinder of all members would be impractical. Additionally, there are questions of law or fact common to the class, the claims or defenses of the

representative parties are typical of the claims or defenses of the class, and the representative parties will fairly and adequately protect the interests of the class.

67. Plaintiffs bring this nationwide class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of themselves and all members of the following class:

All CRYPTSY account owners who deposited Bitcoins, alternative cryptocurrencies, or any other form of monies or currency at CRYPTSY and have been denied access to their accounts and funds between May 22, 2014 and the present date.

68. This action satisfies all of the requirements of Federal Rules of Civil Procedure, including numerosity, commonality, typicality, adequacy, predominance, and superiority.

69. **Numerosity**: Members of the Class are so numerous that joinder of all members is impractical. While the exact number of class members remains unknown at this time, upon information and belief, there are at least hundreds if not thousands of putative Class members. Again, while the exact number is not known at this time, it is easily and generally ascertainable by appropriate discovery.

70. **Commonality and Predominance**: There are many common questions of law and fact involving and affecting the parties to be represented. These common questions of law or fact predominate over any questions affecting only individual members of the Class. Common questions include, but are not limited to, the following:

- (a) Whether the CRYPTSY Defendants have refused Plaintiffs and the Class access to their funds;
- (b) Whether Defendants have converted the funds belonging to Plaintiffs and the Class;
- (c) Whether the CRYPTSY Defendants owed duties to Plaintiffs and the Class, the scope of those duties, and whether the CRYPTSY Defendants breached those duties;
- (d) Whether Defendants' conduct was unfair or unlawful;

- (e) Whether the CRYPTSY Defendants breached their contracts with Plaintiffs and the Class;
- (f) Whether Defendants have been unjustly enriched;
- (g) Whether Plaintiffs and the Class have sustained damages as a result of Defendants' conduct; and
- (h) Whether Plaintiffs and the Class are entitled to injunctive relief.

71. **Typicality:** Plaintiffs' claims are typical of those of the other Class Members because, *inter alia*, all members of the Class were injured through the common misconduct described above and were subject to Defendants' unfair and unlawful conduct.

72. Plaintiffs are advancing the same claims and legal theories on behalf of themselves and all members of the Class.

73. **Adequacy of Representation:** Plaintiffs will fairly and adequately represent and protect the interests of the Class in that they have no disabling conflicts of interest that would be antagonistic to those of the other members of the Class.

74. Plaintiffs seek no relief that is antagonistic or adverse to the members of the Class, and the infringement of the rights and the damages they have each suffered are typical of other Class members.

75. Plaintiffs have retained counsel experienced in complex consumer class action litigation, and Plaintiffs intend to prosecute this action vigorously.

76. **Superiority:** Class litigation is an appropriate method for fair and efficient adjudication of the claims involved herein.

77. Class action treatment is superior to all other available methods for the fair and efficient adjudication of the controversy alleged herein; as it will permit a large number of Class Members to prosecute their common claims in a single forum simultaneously, efficiently, and

without the unnecessary duplication of evidence, effort and expense that hundreds of individual actions would require.

78. Class action treatment will permit the adjudication of relatively modest claims by certain Class Members, who could not individually afford to litigate a complex claim against a corporate defendant.

79. Further, even for those Class Members who could afford to litigate such a claim, it would still be economically impractical.

80. The nature of this action and the nature of laws available to Plaintiffs make the use of the class action device a particularly efficient and appropriate procedure to afford relief to Plaintiffs and the Class for the wrongs alleged because:

- (a) Defendants would necessarily gain an unconscionable advantage if they were allowed to exploit and overwhelm the limited resources of each individual Class member with superior financial and legal resources;
- (b) The costs of individual suits could unreasonably consume the amounts that would be recovered;
- (c) Proof of a common course of conduct to which Plaintiffs were each exposed is representative of that experienced by the Class and will establish the right of each member of the Class to recover on the cause of action alleged; and
- (d) Individual actions would create a risk of inconsistent results and would be unnecessary and duplicative of this litigation.

81. Numerous putative Class Members have attempted to communicate with CRYPTSY regarding the interminable delays they have experienced and their inability to access their funds but, as of the date of this pleading, have not received a response from CRYPTSY and have not been able to access or withdraw their funds.

82. Plaintiffs reserve the right to modify or amend the definition of the proposed class and to modify, amend, or create proposed subclasses before the Court determines whether certification is appropriate and as the parties engage in discovery.

83. The class action is superior to all other available methods for the fair and efficient adjudication of this controversy.

84. Because of the number and nature of common questions of fact and law, multiple separate lawsuits would not serve the interest of judicial economy.

85. As a result of the foregoing, Plaintiffs and the Class Members have been damaged in an amount that will be proven at trial.

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

87. To enforce their rights, Plaintiffs have retained undersigned counsel and are obligated to pay counsel a reasonable fee for its services, for which Defendants are liable as a result of their bad faith, pursuant to Fla. Stat. §§ 501.211(1) and 501.2105, and otherwise.

COUNT I – CONVERSION
(against Defendant VERNON and Defendant CRYPTSY)

Plaintiffs repeat, re-allege, and incorporate by reference allegations set forth above in Paragraphs 1-87 as though fully set forth herein, and further allege:

88. Plaintiffs and each proposed Class Member deposited valuable cryptocurrency into their CRYPTSY accounts.

89. The CRYPTSY Defendants knowingly and intentionally exercised control over the funds belonging to Plaintiffs and the proposed Class Members, restraining and denying Plaintiffs and proposed Class Members access to their funds.

90. Because of the unlawful restraint and retention of funds imposed by VERNON and CRYPTSY, the rights of Plaintiffs and proposed Class Members to their funds has been interfered with; and their funds are not accessible and presumed stolen. VERNON and CRYPTSY have converted those funds for their own personal and corporate use and distribution.

91. VERNON and CRYPTSY have denied Plaintiffs and potential Class Members the use and control over their own property.

92. As a result of the foregoing actions of VERNON and CRYPTSY, Plaintiffs and the proposed Class members have been damaged in an amount to be proven at trial.

COUNT II – NEGLIGENCE
(against Defendant CRYPTSY)

Plaintiffs repeat, re-allege, and incorporate by reference allegations set forth above in Paragraphs 1-87 as though fully set forth herein, and further allege:

93. CRYPTSY owed duties to Plaintiffs and the proposed Class, as CRYPTSY account users and paying customers, to use reasonable care to protect and secure Plaintiffs' and the Class Members' funds and to provide them access to those monies.

94. CRYPTSY breached its duties to Plaintiffs and the proposed Class by failing to provide Plaintiffs and the Class Members access to their CRYPTSY account funds for a prolonged period of time, causing hardship to Plaintiffs and the proposed Class.

95. CRYPTSY failed to use reasonable care in communicating to Plaintiffs and the members of the proposed Class the necessary, material information about the CRYPTSY exchange, including the alleged "disappearance" of \$5 Million in supposedly secure customer funds, CRYPTSY system failures, and truth behind the restriction on access to customer funds, as well as the safety and security of account funds.

96. Plaintiffs and the proposed Class justifiably relied upon the information supplied and representations made by CRYPTSY; and, as a result, engaged in business with CRYPTSY and lost money.

97. As a direct and proximate result of CRYPTSY's negligence, Plaintiffs and the proposed Class were damaged in an amount to be proven at trial.

COUNT III – UNJUST ENRICHMENT
(against Defendant CRYPTSY)

Plaintiffs repeat, re-allege, and incorporate by reference allegations set forth above in Paragraphs 1-87 as though fully set forth herein, and further allege:

98. Plaintiffs and the proposed Class conferred a benefit upon CRYPTSY by depositing valuable cryptocurrency into CRYPTSY's care, which did not perform as promised and which did not have the attributes and benefits promised by CRYPTSY.

99. By CRYPTSY's unfair, misleading, and unlawful conduct alleged herein, CRYPTSY has unjustly received and retained benefits at the expense of Plaintiffs and the proposed Class, including the funds deposited by Plaintiffs and the proposed Class.

100. Under principles of equity and good conscience, CRYPTSY should not be permitted to retain valuable funds belonging to Plaintiffs and the proposed Class that they unjustly received as result of CRYPTSY's unfair, misleading, and unlawful conduct alleged herein without providing compensation to Plaintiffs and the proposed Class.

101. Plaintiffs and the proposed Class have suffered financial loss as a direct and proximate result of CRYPTSY's conduct.

102. Plaintiffs and proposed Class Members are entitled to restitution of, disgorgement of, and/or the imposition of a constructive trust upon all profits, benefits, and other compensation

obtained by CRYPTSY and for such other relief that this Court deems proper, as a result of CRYPTSY's unfair, misleading, and unlawful conduct.

COUNT IV - SPECIFIC PERFORMANCE
(against Defendant CRYPTSY)

Plaintiffs repeat, re-allege, and incorporate by reference allegations set forth above in Paragraphs 1-87 as though fully set forth herein, and further allege:

103. Plaintiffs and the proposed Class Members entered into an agreement with CRYPTSY by which Plaintiffs and the proposed Class Members, as account holders at CRYPTSY, deposited funds and assets of value with CRYPTSY for safeguarding and for ready access whenever Plaintiffs and the proposed Class Members wanted access to those funds and assets.

104. CRYPTSY received consideration from its relationship with Plaintiffs and the proposed Class Members in the form of fees charged on customer transactions as well as the overall volume of customer assets maintained under CRYPTSY's control.

105. Despite Plaintiffs and the proposed Class Members having performed all of their obligations as account holders at CRYPTSY, CRYPTSY has failed to perform its own obligations under its relationship with Plaintiffs and the proposed Class Members.

106. As a result of CRYPTSY's failure to satisfy its obligations as set forth herein, Plaintiffs and the potential Class Members have been damaged by, among other things, losing their money and assets and essentially being precluded from accessing their funds upon demand and receiving a positive return on their investments.

107. Unless and until CRYPTSY is compelled to fulfill its obligations to Plaintiffs and the potential Class Members, their damages will continue.

**COUNT V - VIOLATION OF FLORIDA'S DECEPTIVE AND UNFAIR TRADE
PRACTICES ACT (FLA. STAT. §§ 501.201 – 501.213) ["FDUTPA"]**
(against Defendant CRYPTSY)

Plaintiffs repeat, re-allege, and incorporate by reference allegations set forth above in Paragraphs 1-87 as though fully set forth herein, and further allege:

108. Chapter 501, Fla. Stat., Florida's Deceptive and Unfair Trade Practices Act is to be liberally construed to protect the consuming public, such as Plaintiffs in this case, from those who engage in unfair methods of competition, or unconscionable, deceptive, or unfair acts or practices in the conduct of any trade or commerce.

109. Plaintiffs and proposed Class Members are "consumers" within the meaning of Fla. Stat. § 501.203(7).

110. CRYPTSY engaged in trade and commerce within the meaning of Fla. Stat. § 501.203(8).

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

112. CRYPTSY failed to inform Plaintiffs and the proposed Class Members that:

- (a) Their accounts were not secured and free from security breaches;
- (b) CRYPTSY's systems were subject to computer development issues due to a lack of experience in coding and debugging; and
- (c) CRYPTSY would not protect their assets.

113. Additionally, after diligent efforts by Plaintiffs and the proposed Class Members to regain control over their cryptocurrency, CRYPTSY failed to return Plaintiffs' and the proposed

Class Members' property which CRYPTSY allegedly held for Plaintiffs' and the proposed Class Members' benefit.

114. During a period of time in which approximately \$5 Million of funds were "missing" from CRYPTSY customer accounts, CRYPTSY actively concealed that fact from CRYPTSY's customers as well as from governmental and regulatory authorities; and CRYPTSY lied to its customers about the nature of the problems that prevented CRYPTSY account holders from accessing their funds.

115. Moreover, CRYPTSY operated what amounts to a surreptitious fraudulent financial scheme for nearly eighteen (18) months by which withdrawals from CRYPTSY accounts were not being funded from the assets purportedly safeguarded in each CRYPTSY account holders' account; rather, the funds that were withdrawn were purportedly being supplied by CRYPTSY itself from the profits in its own business operating account.

116. Had Plaintiffs and their fellow Class members known what was really going on at CRYPTSY, they would not have deposited any new funds at CRYPTSY and would have withdrawn without delay any funds that were being held by CRYPTSY to best protect and preserve those funds.

117. As a result of CRYPTSY's deceptive trade practices, Plaintiffs and the proposed Class Members were deceived into transferring money and property to CRYPTSY, deceived into believing that Plaintiffs' and the potential Class Members' assets were safe; and deceived into maintaining assets with CRYPTSY when Plaintiffs and the proposed Class Members would have otherwise been able to protect and preserve their assets – thus causing significant economic damage to Plaintiffs and proposed Class Members.

118. The materially false statements and omissions as described above; and the fact that CRYPTSY perpetrated upon Plaintiffs and potential Class Members restricted transactions and an indefinite refusal to release funds; are unfair, unconscionable, and deceptive practices perpetrated on Plaintiffs and the potential Class Members which would have likely deceived a reasonable person under the circumstances.

119. CRYPTSY was on notice at all relevant times that the false representations of material facts described above were being communicated to prospective customers (such as Plaintiffs and the potential Class Members) through public solicitation on CRYPTSY's website (<http://www.cryptsy.com>).

120. As a result of the false representations described above, Plaintiffs and the potential Class Members have been damaged by, among other things, losing their money and assets and essentially being precluded from receiving a positive return on their investments.

121. Plaintiffs and the potential Class Members have also been damaged in other and further ways subject to proof at trial.

122. Therefore, CRYPTSY engaged in unfair and deceptive trade practices in violation of section 501.201 *et seq.*, Fla. Stat.

123. Pursuant to §§ 501.211(1) and 501.2105, Fla. Stat., Plaintiffs are entitled to recover from CRYPTSY the reasonable amount of attorneys' fees Plaintiffs have incurred in representing their interests, as well as the Class's interests, in this matter.

COUNT VI - PRELIMINARY AND PERMANENT INJUNCTION
(against Defendant CRYPTSY, Defendant VERNON, and Defendant NETTLES)

Plaintiffs repeat, re-allege, and incorporate by reference allegations set forth above in Paragraphs 1-87 as though fully set forth herein, and further allege:

124. Plaintiffs and the proposed Class Members will suffer immediate and irreparable harm if CRYPTSY does not honor its obligation to permit its customers to withdraw their funds upon demand. Cryptocurrencies (Bitcoin, Dogecoin, Litecoin, etc.) are commodities whose value fluctuates over time; and those members of the proposed Class whose funds at CRYPTSY consist, in whole or in part, of cryptocurrencies will almost certainly suffer a dramatic devaluation of their financial holdings if CRYPTSY continues to hold hostage its account holders' funds and refuse client demands for withdrawals. Upon information and belief, CRYPTSY's own misdoings are likely to have a negative global impact on the value of cryptocurrencies and will thus continue to further devalue each of its account holders' assets the longer CRYPTSY fails to satisfy its customers' demands and fails to honor its obligations as a Money Services Business and as a FinCEN member.

125. Plaintiffs and the proposed Class Members will further suffer irreparable harm to the extent that they are users and promoters of the use of cryptocurrencies as an alternative to traditional currencies. If the faith and trustworthiness that CRYPTSY has dishonored serves as a disruption in the worldwide use of cryptocurrencies, Plaintiffs and the proposed Class Members could be forced to abandon their use of cryptocurrencies as their chosen funding source -- something for which there is no adequate remedy at law.

126. In addition, Plaintiffs and the proposed Class Members will suffer irreparable harm if VERNON and NETTLES are permitted to go forward with their transfer of the Delray Beach Mansion from VERNON to NETTLES, and NETTLES subsequently sells the house and keeps for herself all net proceeds of that sale. If the Delray Beach Mansion is sold in that manner, VERNON and NETTLES will have successfully put the CRYPTSY account holders' stolen funds beyond Plaintiffs and the potential Class Members' reach -- funds that would have been available to

Plaintiffs and the potential Class Members at some point in time but for VERNON and NETTLES' fraudulent conveyance.

127. Plaintiffs and the proposed Class Members are in need of injunctive relief to return the parties to the status quo ante and allow Plaintiffs and the proposed Class Members to access their accounts, regain control over their funds, and withdraw funds as they have demanded, without interference or refusal from CRYPTSY.

128. Plaintiffs and the proposed Class Members also have no adequate remedy of law that would serve to immediately compel CRYPTSY to honor its obligations as a Money Services Business and to honor the account holders' demands for withdrawal of their funds.

129. Similarly, Plaintiffs and the proposed Class Members will have no adequate remedy of law if the Delray Beach Mansion is sold and NETTLES is permitted to retain for herself the net proceeds of the sale of that property -- a property that VERNON and NETTLES purchased with funds stolen from CRYPTSY account holders.

130. Plaintiffs and the proposed Class Members have a substantial likelihood of success on the merits of their claims. The funds they have at CRYPTSY are inaccessible due to CRYPTSY's own mismanagement and fraud; and Plaintiffs and the proposed Class Members will not be able to access their funds unless CRYPTSY is compelled to provide proper access and satisfy each CRYPTSY account holder's request for withdrawal of funds. Moreover, following the commencement of this lawsuit, CRYPTSY admitted on its own blog that it has defrauded its account holders, has been insolvent for over 18 months, and has been operating a fraudulent financial scheme which it purposely hid from its account holders as well as from governmental and regulatory authorities.

131. Moreover, at all relevant times, NETTLES filed joint tax returns with VERNON. Those tax returns demonstrate that VERNON and NETTLES purchased the Delray Beach Mansion in 2014 utilizing funds that did not belong to either VERNON or NETTLES.

132. Returning the parties to the status quo ante would not prejudice Defendants, as the CRYPTSY Defendants would merely be compelled to fulfill their obligations as a Money Services Businesses; and VERNON and NETTLES would merely be compelled to forestall any potential sale of the Delray Beach Mansion -- a property that, according to the Marital Settlement Agreement, has not even been placed on the market for sale yet.

133. The equities favor injunctive relief. Failure to enter an injunction returning the parties to the status quo ante, and allowing the CRYPTSY Defendants to refuse account holders' demands for access to, and withdrawals from, their CRYPTSY accounts will severely prejudice Plaintiffs and the proposed Class Members and will result in continued irreparable harm. Likewise, failing to forestall any potential future sale of the Delray Beach Mansion would place out of reach the proceeds of any such sale -- funds that would have been available to Plaintiffs and the potential Class Members at some point in time but for VERNON and NETTLES' fraudulent conveyance.

134. Entering a temporary and permanent injunction would serve the public interest by preserving the integrity of Money Services Businesses, preserving and stabilizing the worldwide use of cryptocurrencies, and promoting the objectives of FinCEN (a division of the U.S. Department of the Treasury).

135. CRYPTSY is an "alter ego" of VERNON, who dominates and controls the corporate entity to further an unlawful scheme and to further VERNON's own personal financial interests. Therefore, any injunctive relief imposed against CRYPTSY should likewise be imposed

with equal force against VERNON, as VERNON engineers all actions taken by CRYPTSY -- including those set forth herein.

136. Plaintiffs and the proposed Class Members have a clear legal right to the relief sought herein.

COUNT VII – CONVERSION
(against Defendant NETTLES)

Plaintiffs repeat, re-allege, and incorporate by reference allegations set forth above in Paragraphs 1-87 as though fully set forth herein, and further allege:

137. Plaintiffs and each proposed Class Member deposited valuable cryptocurrency into their CRYPTSY accounts.

138. The CRYPTSY Defendants knowingly and intentionally exercised control over the funds belonging to Plaintiffs and the proposed Class Members, restraining and denying Plaintiffs and proposed Class Members access to their funds.

139. NETTLES -- through a fraudulent Marital Settlement Agreement she formulated with VERNON and otherwise -- subsequently knowingly and intentionally exercised control over the funds belonging to Plaintiffs and the proposed Class Members, restraining and denying Plaintiffs and proposed Class Members access to their funds.

140. At all relevant times, NETTLES filed joint tax returns with VERNON. Those tax returns demonstrate that the calculations included in the Marital Settlement Agreement were formulated reflecting funds that did not belong to either VERNON or NETTLES.

141. Because of the unlawful restraint and retention of funds imposed by NETTLES, the rights of Plaintiffs and proposed Class Members to their funds has been interfered with; and their funds are not accessible and presumed stolen. NETTLES has converted those funds for her own personal use and distribution.

142. NETTLES has denied Plaintiffs and potential Class Members the use and control over their own property.

143. As a result of the foregoing actions of NETTLES, Plaintiffs and the proposed Class members have been damaged in an amount to be proven at trial.

COUNT VIII – FRAUDULENT CONVEYANCE
(against Defendant VERNON and Defendant NETTLES)

Plaintiffs repeat, re-allege, and incorporate by reference allegations set forth above in Paragraphs 1-87 as though fully set forth herein, and further allege:

144. This is a cause of action under Florida’s Uniform Fraudulent Transfer Act (“UFTA”), Fla. Stat. §§ 726.101, *et seq.*

145. As noted above, approximately \$5,000,000 was wrongly misappropriated, converted, and stolen from Plaintiffs and the potential Class Members by the CRYPTSY Defendants.

146. After misappropriating, converting, and stealing those funds from Plaintiffs and the potential Class Members, VERNON transferred a substantial portion of those funds to his then-wife, NETTLES, with the actual intent to hinder, delay, or defraud Plaintiffs and the potential Class Members and Plaintiffs and the potential Class Members’ ability to recover the sums owed to them by CRYPTSY and VERNON.

147. NETTLES received from VERNON the stolen funds knowing that she did not provide VERNON a reasonably equivalent value in exchange for the transfer.

148. Upon information and belief, VERNON and NETTLES used the stolen funds to purchase the Delray Beach Mansion.

149. Upon further information and belief, VERNON and NETTLES entered into the Marital Settlement Agreement after this lawsuit had commenced, knowing that transferring nearly

all of VERNON's assets to NETTLES would leave the CRYPTSY Defendants with insufficient funds for them to satisfy their obligations to Plaintiffs and the potential Class Members.

150. According to VERNON's own sworn financial affidavit in the Divorce Proceedings, VERNON (as of a date approximately three weeks before this lawsuit was commenced) has no monthly income, has monthly expenses of more than \$6,600, and anticipated that Plaintiffs and the potential Class Members would pursue him and CRYPTSY for the financial harm the members of the potential Class have suffered.

151. By VERNON transferring, and NETTLES receiving, the funds referenced above, they knowingly and willingly put those funds beyond Plaintiffs and the potential Class Members' reach -- funds that would have been available to Plaintiffs and the potential Class Members at some point in time but for the conveyance.

152. Moreover, at all relevant times, NETTLES filed joint tax returns with VERNON. Those tax returns demonstrate that the calculations included in the Marital Settlement Agreement were formulated reflecting funds that did not belong to either VERNON or NETTLES.

153. NETTLES participated in the fraudulent conveyance both before and after this lawsuit had commenced, knowing and intending that doing so would defraud, delay, or hinder Plaintiffs and the potential Class Members and their ability to recover the sums owed to them by the CRYPTSY Defendants.

154. As a direct and proximate result of the fraudulent transfer and receipt between VERNON and NETTLES, Plaintiffs and the potential Class Members have suffered damage in an amount to be proven at trial.

COUNT IX – CIVIL CONSPIRACY
(against Defendant VERNON and Defendant NETTLES)

Plaintiffs repeat, re-allege, and incorporate by reference allegations set forth above in Paragraphs 1-87 as though fully set forth herein, and further allege:

155. VERNON and NETTLES have conspired with one another to perpetrate an unlawful act upon Plaintiffs and the potential Class Members or to perpetrate a lawful act by unlawful means, *to wit*: they fabricated a Marital Settlement Agreement during the pendency of this lawsuit in an effort to secrete away the vast bulk of VERNON's assets in the form of the Delray Beach Mansion and the Boynton Beach Property so that VERNON would not have sufficient assets upon which Plaintiffs and the potential Class Members could execute any potential judgment for the wrongdoing VERNON essentially admitted on the CRYPTSY blog after this lawsuit had been commenced.

156. VERNON and NETTLES were each aware of the likelihood that CRYPTSY account holders would pursue VERNON and CRYPTSY for the financial harm the members of the potential Class have suffered, yet VERNON and NETTLES still agreed to the transfer of nearly all of VERNON's assets.

157. VERNON and NETTLES were each aware of, and consented to, the sham financial distribution set forth in their Marital Settlement Agreement.

158. At all relevant times, NETTLES filed joint tax returns with VERNON. Those tax returns demonstrate that the calculations included in the Marital Settlement Agreement were formulated reflecting funds that did not belong to either VERNON or NETTLES.

159. VERNON and NETTLES, by their entry into and execution of the Marital Settlement Agreement, each undertook an overt act in furtherance of their conspiracy.

160. As a direct and proximate result of VERNON and NETTLES' conspiracy, Plaintiffs and the potential Class Members have suffered damage in an amount to be proven at trial.

COUNT X – UNJUST ENRICHMENT
(against Defendants RIDGEWOOD AND KM)

Plaintiffs repeat, re-allege, and incorporate by reference allegations set forth above in Paragraphs 1-87 as though fully set forth herein, and further allege:

161. Defendant KM, individually and/or through Defendant Ridgewood, is a minority shareholder of Defendant Cryptsy.

162. Defendants Ridgewood and KM received consulting fees and other remuneration from Defendant Cryptsy. The source of the consulting fees and remuneration was the gross revenues of Defendant Cryptsy which, as detailed above, resulted from the Cryptsy Defendants' theft and conversion of the cryptocurrencies and monies of Plaintiffs and the Class.

163. Plaintiffs and the Class conferred benefits upon Defendants Ridgewood and KM.

164. Defendants Ridgewood and KM have knowledge of the benefits.

165. Defendants Ridgewood and KM accepted and retained the benefits conferred upon them by Plaintiffs and the Class.

166. The circumstances are such that it would be inequitable for Defendants Ridgewood and KM to retain the benefits without returning and paying the benefits to Plaintiffs and the Class.

167. As a direct and proximate result of Defendants Ridgewood and KM's acceptance of improper and inequitable benefits conferred upon them by the Class, Plaintiffs and the potential Class Members have suffered damage in an amount to be proven at trial.

DEMAND FOR JURY TRIAL

Plaintiffs, on behalf of themselves and all others similarly situated, demand trial by jury in this action of all issues so triable.

RESERVATION OF RIGHTS

Plaintiffs, on behalf of themselves and all others similarly situated, reserve the right to further amend this Amended Complaint, upon completion of their investigation and discovery, to assert any additional claims for relief against Defendants or other parties as may be warranted under the circumstances and as allowed by law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, BRANDON LEIDEL and MICHAEL WILSON, individually, and on behalf of all others similarly situated, prays for relief as follows:

- (a) A declaration from this Court that this action is a proper class action, including certification of the proposed Class, appointment of Plaintiffs as class representatives, and appointment of Plaintiffs' counsel as class counsel;
- (b) A judgment awarding Plaintiffs and the Class Members restitution, including, without limitation, disgorgement of all profits and unjust enrichment that Defendants obtained as a result of their unlawful, unfair, and unlawful business practices and conduct;
- (c) Preliminary and permanent injunctive relief compelling CRYPTSY to honor its account holders' demands for withdrawal of funds -- whether they be in the form of cryptocurrencies or in the form of cash -- from their respective CRYPTSY accounts;
- (d) A judgment awarding Plaintiffs and the Class Members actual compensatory damages;
- (e) Avoidance of the transfer of the Boynton Beach Property and the transfer of the Delray Beach Mansion from VERNON to NETTLES, and an order of attachment against the Delray Beach Mansion;
- (f) Imposition of a constructive trust over the proceeds of the sale of the Boynton Beach Property and any sale of the Delray Beach Mansion;
- (g) An injunction preventing NETTLES from disposing of the Delray Beach Mansion and the proceeds of any sale thereof;
- (h) A judgment awarding Plaintiffs and the Class Members exemplary and punitive damages for CRYPTSY and VERNON's knowing, willful, and intentional conduct;
- (i) Pre-judgment and post-judgment interest;
- (j) Attorneys' fees, expenses, and the costs of this action; and

(k) All other and further relief as this Court deems necessary, just, and proper.

Respectfully submitted,

SILVER LAW GROUP

11780 W. Sample Road
Coral Springs, Florida 33065
Telephone: (954) 755-4799
Facsimile: (954) 755-4684

By: _____

DAVID C. SILVER

Florida Bar No. 572764

E-mail: DSilver@silverlaw.com

SCOTT L. SILVER

Florida Bar No. 095631

E-mail: SSilver@silverlaw.com

JASON S. MILLER

Florida Bar No. 072206

E-mail: JMiller@silverlaw.com

- and -

WITES & KAPETAN, P.A.

4400 N. Federal Highway
Lighthouse Point, Florida 33064

Telephone: (954) 570-8989

Facsimile: (954) 354-0205

MARC A. WITES

Florida Bar No. 024783

E-mail: mwites@wklawyers.com

Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was electronically filed with the Clerk of Court on this 9th day of January 2017 by using the CM/ECF system which will send a notice of electronic filing to the following CM/ECF participant(s): **MARK A. LEVY, ESQ.**, BRINKLEY MORGAN, *Counsel for Defendant Lorie Ann Nettles*, 200 East Las Olas Blvd. - 19th Floor, Fort Lauderdale, FL 33301; E-mail: Mark.Levy@brinkleymorgan.com; and **PATRICK J. RENGSTL, ESQ.**, PATRICK J. RENGSTL, P.A., *Counsel for James D. Sallah, Esq., Receiver/Corporate Monitor for Project Investors, Inc. d/b/a Cryptsy*, 7695 SW 104th Street - Suite 201, Pinecrest, FL 33156-3159; E-mail: pjr@rengstl-law.com.

I FURTHER CERTIFY that a true and correct copy of the foregoing will be served in accordance with the Federal Rules of Civil Procedure and/or the District's Local Rules and procedures to: **PAUL VERNON, individually**, P.O. Box 7646, Delray Beach, FL 33482, E-mail: PaulEVernon@yahoo.com; and **JOSE G. SEPULVEDA, ESQ.**, STEARNS WEAVER MILLER WEISSLER, ALHADEFF & SITTERSON, P.A., *Counsel for Ridgewood Investment, Inc. and Kaushal Majmudar*, 150 W. Flagler Street - Suite 2200, Miami, FL 33130; E-mail: jsepulveda@stearnsweaver.com.



DAVID C. SILVER

← Return to Cryptsy.com



Cryptsy Blog

What's Happening at [Cryptsy](#)?

Announcement

Cryptsy has had problems for some time now and it's time to let everybody know exactly why. These problems were NOT because of any recent phishing attacks, or even a ddos attack, nor does it have anything to do with me personally.

About a year and a half ago, we were alerted in the early AM of a reduction in our safe/cold wallet balances of Bitcoin and Litecoin, as well as a couple other smaller cryptocurrencies. After a period of time of investigation it was found that the developer of Lucky7Coin had placed an IRC backdoor into the code of wallet, which allowed it to act as a sort of a Trojan, or command and control unit. This Trojan had likely been there for months before it was able to collect enough information to perform the attack. It does not appear that this was the original developer for LK7, as on 5/22/2014, we received this message from the new developer who wanted to maintain the codebase:

—

Hello,

Lucky7Coin is not maintained and I would like to take care of it. I have announced that on [bitcointalk.org](#) in Lucky7Coin thread. You're the only exchange for this coin and I hope you will let me take care of it. I'm responsible. You don't have to be afraid of errors or forks. I'm developing multipool and I know bitcoin internals and protocol.

EXHIBIT "A"

<https://bitcointalk.org/index.php?topic=295157.msg6861797#msg6861797>

For a start I've changed irc network, so clients could synchronize blockchain.
Please upgrade as soon as you can.

Github repo:

<https://github.com/alerrj78/lucky7coin>

Branch "master" will always be for stable version, branch "devel" could be dirty. In a 2-3 weeks I'll release new version with p2pool support and checkpoints. Before that I'll contact you to check few blocks hashes for checkpoints and make sure there is no fork.

I hope we can cooperate and make this coin live again!

Jack

—

These are the approximate figures taken:

Bitcoin: 13,000 BTC

Litecoin: 300,000 LTC

This of course was a critical event for Cryptsy, however at the time the website was earning more than it was spending and we still have some reserves of those cryptocurrencies on hand. The decision was made to pull from our profits to fill these wallets back up over time, thus attempting to avert complete closure of the website at that time. This worked fine for awhile, as profits decreased due to low volume and low Bitcoin prices, we would adjust our spending accordingly. It wasn't until an article from Coinfire came out that contained many false accusations that things began to crumble. The article basically caused a bank-run, and since we only had so much in reserves for those currencies problems began.

Our current customer liabilities for BTC is around 10,000 BTC, so as you can see we would like to see the Bitcoins returned for both our users and for ourselves.

Here are the transaction details from the Bitcoin wallet:

<https://www.walletexplorer.com/wallet/0c07e0bec1002bd2>

As you can see, 2014-07-29 13:17:36 is when the event occurred. A very interesting fact here, however, is that those Bitcoins have not moved once since this happened. This gives rise to the possibility they can be recovered. In fact, I'm offering a bounty of 1000 BTC for information which leads to the recovery of the stolen coins.

If you happen to be the perpetrator of this crime, and want to send the coins back no questions asked, then you can simply send them to this address:

1KNi4E4MTsF7gfuPKPNAbrZWQvtdQBTAAa

If they are returned, then we will assume that no harm was meant and will not take any action to reveal who you are. If not, well, then I suppose the entire community will be looking for you.

Some may ask why we didn't report this to the authorities when this occurred, and the answer is that we just didn't know what happened, didn't want to cause panic, and were unsure who exactly we should be contacting. At one time we had a open communication with Secret Service Agent Shaun Bridges on an unrelated matter, but I think we all know what happened with him – so he was no longer somebody we could report this to. Recently I attempted to contact the Miami FBI office to report this, but they instead directed me to report it on the I3C website. I've not heard anything from them.

I think the only real people who can assist with this are the people of the Bitcoin community itself.

Trades and withdrawals will be suspended on the site indefinitely until some sort of resolution can be made.

Here are our options:

1. We shut down the website and file bankruptcy, letting users file claims via the bankruptcy process and letting the court make the disbursements.

- or -

2. Somebody else comes in to purchase and run Cryptsy while also making good on requested withdrawals.

- or -

3. If somehow we are able to re-aquire the stolen funds, then we allow all withdrawal requests to process.

I'm obviously open to any other ideas people may have on this.

If you have information, you can email reward@cryptsy.com

Jan 14th, 2016

2 notes



ickykid liked this



lesbianmuses liked this



cryptsyblog posted this

Filing # 37229989 E-Filed 02/01/2016 10:49:38 AM

IN THE CIRCUIT COURT OF THE 15TH
JUDICIAL CIRCUIT IN AND FOR PALM
BEACH COUNTY, FLORIDA

IN RE: THE MARRIAGE OF:

CASE NO.: 502015DR009881XXXXSBFZ

LORIE ANN NETTLES,
Petitioner/Wife,

JUDGE: JESSICA TICKTIN

v.
PAUL EDWARD VERNON,
Respondent/Husband,

v.
LORIE ANN NETTLES,
Third-Party Plaintiff,

v.
PAUL EDWARD VERNON and CRYPTSY
INTERNATIONAL LTD.; PROJECT
INVESTORS,
INC.; HASHMAX USA, LLC; TERABOSS,
INC.
HASHMAX INC. and VERGENT DATA,
INC.

Third-Party Defendants.

NOTICE OF FILING MARITAL AGREEMENT

The Petitioner/Wife, LORIE ANN NETTLES, ("Wife"), by and through the undersigned counsel, hereby files with the Court, the Parties' Marital Agreement, consisting of Twenty-Nine (29) pages, entered into on January 29, 2016.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the above and foregoing was furnished via ☒ Electronic service of the Florida Courts E-Filing Portal (HallTeam@KLeighLaw.com), and the following other means if selected ☐ U.S. Mail, ☐

BRINKLEY MORGAN | ATTORNEYS AT LAW

EXHIBIT "B"

Nettles v. Vernon

Notice of Filing Original Marital Agreement

Page 2 of 2

Facsimile, ☐ hand-delivery on this 1st day of February, 2016, to: Andrew M. Hinkes, Esq., Berger Singerman, 350 East Las Olas Blvd. Suite 1000, Fort Lauderdale, FL 33301; Genevieve Hall, Esq., Attorney, Kenny Leigh & Associates, 2255 Glades Road Suite 238W, Boca Raton, FL 33431; Nathan E. Kohley, Esq., Attorney, Kenny Leigh & Associates, 2255 Glades Road Suite 238W, Boca Raton, FL 33431.

BRINKLEY MORGAN
Attorney for Petitioner/Wife
2255 Glades Road, Suite 340W
Boca Raton, FL 33431
Telephone: (561) 241-3113
Facsimile: (561) 241-3226

By: s/ Yueh-Mei Kim Nutter
YUEH-MEI KIM NUTTER
Florida Bar No.: 705829
JULIA WYDA
Florida Bar No.: 29833

Primary: familylaw@brinkleymorgan.com
Secondary: kim.nutter@brinkleymorgan.com
giselle.spallino@brinkleymorgan.com

[1188] 017529-15001

MARITAL SETTLEMENT AGREEMENT

LORIE ANN NETTLES

and

PAUL EDWARD VERNON

Circuit Court Case No.: 502015DR009881XXXXSBFZ

MARITAL SETTLEMENT AGREEMENT

THIS MARITAL SETTLEMENT AGREEMENT, made and entered into this 22nd day of January, 2016, by and between LORIE ANN NETTLES (hereinafter referred to as "Wife" or "Mother"), and PAUL EDWARD VERNON (hereinafter referred to as "Husband" or "Father," with Husband and Wife sometimes collectively referred to as the "Parties" or "Parents" and each individually as a "Party").

WITNESSETH:

WHEREAS, the Parties were married on April 1, 1999, in Sierra Vista, Arizona; and,

WHEREAS, there are two (2) minor children born of this marriage, to-wit: W.V., born [REDACTED]; L.V., born [REDACTED]; and no additional children are contemplated nor expected of this marriage; and,

WHEREAS, the Parties are *sui juris* and have both been residents of the State of Florida for at least six (6) months prior to the initiation of this action; and,

WHEREAS, in consequence of the disputes and irreconcilable differences, the Parties desire, and it is their intention, that their relationship with respect to all of their property, their financial matters, and all matters that would relate thereto be finally fixed by this Agreement in order to settle and determine for all purposes his and her respective present and future property and financial rights, claims and demands, in such a manner that any action with respect to the rights and obligations, past, present and future of either of these Parties with respect to the other be fully, finally and conclusively settled and determined by this Agreement; and,

WHEREAS, in consequence of disputes and irreconcilable differences, an action for the dissolution of the Parties' marriage is pending in Palm Beach County, Florida under case number 502015DR009881XXXXSBFZ. This Agreement, in conjunction with the Parenting Plan that is


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being entered into by the Parties, is intended to be a full resolution of (i) all issues now pending in the dissolution action, (ii) all issues, claims and rights of any other kind between the Husband and Wife, including, but not limited to, all issues relating to parental responsibility, timesharing, support (excluding any future child support or child support issues), alimony, financial obligations, and all property rights issues, including any and all issues involving the right which either the Husband or the Wife may have in the estate of the other, upon the death of the other, and (iii) all issues, claims, and rights of any other kind now existing between the Husband and the Wife; and

WHEREAS, the Parties have each been represented by legal counsel of his and her own selection in the negotiation of this Marital Settlement Agreement; and

WHEREAS, the Parties have provided each other with full and complete financial disclosure as to all of his and her respective assets and liabilities, both joint and individual, as well as his and her respective incomes and occupations; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, guaranties, indemnifications and undertakings herein contained, which the Parties acknowledge is adequate, and for other good and valuable consideration, the receipt of which is hereby acknowledged between the Parties, the Parties have agreed and do hereby agree as follows:

1. RECITALS

1.1 The aforesaid recitals are true and correct and are hereby incorporated in their entirety by reference herein.

2. SEPARATION

2.1 The Parties may and shall at all times hereafter live and continue to live separate and apart. Each shall be free from interference, authority and control, direct or indirect, by the other as fully as if he or she were sole and unmarried. Each Party may reside at such place or


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places as he or she may elect. Each Party may, for his or her separate use and benefit, conduct, carry on or engage in any business, profession or employment, which to him or her may seem advisable. This Agreement shall not be, and is not in any way or manner to be construed or interpreted as, an agreement for divorce or dissolution of the Parties' marriage but is for the specific purpose of determining and settling the rights of the Parties arising out of their marriage, and all other rights and claims that either party may have. This Agreement shall remain binding by and between the Parties and is enforceable by either of them against the other whether or not the marriage is dissolved.

3. ALIMONY

3.1 Beginning February 1, 2016, and due on the first of each month thereafter, the Husband shall pay Two Thousand Dollars (\$2,000.00), per month to the Wife until the "Marital Residence" as referenced below, is sold. This amount shall be paid in immediately clear funds, and shall be non-taxable to the Wife and non-deductible by the Husband for federal income tax purposes. Once the Marital Residence is sold, the Husband will then pay nominal alimony in the amount of One Hundred Dollars (\$100.00) per month due on the first day of the month, immediately after the sale of the Marital Residence and each month thereafter until the alimony is recalculated twelve (12) months after the sale of the Marital Residence. This nominal alimony amount shall also be non-taxable to the Wife and non-deductible by the Husband. Twelve months from the sale of the Marital Residence, the Husband will automatically, without the need for Court Order, provide financial documents, including, but not limited to, his latest tax return; last twelve months of paystubs; and all documents showing any and all distributions to the Husband from any entities, whether owned by the Husband or not, so that the Husband's updated income from all sources can be determined, and the Parties can then determine the monthly durational alimony



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amount to be paid to the Wife. The Wife's need will be determined based on the Wife's current financial affidavit filed in the instant dissolution of marriage action. The Wife's nominal alimony shall continue until an Order is entered by the Court on the amount of the durational alimony, even if it takes longer than the twelve (12) month period listed above for an Order to be entered recalculating alimony. Once the durational alimony amount is determined, it will be applied retroactive to twelve months after the sale of the Marital Residence and shall then be paid for no less than ten year. The Parties agree that the alimony payments shall be deductible by the Husband, and includable in the income to the Wife pursuant to Section 71(b)(1)(B) and Section 215, of the Internal Revenue Code.

3.2 The Husband shall make the above payments to the Wife via direct deposit or electronic transfer. Wife shall provide all necessary account information to the Husband within Five (5) days of the Effective Date of this Agreement.

3.3 It is understood and agreed that these payments of alimony are for the support of the Wife, therefore, anything hereinbefore to the contrary notwithstanding, the Husband's obligation to make the payments of the alimony set forth herein to the Wife shall terminate upon the occurrence of the first of the following events:

1. The Wife remarries; or
2. The Wife dies; or
3. The Husband dies, as Life Insurance is provided herein.

3.4 It is further understood and agreed that, anything hereinbefore to the contrary notwithstanding, the Husband's obligation to make the payments of the alimony set forth herein



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to the Wife shall either terminate or be modified upon the Wife entering into a supportive relationship as defined in Fla. Stat. 61.14(1)(b)1 and applicable case law.

4. HUSBAND'S WAIVER OF ALIMONY

4.1 The Husband waives any and all claims which he has to permanent, durational, rehabilitative, bridge-the-gap, or lump sum alimony, or any other support from the Wife.

4.2 The Husband acknowledges that this waiver is final, irrevocable and non-modifiable and that there is no circumstance and no possible change in circumstance or change in the law that would permit him to obtain alimony or any other form of support or maintenance from the Wife at any time in the future, no matter how the financial circumstances of either Party changes.

5. CHILD SUPPORT

5.1 The Husband shall pay to the Wife for support of the minor children the sum of Two Thousand and Five Hundred Dollars (\$2,500.00) per month, payable on the first (1st) day of each and every month by immediately available funds, commencing February 1, 2016, and continuing on the same day of each and every month thereafter until termination as set forth below. It is understood that the child support payments contemplate and are calculated based upon the Husband's compliance with the alimony provisions set forth above. It is also understood that the child support payments are based on the Husband making an income of \$100,000 gross per year and the Wife not having any yearly income.

5.2 The Parties hereby agree that there is good cause to waive the requirement that the Husband pay the child support and alimony directly to the Florida State Disbursement Unit ("FLSDU"). If, however, the Husband is thirty (30) days in arrearage on the child support or alimony obligation, the Wife, by the filing of an Affidavit indicating the arrearages, shall be


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entitled to an order obligating the Husband to pay the child support and alimony directly through the FLSDU. The Husband shall pay all fees associated with the payment of child support and alimony through the FLSDU.

5.3 The Husband's obligation to pay the child support set forth above shall cease upon youngest child attaining the age of 18, marrying, dying, becoming self-supporting, or otherwise becoming legally emancipated, whichever first occurs, except that if such child is attending high school at the age of 18 and working in good faith with a reasonable expectation of graduation, child support shall continue for that child until that child graduates from high school or reaches the age of 19, whichever first occurs.

6. DEPENDENCY EXEMPTION

6.1 It is hereby agreed that the Wife shall claim the dependency exemptions for both minor children. This may be reevaluated by the Parties in the future when the alimony payment to the Wife is recalculated by the Parties. The Husband agrees to execute any and all documents required by the Internal Revenue Service to afford the Wife the ability to claim the dependency exemption for the minor children child as provided for herein.

7. LIFE INSURANCE TO SECURE ALIMONY AND CHILD SUPPORT

7.1 It is hereby agreed that the Husband shall maintain and pay his current 20-year term life insurance policy with a minimum death benefit amount of One Million Dollars (\$1,000,000.00) as and for the security for the payment of alimony, child support, and related children's expenses. The Husband also agrees to maintain waiver of premium riders on any and


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all insurance required under the terms of this Agreement. The Husband will execute all documents necessary so the Wife can become the owner of the life insurance policy.

7.2 The current life insurance premiums are approximately \$100/month and the Husband will pay same by adding the \$100/mo to the monthly child support obligation.

7.3 The insurance proceeds shall be paid to an insurance trust for the benefit of the Wife and the minor children who shall be designated as the beneficiaries in an amount equal to his outstanding child support and alimony obligations.

7.4 The Wife shall be named as the sole trustee of the trust. The proceeds from the life insurance shall be placed in the trust and the alimony, child support and the Husband's share of related children's expenses shall be payable from the trust in accordance with this Agreement. The Husband shall be required to maintain this life insurance policy until such time as his obligation to pay alimony and child support ceases as provided above. The Husband certifies that the life insurance policies securing the alimony and child support obligations shall not be encumbered in any fashion whatsoever.

7.5 The Husband will not, during the time in which the Wife and minor children shall hold a beneficial interest under the policy, as provided in this Agreement, sign, encumber, collateralize, or in any way attempt to utilize the policies or otherwise diminish the death benefit value below that which he is required to maintain, as set forth above.

8. MEDICAL INSURANCE

8.1 The Husband shall maintain and provide payment of cleared funds to the Wife no less than seven (7) calendar days before the monthly premiums are due for the current medical insurance policy for the Wife and minor children. The amount paid shall be non-taxable to the Wife and paid until each child graduates from an undergraduate degree. The Wife is to provide


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the Husband with all premium notices.

8.2 Each Party shall be responsible for all of his and her own non-covered medical or dental expenses and co-pays that are currently owed or incurred in the future.

9. DIVISION OF MARITAL PROPERTY

9.1 In settlement of all claims and rights to property acquired during the course of the Parties' marriage, the Parties agree to the distribution of his and her respective property interests, after full and adequate disclosure of the nature and extent of the property interests held jointly or separately by the Parties. All assets distributed to a Party solely, shall become the separate property of that Party. Except as provided herein, all property shall be transferred, if necessary, within thirty (30) days of the Effective Date of this Agreement. The cost of deed preparation, if necessary, as well as all documentary stamp taxes or other similar taxes and recording fees, if applicable, shall be the paid by the receiving Party. All utility deposits currently existing on the Parties' real property shall become the property of the recipient of that real property.

9.2 Except as otherwise provided herein, after distribution of all assets and liabilities, each Party relinquishes any and all rights to the other Party's assets or responsibility for the other Party's liabilities, and each Party shall assume and pay all costs related to the ownership of his and her respective assets.

9.3 If any of the assets addressed herein are divided equally, then the division shall occur as of the date of the actual division of the account and shall be divided so that the Parties have as equal a tax basis as possible. The amounts and dates stated herein are intended only to give an estimate or approximate value. Both Parties shall assume and shall share in the risk of any increase or decrease in the accounts based upon market fluctuations until division. Except as otherwise expressly set forth herein, each Party shall indemnify and hold the other harmless with


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respect to all assets received and liabilities assumed pursuant to this Agreement. Except as otherwise set forth herein, each Party shall be responsible for all tax liability associated with his or her individual receipt or transfer of property, as well as the individual income tax liability associated therewith.

10. REAL PROPERTY

10.1 **MARITAL RESIDENCE.** The Parties currently jointly own, as tenants by the entireties, the real property located at 16832 Charles River Drive, Delray Beach, Florida 33446 ("Marital Residence"). The Husband hereby acknowledges and affirms under penalty of perjury that the Marital Residence was purchased with lawfully obtained funds. It is hereby agreed that the Marital Residence shall become the sole and separate property of the Wife, and the Husband shall relinquish any and all claims he has to the Marital Residence. The Husband shall execute a Quit Claim Deed transferring title to Marital Residence to the Wife within ten (10) days of the Wife presenting him with same. The Parties agree that from and after the date of the Effective Date of this Agreement, the Wife shall be solely responsible for the payment of all expenses and for all liabilities attendant to the Marital Residence and other expenses incident to the Marital Residence, except that the Husband shall pay the real estate taxes due on the Marital Residence in the approximate amount of \$20,000, as well as the approximate \$2,000 currently due for insurance on the Marital Residence. The Husband shall pay the real estate taxes and the amount due for homeowners insurance within thirty (30) days of the Effective Date of this Agreement. The Husband hereby acknowledges that the funds used to pay the real estate taxes and insurance shall be lawfully obtained funds.

10.2 The Parties acknowledge herein that the Wife is a bona fide purchaser of the marital home, that Wife lacks any cause to believe the marital home is subject to any impairment,


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forfeiture, or other claim, whether superior or inferior, and that it is her homestead property pursuant to Ch. 196, Fla. Stat., and will continue to be used as her homestead, subject to all exemptions found in Ch. 196, Fla. Stat., and otherwise as recognized by law. The Wife agrees to list the Marital Residence for sale within thirty (30) days from the date of entry of the Final Judgment of Dissolution of Marriage.

10.3 Upon sale of the Marital Residence, the Wife is entitled to all net proceeds from the sale. The Husband waives all interest, claim, and/or right to any proceeds from the sale of the Marital Residence. The Parties shall execute all documents to ensure the Wife is paid the full amount of the net proceeds from the sale. Net proceeds, for purposes of this Agreement, shall be defined as the gross sales proceeds derived from the sale of the Marital Residence, less all customary real estate broker commissions; customary attorney's fees for closing; seller's title expenses; cost of title insurance; cost of city, county and state revenue stamps; and costs of discharging the existing mortgage(s).

10.4 The Wife shall be responsible for any tax liability associated with her receipt of the proceeds from the sale of the Marital Residence.

10.5 **BOYNTON BEACH PROPERTY.** The Parties also currently jointly own, as tenants by the entireties, the real property located at 8656 Tourmaline Boulevard, Boynton Beach, FL 33472 ("Boynton Beach Property"). The Husband hereby acknowledges and affirms under penalty of perjury that the Boynton Beach Property was purchased with lawfully obtained funds. Husband further acknowledges under penalty of perjury that Wife has no independent knowledge of the source of funds used to purchase the Boynton Beach Property except for the representations provided to her by Husband at the time of its purchase. It is hereby agreed that the Boynton Beach Property is to be sold by the Parties. The Parties have mutually agreed and have listed the Boynton



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Beach Property for sale. There is currently a Contract for Sale in place, and a closing date is scheduled for January 29, 2016.

10.6 Upon sale of the Boynton Beach Property, the Wife will be entitled to receive all of the net proceeds from the sale of the Boynton Beach Property. The Husband waives all interest, claim, and/or right to any proceeds from the sale of the Boynton Beach Property. The Parties shall execute all documents to ensure the Wife is paid the full amount of the net proceeds from the sale. Net proceeds, for purposes of this Agreement, shall be defined as the gross sales proceeds derived from the sale of the Boynton Beach Property, less all customary real estate broker commissions; customary attorney's fees for closing; seller's title expenses; cost of title insurance; cost of city, county and state revenue stamps; and costs of discharging the existing mortgage(s). Any escrow accounts related to any mortgage on the Boynton Beach Property shall also be provided solely to the Wife.

10.7 The Wife shall be responsible for the payment of any tax liability associated with her receipt of the net proceeds from the sale of the Boynton Beach Property.

11. VEHICLES

11.1 The 2015 Infiniti QX80 shall become the sole and separate property of the Wife. The Wife shall be solely responsible for any and all expenses relating thereto, inclusive of insurance, maintenance and repairs. The Wife indemnifies and holds the Husband harmless for any and all liabilities associated with this vehicle.

11.2 The 2014 Infiniti QX60 shall become the sole and separate property of the Husband. The Husband shall be solely responsible for any and all expenses relating thereto, inclusive of insurance, maintenance and repairs. The Husband indemnifies and holds the Wife harmless for any and all liabilities associated with this vehicle.



12. BANK ACCOUNTS

12.1 The following accounts shall become the sole and separate property of the Husband. The Wife hereby relinquishes all rights associated with these accounts. The Husband shall be responsible for any liabilities, including but not limited to any tax liabilities associated with them:

- 12.1.1 Bank of Dalian account ending in : ;
- 12.1.2 Hang Seng Bank account ending in :
- 12.1.3 TD Savings Account ending in (closed); and
- 12.1.4 ICBC Bank Account ending in

12.2 The following accounts shall become the sole and separate property of the Wife. The Husband hereby relinquishes all rights associated with these accounts. The Wife shall be responsible for any tax liabilities associated with them:

- 12.2.1 TD Checking account ending in (closed);
- 12.2.2 USAA Savings Account ending in
- 12.2.3 Edward Jones account ending in
- 12.2.4 Edward Jones Account ending in (UTMA);
- 12.2.5 Edward Jones Account ending in (UTMA); and
- 12.2.6 Bank of America Account ending in

12.3 The Parties acknowledge herein that the TD joint bank account ending in was closed and the proceeds used during the pendency of the instant dissolution of marriage action.

13. STOCK

13.1 The Husband shall receive all of the approximately 37,728 Shares of DIGITALEFX, also known as DIGITALBTC, traded on the Australian Securities Exchange, as his sole and separate property. The Wife waives any and all claim to, right to and/or interest in these shares of



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stock. The Husband agrees to indemnify and hold the Wife harmless with respect thereto, inclusive of any and all tax liabilities associated with same.

14. BUSINESS INTERESTS/ENTITIES

14.1 The Parties currently have full or partial interests in the following business entities:

- 14.1.1 Cryptsy (USA, Canada and China)
- 14.1.2 Project Investors, Inc.
- 14.1.3 Brawnco
- 14.1.4 Vergent Data, Inc.
- 14.1.5 Hashmax USA, LLC
- 14.1.6 Teraboss, Inc.
- 14.1.7 Hashmax Inc.

collectively referred to as "Business Entities".

14.2 The Parties agree that the Husband shall retain as his sole and separate property all stock, equity, and interest in the Business Entities and their subsidiaries, including assets, liabilities, real properties, bank accounts, brokerage accounts, all right to receive a distribution or compensation from the Business Entities, as well as any personal or enterprise goodwill. The Wife hereby relinquishes all her right, title and interest in the foregoing Business Entities. The Husband acknowledges, attests and affirms under penalty of perjury that he was and is the owner and operator of the foregoing Business Entities and that the Wife was never an officer, director, employee or agent of any of the foregoing Business Entities. The Husband acknowledges, attests and affirms under penalty of perjury that Wife was at all times a "stay at home mother," had no involvement, knowledge or participation in the operation, conduct, supervision or actions of the Business Entities at any time, and had no knowledge of Husband's business dealings. The



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Husband agrees to indemnify and hold the Wife harmless from all liabilities associated with the Business Entities, inclusive of any and all tax liabilities related thereto.

15. OTHER ASSETS

15.1 Unless otherwise stated herein, the Wife is entitled to retain all furniture and furnishing currently in her possession.

15.2 The Wife shall retain as her sole and separate property all of her jewelry, including, but not limited to, her wedding ring.

15.3 The Husband shall retain as his sole and separate property all of his jewelry, including, but not limited to, his wedding ring.

15.4 The Parties already divided all personal property, household furniture and furnishings.

15.5 The Husband and Wife shall each be entitled to retain any and all reward points/miles/credits ("Credit Card Rewards"), on his and her credit cards respectively as of the Effective Date of this Agreement and thereafter.

16. INCOME TAX

16.1 Filing Separate Returns. The Parties agree to file separate federal income tax returns for 2015 and for all years thereafter. The Parties agree to file, if any are required, separate state income tax returns or foreign income tax returns for 2015 and for all years thereafter.

16.2 Payment of Taxes Required With Respect to Joint Federal Income Tax Returns: For any year in which the Parties filed a joint federal income tax return, each Party shall be responsible for and shall pay their proportionate share of all federal, state or foreign income taxes (including any penalties and interest) from their separate property. The proportionate share of each Party's tax liability shall be calculated based upon the amount of income tax that would be


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due on or attributable to the property and income of each Party as if they had filed separate tax returns. Thus, the calculation would take into account the respective tax incidents of each Party's property and income, including, but not limited to, income, capital assets, deductions, depreciation, depletion and credits. Each Party shall indemnify and hold harmless the other Party for his or her proportionate share of tax liability, including penalties and interest, as provided for in this Marital Settlement Agreement. If one Party fails to abide by the provisions of this Section 16.2, the other Party shall have a claim for reimbursement against the defaulting Party or his or her separate property. The reimbursement shall include the costs of suit, reasonable attorney's fees incurred in the prosecution of any claim and any and all fees, including legal and accounting fees, incurred with respect to any audit or review of any joint federal income tax return. Any tax refund paid to the Parties shall be divided between them in accordance with the same proportion used to divide the tax liability for the tax in question.

16.3 Notification of Audit or Review of Joint Tax Return. If either Party receives any written notification of any audit or review of any joint tax return filed by the Parties, the Party receiving such notification shall provide the other Party with a copy of such notification within five (5) days of its receipt.

16.4 No Knowledge of Tax Liability. Both Parties represent, warrant and agree to their knowledge that there is no known tax liability with respect to any tax return previously filed by the Parties nor is there any current tax liability, including any penalties or interest, owing as of the date this Marital Settlement Agreement was signed.

16.5 Innocent Spouse. Notwithstanding the foregoing, either Party shall have the right to request "innocent spouse" relief under Code Section 6015 of the Internal Revenue Code of 1986, as amended, with respect to any year in which a joint tax return was filed and to provide a copy of



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this Marital Settlement Agreement to the Internal Revenue Service.

17. PROFESSIONAL FEES AND COURT COSTS

17.1 Each Party shall exchange their outstanding attorney's and professional fees. The Husband shall pay the following respective amounts to counsel in this matter: To Brinkley Morgan, the amount of Fifteen Thousand Dollars (\$15,000.00) within forty – five (45) days of the Effective Date of this Agreement. After the payment of these sums, each Party shall be solely responsible for the payment of his or her own attorney's fees and costs in connection with the dissolution of marriage of the Parties and in connection with the preparation and execution of this Agreement. In the event that either Party seeks the assistance of the Court to enforce any and all provisions in this Agreement, the prevailing Party shall be awarded reasonable attorney's fees and costs arising out of the lawsuit to enforce, whether the same be incurred in mediation, trial court, the post-judgment proceedings or any appellate court.

18. EXECUTION OF SUBSEQUENT DOCUMENTS

18.1 Any conveyance of real estate or any interest therein from one spouse to the other required hereby shall be done by Quit Claim Deed, unless otherwise specifically provided for in this Marital Settlement Agreement.

18.2 In the event either Party shall hereafter sell or convey any real property now owned or hereafter acquired by either of them individually, and if in such sale or conveyance it shall be required that the other Party who owns no actual present interest therein, join in the execution of the deed, the respective Parties agree that they will, upon request, join in the execution of such deed or deeds, without any payment or consideration besides the consideration for this Marital Settlement Agreement, which is expressly agreed to be good and sufficient consideration. All


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transfers of property called for pursuant to this Marital Settlement Agreement are intended to be and are contemporaneous exchanges for the value provided to each party hereunder.

18.3 Each of the Parties hereto covenants and agrees that at the request of the other Party, or in the event of his or her death, at the request of his or her executor, administrator, or other legal representatives, he or she will execute and deliver any and all necessary or proper instruments to carry out the purposes and intent of this Agreement. The Party requesting an instrument shall be responsible for its preparation.

18.4 Within a reasonable time after written demand, each Party shall execute, acknowledge and deliver all documents or instruments required to carry out the provisions of this Agreement. If a Party fails on demand to comply with this provision, he or she shall pay to the other all attorney's fees and costs and other expenses reasonably incurred as a result of that failure.

19. GENERAL AND MUTUAL RELEASE

19.1 Except as otherwise provided in this Agreement, each Party hereto forever renounces and relinquishes all claims of whatsoever kind, up to the Effective date of this Marital Settlement Agreement, thereafter, in or to any property or estate of whatsoever kind, whether real or personal, tangible or intangible, causes in action, and any other property of which he or she is now or at any time hereafter may be seized or possessed, including, without limitation, the right to take as a beneficiary of any retirement plan, life insurance policy, life insurance trust, or annuity, it being the intention of the Parties hereto that this Marital Settlement Agreement constitutes a complete, general and mutual release of all such claims or interests whatsoever.

19.2 Except as specifically set forth hereinabove, it is the intention of the Parties that under no circumstances shall either Party receive any benefit, including any death benefit or proceeds, pursuant to a retirement plan, life insurance policy or annuity, as it may or may not be



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amended, owned by the other Party. If, either Party fails to remove the other Party as a designated beneficiary of any retirement plan, life insurance policy, life insurance trust, or annuity, then upon the death of the Party who owns the retirement plan, life insurance policy or annuity, the other Party shall execute documents reasonably requested to reflect that the other Party no longer has any entitlement to receive any such benefit or proceeds of the life insurance or retirement. Failure to execute the document(s) shall permit the deceased Party's estate to construe that the noncompliant Party pre-deceased the other Party.

19.3 Each Party waives, releases and relinquishes all rights that he or she may now have or may hereafter acquire as the other Party's spouse under the present or future laws of any jurisdiction:

19.3.1 To elect to take against any Will or Codicil of the other Party now or hereafter in force;

19.3.2 To share in or make a claim against the other Party's estate except for any claim arising out of a right set forth in this Agreement, and

19.3.3 To act as the personal representative of the other Party's estate, and

19.3.4 To any pre-dissolution designation in the other Parties' retirement or life insurance, including all interest, expectancy, rights, and benefits to the policy, including the death benefits or proceeds.

19.3.5 To act as pre-need guardian, guardian of the person or property of the other, attorney in fact for other, or in any other capacity for or on behalf of the other party, unless a legally binding document authorizing such action is executed by the Parties subsequent to the Effective Date of this Agreement.


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19.4 Each Party shall henceforth hold, possess and enjoy for his or her sole and separate use and free from interference and control by the other, all of the real and personal estate, chooses in action and other property of which he or she is or at any time hereafter may be seized or possessed. Without affecting the generality of the foregoing, each Party waives, releases and bars himself and herself of all right of spouse's share, spouse's elective share, dower or curtesy, as the case may be, in any real or personal property which either Party now has or may hereafter acquire, and each will, upon request execute good and sufficient releases of spouse's share, spouse's elective share, dower or curtesy to the other, or to his or her heirs, executors, personal representatives, personal representatives, administrators or assigns, or will join, at the request of the other, in executing any deed or other instrument affecting such real or personal property; provided, however, that nothing contained herein shall in any way constitute a waiver of the right of either Party to a full and complete performance of the terms of this Agreement by the other.

19.5 Except as otherwise specifically provided in this Agreement, each Party releases the other from all cause or causes of action, claims, rights or demands, whatsoever, in law or in equity, that either of the Parties ever had, or now has, against the other including, without limitation, property conveyed by one Party to the other Party pursuant to this Agreement, property held by tenancies by the entireties, all causes of action for any and all torts or other injuries to the person or to property, except any or all cause or causes of action for dissolution of marriage, whether such action is presently pending or is instituted in the future.

20. REPRESENTATIONS

20.1 Each Party has had independent legal advice by counsel of his or her own selection in the negotiation of this Agreement. The Wife has been represented by Yueh-Mei Kim Nutter, Esq. of Brinkley Morgan, and the Husband has been represented by Genevieve Hall, Esq. of Kenny



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Leigh & Associates. Each Party fully understands the facts of this Marital Settlement Agreement, and each is signing this Agreement freely and voluntarily, intending to be bound by it. Each agrees that the terms and provisions of this Agreement are fair and equitable.

21. DISCLOSURES

21.1 Each has made a full disclosure to the other of his or her current financial condition and each has had the full and unfettered opportunity to obtain from the other any additional information or explanation of any matter constituting the financial circumstances of the Parties, or any information the Parties have relied in negotiating and reaching this Agreement.

21.2 Each Party is aware of the law of Florida with respect to the power of courts under certain conditions, to modify the terms of this Agreement and the effect of the waiver of that right.

22. UNDISCLOSED ASSETS

22.1 Both Parties have made a complete disclosure of his or her marital assets. Each Party has relied upon the other Party's financial affidavit filed in the case in the identification of all marital assets. If in the future any other marital assets are discovered that were not disclosed, those marital assets shall be divided equally by the Parties.

23. WIFE'S WARRANTIES

23.1 The Wife warrants that there is no existing indebtedness, contract, charge or liability whatsoever which she has individually incurred for which the Husband, his legal representatives, heirs, assigns, property or estate shall or may become liable. The Wife warrants that she will not, at any time hereafter, contract any debt, charge or liability whatsoever for which the Husband, his legal representatives, heirs, assigns, property or estate shall or may become liable.


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24. HUSBAND'S WARRANTIES

24.1 The Husband warrants that there is no existing indebtedness, contract, charge or liability whatsoever which he has individually incurred for which the Wife, her legal representatives, heirs, assigns, property or estate shall or may become liable. The Husband warrants that he will not, at any time hereafter, contract any debt, charge or liability whatsoever for which the Wife, her legal representatives, heirs, assigns, property or estate shall or may become liable.

25. SUBSEQUENT DISSOLUTION OF MARRIAGE

25.1 Nothing contained in this Agreement shall be construed to prevent either Party from instituting an action for dissolution of marriage subject to the following:

25.1.1 The Wife and the Husband shall make no claim, except in accordance with the provisions of this Agreement.

25.1.2 This Agreement shall be offered in evidence by either Party in any dissolution action and, if acceptable to the Court, shall be incorporated by reference in the judgment that may be rendered. However, notwithstanding incorporation in the judgment, this Agreement shall not be merged in it, but shall survive the judgment and shall be binding on the Parties for all time. The Parties agree that the Court shall retain jurisdiction for purposes of enforcing this Agreement.

26. RECONCILIATION

26.1 Reconciliation shall not affect the provisions of this Agreement and shall not affect the validity and enforceability of this Agreement in any future proceedings, dissolution or otherwise, regardless of when those proceedings are instituted or commenced. Both Parties waive any defense of reconciliation to any future enforcement of this Agreement. The Parties intend this


J. L. N.


M. E. V.

paragraph to be an explicit understanding that any executory provisions of this Agreement remaining at any time of reconciliation regarding the distribution of property interests, shall not be affected or abrogated by reconciliation and that those provisions shall survive and be binding upon the Parties nonetheless.

27. TAX ADVICE

27.1 Both Parties hereto hereby acknowledge and agree that each has had the opportunity to retain his or her own Certified Public Accountants, tax advisor or tax attorney with reference to the tax implications of this Marital Settlement Agreement. Further, both Parties hereby acknowledge that neither has relied upon the tax implications of this Marital Settlement Agreement. Further, the Parties acknowledge and agree that their signatures to this Marital Settlement Agreement serve as the acknowledgment that they have read this particular paragraph and that they have had the opportunity to seek independent advice.

28. BINDING NATURE

28.1 This Agreement shall be binding on the Parties hereto as of its Effective Date and shall remain binding thereafter unless, by mutual agreement in writing, it is subsequently modified or abandoned.

28.2 Except as otherwise specifically provided herein, this Agreement shall be binding upon the heirs, legatees, devisees, administrators and executors of the Parties hereto, and in the event of the death of either of the Parties to this Agreement while it is in force and effect, the estate of said deceased Party shall be responsible for the performance of the obligations and conditions of this Agreement.



J. AN
LAN



PEV

29. EXECUTION

29.1 This Agreement is executed in duplicate. Each of such executed duplicates shall be deemed to be an original and shall have the same force and effect as if it alone has been executed by the Parties.

30. AMENDMENT OR MODIFICATION

30.1 The Parties agree that no modification or waiver of any of the terms of this Agreement shall be valid unless in writing and executed with the same formalities as this Agreement or except by a court of competent jurisdiction pursuant to the laws of Florida and the terms of this Agreement. The provisions of this Agreement which are designated as non-modifiable are intended to remain so, notwithstanding this provision. The failure of either Party to insist in any one or more instances upon the strict performance of any of the terms or provisions of this Agreement on the part of the other Party to be performed shall not be construed as a waiver or relinquishment for the future of any such term or provision, and the same shall continue in full force and effect.

31. ENTIRE AGREEMENT

31.1 This Agreement contains the entire agreement of the Parties. There are no representations, promises or undertakings other than those expressly set forth herein.

32. INTERPRETATION

32.1 The Paragraph headings of this Agreement are for the convenience of reference only and shall not affect the interpretation of any provision hereof.

33. LAW

33.1 This Agreement shall be interpreted and governed by the laws of the State of Florida.


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34. INDEMNIFY AND HOLD HARMLESS

34.1 In any instance in which either Party is required to indemnify or hold harmless the other under this Agreement, such hold harmless or indemnification shall include all demands, claims or damages against the indemnified Party resulting, directly or indirectly, from the matter or thing indemnified against. The indemnification and hold harmless shall include, without limitation, the following items incurred in defending any such claims, demands or damages: taxable court costs, other related but non-taxable costs and expenses, reasonable professional fees and attorney's fees necessarily required from the time any litigation or other dispute resolution proceeding is commenced until appeals are final, if any. This provision shall apply whether the litigation or other dispute resolution proceeding seeks a declaration of rights, reformation, damages for default, damages for misrepresentation, indemnification, contribution, subrogation or other legal or equitable remedy.

35. NOTICE CLAUSE

35.1 Unless otherwise specifically provided herein, all notices to be given hereunder shall be in writing and shall be personally delivered, emailed, or sent to the Parties at the following addresses:

Wife's Mailing and Email Addresses:

16832 Charles River Drive
Delray Beach, Florida 33446
[REDACTED]

Husband's Mailing and Email Addresses:

P.O. Box 7646
Delray Beach, FL 33482
[REDACTED]

35.2 Such Party may change the place to which any Party hereto is entitled to receive any notice by giving notice thereof in accordance with the foregoing provisions.


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35.3 The effective date of any notice shall be the date upon which it is actually personally delivered to the Husband or the Wife, or the date received via facsimile, email, or, in the event sent by certified mail, return receipt requested, postage prepaid, upon the date received by the Wife or the Husband; provided, however, if the Wife or the Husband shall refuse to accept any such certified mail, then any such notice sent by certified mail, return receipt requested, postage prepaid, shall be deemed to have been received within seven (7) days after it was deposited in the United States mail.

36. SEVERABILITY

36.1 If any particular provision, or part thereof, of this Agreement is deemed or declared to be invalid, void or unenforceable by any court of competent jurisdiction, the other provisions, or parts thereof, of this Agreement shall continue in full force and effect and shall be valid and enforceable according to their terms. However, the Court which declares any provision void, invalid or unenforceable shall make such awards that in its discretion are fair and equitable to compensate either or both Parties for any loss or expense associated with the void, invalid or unenforceable provision.

37. EFFECTIVE DATE

37.1 The effective date of this Agreement shall be the last date on which either of the Parties signs it.

38. BANKRUPTCY

38.1 The bankruptcy or the filing of any petition in bankruptcy under any of the provisions of the existing or any future bankruptcy law, whether state or federal, by the Husband shall not operate to discharge any of the Husband's obligations hereunder. Husband acknowledges that the obligations included in this agreement constitute Domestic Support Obligations within the


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meaning of 11 USC § 523 (a)(5), and/or a debt within the meaning of 11 USC § 523 (a)(15), and therefore are not dischargeable in bankruptcy, and that Husband is estopped from asserting otherwise at any time If, for any reason, such obligations are held to be discharged irrespective of the provisions of this Article and the existing bankruptcy law then the Husband specifically acknowledges and agrees that such discharge would constitute a substantial change in circumstances which would give the Wife the right to seek the modification of this Agreement.

39. PERFORMANCE

39.1 From and after the Effective Date of this Agreement, neither Party will take any action that would prohibit, inhibit or diminish in any way, the ability of any Party nor any entity related to that Party to perform the obligations of this Agreement. Further, it is the intent of this Agreement that neither Party will take any action that will cause any damage to the other or to any entity related to that Party.

40. FAIRNESS OF AGREEMENT. The Parties declare and acknowledge that the terms contained in this Agreement are equitable, fair and just, and that this Agreement is commensurate with the financial means and social positions of both Parties.

41. CONFIDENTIALITY

41.1 Both Parties are privy to confidential personal and financial information about the other Party. After the Effective Date of this Agreement, neither Party shall, under any circumstances whatsoever, use information nor divulge nor supply said information to any third Party, other than family members, absent Court Order or Subpoena. If it is determined that either Party violated this provision, said Party shall be solely responsible for any damages caused to the other Party, including, but not limited to, all reasonable attorney's fees and costs.



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42. **AUTHORSHIP**

42.1 In the event that it becomes necessary for any reason to construe this Agreement as permitted by the Rules of Evidence of the State of Florida, this Agreement will be construed as being jointly prepared and written by all Parties hereto.

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IN WITNESS WHEREOF, the Parties have hereunto, under penalty of perjury, set their hands and seals as of this day and year first above written.

Signed, sealed and delivered in the presence of:

[Signature]
Witness as to Wife

[Signature]
LORIE ANN NETTLES, Wife

[Signature]
Witness as to Wife

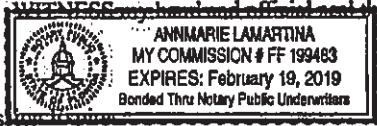
[Signature]
Witness as to Husband

[Signature]
PAUL EDWARD VERNON, Husband

[Signature]
Witness as to Husband

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 29 day of January, 2016, by LORIE ANN NETTLES, who is personally known to me or who has produced her driver's license as identification.

WITNESS my hand and official seal this 29 day of January, 2016.

My Commission Expires: February 19, 2019

STATE OF People's Republic of China
COUNTY OF Municipality of Beijing
Embassy of the United States of America } SS:

The foregoing instrument was acknowledged before me this 22 day of JAN 2016, 2016, by PAUL EDWARD VERNON, who is personally known to me or who has produced his US passport driver's license as identification.

WITNESS my hand and official seal this 22 day of JAN 2016, 2016.

[Signature]
Notary Public - State of American Embassy
Beijing, People's Republic of China

My Commission Expires:

PRESIDENTIAL COMMISSIONS DO NOT EXPIRE

Mary Swartz
Vice Consul

[Signature]
LAN

[Signature]
PEV

IN THE CIRCUIT COURT OF THE 15TH
JUDICIAL CIRCUIT IN AND FOR PALM
BEACH COUNTY, FLORIDA

IN RE: THE MARRIAGE OF:

CASE NO.: 502015DR009881XXXXSBFZ

LORIE ANN NETTLES,
Petitioner/Wife,

JUDGE: HON. JESSICA TICKTIN

v.
PAUL EDWARD VERNON,
Respondent/Husband,

v.
LORIE ANN NETTLES,
Third-Party Plaintiff,

v.
PAUL EDWARD VERNON and CRYPTSY
INTERNATIONAL LTD.; PROJECT
INVESTORS,
INC.; HASHMAX USA, LLC; TERABOSS,
INC.
HASHMAX INC. and VERGENT DATA,
INC.

Third-Party Defendants.

_____/

FINAL JUDGMENT OF DISSOLUTION OF MARRIAGE

EXHIBIT "C"

Nettles v. Vernon

Case No: 502015DR09881XXXXSBFZ

Final Judgment Granting Dissolution of Marriage

Page 2 of 4

THIS CAUSE having come on for Final Hearing before the Honorable Jessica Ticktin, upon the Petition for Dissolution of Marriage and Other Relief Including Request for Partition filed by the Petitioner, and counsel for the Petitioner having been present, and the Court having examined the Florida driver's license presented by the Petitioner, the Court having heard live testimony, and the Court being otherwise duly advised in the premises, makes these findings of fact and reaches these conclusions of law:

A. The Court has jurisdiction over the subject matter, the minor children, and the Parties hereto.

B. The Petitioner has been a resident of the State of Florida for more than (6) months immediately prior to the filing of the Petition for Dissolution of Marriage.

C. Petitioner and Respondent were married to each other on April 1, 1999 in Sierra Vista, Arizona.

D. Neither Party is in the military service of the United States of America or any of its allies.

E. There were two (2) minor children born of this marriage, to wit: [REDACTED], born [REDACTED], 2003; and [REDACTED], born [REDACTED], 2007. No additional children are contemplated of this marriage.

F. The marriage of the Parties is irretrievably broken.

H. The Marital Settlement Agreement entered into by the Parties, dated January 29, 2016, consisting of twenty-nine (29) pages, which has been previously filed with the Court, shall

Nettles v. Vernon

Case No: 502015DR09881XXXXSBFZ

Final Judgment Granting Dissolution of Marriage

Page 3 of 4

be incorporated into this Final Judgment of Dissolution of Marriage by reference, but not merged herein.

I. A Parenting Plan has been entered into by the Parties dated January 29, 2016 and consists of ten (10) pages, which was previously filed with the Court, shall be incorporated into this Final Judgment of Dissolution of Marriage by reference, but not merged herein.

ACCORDINGLY, IT IS ORDERED AND ADJUDGED THAT:

1. This Court has jurisdiction over the subject matter and the Parties hereto.
2. The bonds of marriage between Petitioner, LORIE A. NETTLES, and Respondent, PAUL E. VERNON, are dissolved, *a vinculo matrimonii*; and the Parties are restored to the status of being single.
3. The Marital Settlement Agreement between the Parties was executed voluntarily after full disclosure, is in the best interest of the Parties and is approved and incorporated into this Final Judgment of Dissolution of Marriage by reference but not merged herein. The Parties are ordered to comply with it.
4. The Parenting Plan entered by the Parties was executed voluntarily by the Parties, is in the best interest of the minor children, and is approved and incorporated into this Final Judgment of Dissolution of Marriage by reference but not merged herein. The Parties are ordered to comply with it.
5. The Husband shall pay alimony to the Wife beginning February 1, 2016, and as set out more specifically in Paragraph 3 of the Marital Settlement Agreement, which is incorporated into this Final Judgment of Dissolution of Marriage by reference.

Nettles v. Vernon

Case No: 502015DR09881XXXXSBFZ

Final Judgment Granting Dissolution of Marriage

Page 4 of 4

6. The Husband shall pay child support to the Wife in the sum of Two Thousand and Five Hundred Dollars (\$2,500.00) per month, commencing February 1, 2016 and due monthly thereafter on the first (1st) day of each month. The Husband acknowledges that he is paying child support in excess of five percent (5%) of the Child Support Guidelines. The Husband has agreed to pay this increased child support and acknowledges that the Wife will have increased expenses due to the Husband's frequent travel. Child support shall terminate for each minor child upon the child attaining the age of 18 years, emancipation, marriage or death or becoming self-supporting or is attending high school at age 18 and working in good-faith with a reasonable expectation of graduation, child support shall continue until the child graduates from high school or reaches the age of 19, whichever occurs first.

7. The Court retains jurisdiction for the determination and enforcement of all charging liens filed in this case.

8. The Court reserves jurisdiction as to the charging lien filed by Brinkley Morgan.

9. The Court retains jurisdiction of this cause and the Parties hereto for the purpose of enforcing and modifying this Final Judgment of Dissolution of Marriage, and for any other lawful purpose.

DONE AND ORDERED in Chambers, Delray Beach, Palm Beach County, FL this _____ day of February, 2016.

SIGNED & DATED

FEB - 3 2016

CIRCUIT JUDGE

JESSIE A. TUCKER
The Honorable Jessica Tucker
Circuit Court Judge

Copies furnished to:

Yueh-Mei Kim Nutter, Esq., 2255 Glades Road, Suite 340W, Boca Raton, FL 33431

Genevieve Hall, Esq., Attorney, 2255 Glades Road, Suite 238W, Boca Raton, FL, 33431

1119 017529-15001

BRANDON LEIDEL
CRYPTSY

DEPOSITS

CURRENCY	DATE	AMOUNT (BTC)
BTC	8/13/2014	3.94090000
BTC	8/13/2014	0.00020000
BTC	8/15/2014	0.09900000
BTC	8/17/2014	0.95310000
BTC	8/18/2014	0.32670000
BTC	9/4/2014	0.06650000
BTC	9/16/2014	0.72060000
BTC	9/18/2014	0.19450000
BTC	9/19/2014	0.46740000
BTC	9/26/2014	0.16950000
BTC	9/27/2014	0.00000001
BTC	9/27/2014	0.08530000
BTC	10/9/2014	0.75010000
BTC	10/10/2014	0.34150000
BTC	10/15/2014	0.47370000
BTC	10/21/2014	0.56280000
BTC	10/27/2014	0.54110000
BTC	11/4/2014	0.14820000
BTC	11/11/2014	0.53750000
BTC	11/22/2014	0.79490000
BTC	11/25/2014	0.12240000
BTC	12/1/2014	0.05170000
BTC	12/2/2014	1.43090000
BTC	12/8/2014	0.57080000
BTC	12/19/2014	0.71860700
BTC	12/20/2014	0.31029700
BTC	12/22/2014	0.08276600
BTC	12/27/2014	0.30235900
BTC	12/29/2014	0.99396300
BTC	1/12/2015	0.09963100
BTC	1/14/2015	1.43142400
BTC	1/16/2015	0.18218700
BTC	1/26/2015	0.78893700
BTC	1/29/2015	0.22516600
BTC	1/30/2015	1.19155800
BTC	2/8/2015	2.24949600
BTC	2/10/2015	0.16644600
BTC	2/16/2015	0.08108300
BTC	2/25/2015	0.44519200
BTC	2/27/2015	0.12060300
BTC	3/2/2015	0.08947100
BTC	3/5/2015	0.85807400
BTC	3/10/2015	0.37717300

CURRENCY	DATE	AMOUNT (BTC)
BTC	3/12/2015	0.50930000
BTC	3/13/2015	0.04251100
BTC	3/16/2015	0.96786000
BTC	3/17/2015	0.77807200
BTC	3/28/2015	0.05440400
BTC	3/29/2015	0.16236200
BTC	3/31/2015	0.12932700
BTC	4/4/2015	0.85612500
BTC	4/12/2015	0.07000500
BTC	4/22/2015	0.12384700
BTC	5/5/2015	0.10446300
BTC	5/7/2015	0.10558900
BTC	5/11/2015	0.32988800
BTC	5/19/2015	1.61398500
BTC	5/20/2015	0.34834700
BTC	5/25/2015	0.77995800
BTC	6/2/2015	0.50013500
BTC	6/4/2015	0.16042000
BTC	6/5/2015	1.05299100
BTC	6/6/2015	3.69972300
BTC	6/7/2015	1.36931300
BTC	6/8/2015	0.25562900
BTC	6/9/2015	0.71638200
BTC	6/10/2015	0.19271600
BTC	6/15/2015	0.14633800
BTC	6/18/2015	1.00764900
BTC	6/19/2015	0.05431900
BTC	6/20/2015	1.70489900
BTC	6/24/2015	0.41388300
BTC	6/25/2015	0.27552000
BTC	6/26/2015	0.34795600
BTC	6/29/2015	0.48661500
BTC	7/1/2015	1.12011500
BTC	7/2/2015	0.95773100
BTC	7/7/2015	0.16808700
BTC	7/11/2015	0.21870700
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BTC	7/12/2015	0.23306400
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BTC	7/19/2015	0.45016400
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BTC	7/24/2015	0.51574600
BTC	8/4/2015	0.31300000

CURRENCY	DATE	AMOUNT (BTC)
BTC	8/6/2015	1.39596700
BTC	8/19/2015	0.35339600
BTC	8/20/2015	1.44578400
BTC	8/23/2015	1.85928400
BTC	8/26/2015	0.90044400
BTC	8/29/2015	0.29018200
BTC	8/30/2015	2.67079600
BTC	9/2/2015	2.00596300
BTC	9/3/2015	1.01631100
BTC	9/6/2015	0.11003100
BTC	9/7/2015	0.67396800
BTC	9/10/2015	0.17789100
BTC	9/15/2015	0.59725600
BTC	9/23/2015	0.99352100
BTC	9/26/2015	1.11552200
BTC	9/29/2015	0.96512000
BTC	10/8/2015	1.75889100
BTC	10/9/2015	0.05092500
BTC	10/12/2015	0.04693100
BTC	10/20/2015	0.09388900
BTC	10/22/2015	0.16105500
BTC	10/27/2015	0.07397600
BTC	11/3/2015	0.12017600
BTC	11/6/2015	0.64480200
BTC	11/8/2015	0.16269300
BTC	11/9/2015	0.26322900
BTC	11/14/2015	0.44408800
BTC	11/23/2015	1.91100000
BTC	11/24/2015	0.82744200
BTC	11/25/2015	0.99517800
BTC	11/27/2015	0.85035200
BTC	11/29/2015	1.01609000
BTC	11/30/2015	0.52378500
BTC	12/1/2015	0.14134300
BTC	12/3/2015	0.65662100
BTC	12/8/2015	0.63777600
BTC	12/12/2015	0.80177700
BTC	12/13/2015	0.44179700
BTC	12/15/2015	0.25345100
BTC	12/17/2015	0.59971600
BTC	12/28/2015	0.11199500
BTC	1/4/2016	0.16474400
BTC	1/7/2016	0.19935600

TOTAL

79.66625101

EXHIBIT "D"