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COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT
CIVIL ACTION NO. 2484CV2851 B

COMMONWEALTH OF MASSACHUSETTS,

Plaintiff,

v.

NYSE.LPQV.LIVE,

Defendant.

SUFFOLK SUPERIOR COURT
CIVIL CLERK'S OFFICE
2024 OCT 30 P 12: 18
JOHN F. FOLLIS III
ACTING CLERK MAGISTRATE

COMPLAINT

1. The Commonwealth, by and through its Attorney General, Andrea Campbell, brings this enforcement action in the public interest against Defendant NYSE.LPQV.LIVE ("NYSE") pursuant to the Massachusetts Consumer Protection Act, G.L. c. 93A, § 4.

PARTIES

2. The Plaintiff is the Commonwealth of Massachusetts (the "Commonwealth"), represented by the Attorney General, with an address at One Ashburton Place, 18th Floor, Boston, Massachusetts 02108.

3. Defendant NYSE is a company hosted at www.nyse.lpqv.live, through which victims are presented with fraudulent and misleading cryptocurrency trading opportunities. Defendant is unrelated to the New York Stock Exchange, but uses the same acronym as part of its deception.

JURISDICTION AND VENUE

4. The Attorney General is authorized to bring this action pursuant to G.L. c. 93A, § 4. The Attorney General has an interest in preventing unfair or deceptive acts or practices to promote the economic well-being of those who live and transact business in Massachusetts.

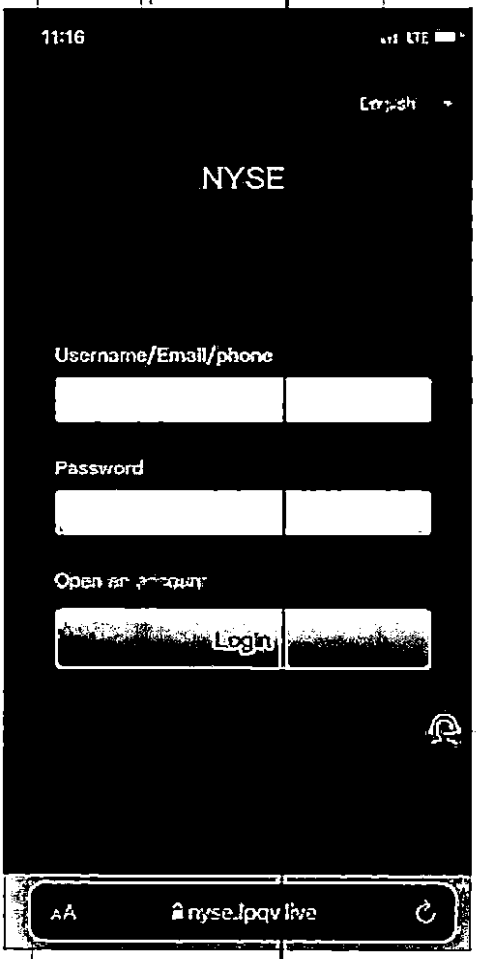
5. This court has jurisdiction over the subject matter of this action pursuant to G.L. c. 93A, § 4.

6. This court has personal jurisdiction over Defendants, pursuant to G.L. c. 223A, §§ 3(a) and 3(c). Pursuant to G.L. c. 93A, § 4, venue is proper in Suffolk County.

STATEMENT OF FACTS

7. Since at least May 2024, NYSE has been representing itself as a trading platform that offers crypto trading opportunities. It operates through a website that is accessible both on traditional web browsers as well as dApp browsers[1].

[1] A dApp, or Decentralized Application, is a digital application that runs on a blockchain network of computers instead of relying on a single computer. Cryptocurrency wallet users can access various dApps using dApp browsers embedded in the cryptocurrency wallet provider's applications.



8. NYSE's crypto trading programs allow its users to make bets on the price of certain cryptocurrencies and, depending on how long the user holds their position, earn purported profits ranging from 10% to 30%.

9. In reality, NYSE is just an investment scam, and all of its representations about profits from trading through its platform are false.

10. Neither on its website nor the associated dApp, does NYSE make any representations as to its physical location. One of NYSE's representatives claimed that she was from Greece and lived in Worcester, Massachusetts.

11. The only evidence of the Defendant's physical location is the registrant's information for NYSE's web site. NYSE's web address is

https://nyse.lpqv.live/index/login/login.html, and it is hosted by Name.com, Inc., an Internet domain registrar and web hosting company headquartered in Denver, CO. The website was created on April 4, 2024. The registrant's information is as follows: "Name: Hu Ge Si, Street: 1799 Waldeck Street, City: TX, State: Texas, Postal Code: 76105, Country: CN."

12. However, there is no such address in Texas, nor is there a person by the name of "Hu Ge Si" residing in Texas. Additionally, while Texas is in the United States, the Defendant listed its country as CN, which is the abbreviation for China.

13. NYSE's scheme is implemented by its representatives, who solicit victims nationwide, including in the Commonwealth, through dating apps, such as Tinder.[2]

14. For example, an NYSE representative approached one Massachusetts consumer through Tinder and initiated a personal relationship with him. During his communications with NYSE's representative, this Massachusetts victim disclosed that he lived in Massachusetts.

15. These communications with victims are swiftly moved from a dating app to Telegram.[3]

16. In their communications via Telegram, NYSE representatives use manipulative techniques to instill a sense of security in the victims, such as engaging in personal conversations that display heightened interest in the daily, romantic, and personal lives of the victims. As trust is being established, the NYSE representatives introduce the idea of cryptocurrency investments.

17. During their communications on Telegram, NYSE representatives frequently mention their success with cryptocurrency trading to pique the victims' interest. For example, the Massachusetts victim reported that the NYSE representative told him she successfully traded cryptocurrency with her uncle who was an NYU professor and a former Golden Sachs employee

[2] TINDER, https://tinder.com/ (last visited October 29, 2024).
[3] TELEGRAM, https://telegram.org/ (last visited October 29, 2024).

and promised that the victim would reach his $5,000,000 retirement goal in two years by investing in crypto the way she and her uncle did.

18. If the victims show interest in cryptocurrency trading, the NYSE representatives guide them to open accounts with legitimate cryptocurrency exchanges, which the victims are expected to use to fund their investments with NYSE.

19. The victims are then introduced to NYSE's website and associated dApp where they can create an NYSE account.

20. For example, an NYSE representative directed a Massachusetts victim to NYSE's website where he created an NYSE account. She also guided him to fund it through Coinbase,[4] and subsequently, through Strike.[5]

21. Next, NYSE representatives instruct victims to purchase cryptocurrency through the legitimate cryptocurrency exchanges to fund their NYSE accounts.

22. Throughout the process, NYSE representatives guide the victims by providing step-by-step instructions via Telegram. NYSE representatives also provide the victims with a specific NYSE cryptocurrency wallet[6] address to which to send the cryptocurrency.

23. Once the victims fund their NYSE accounts with cryptocurrency, they are offered trading opportunities where they bet on the price of Bitcoin and Tether by making a "Distend" or "Tumble" prediction and holding their positions for either 60, 120, 180, 300, or 720 seconds.

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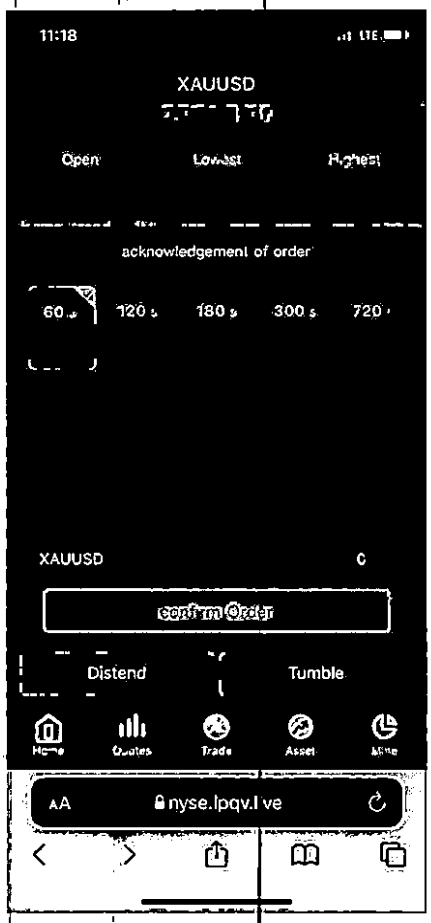
[4] COINBASE, https://coinbase.com/ (last visited Oct. 29, 2024). Coinbase is a legitimate U.S.-based cryptocurrency exchange.

[5] STRIKE, https://strike.me/ (last visited Oct. 29, 2024). Strike is a legitimate U.S.-based cryptocurrency exchange.

[6] A cryptocurrency wallet is an application that functions as a wallet for your cryptocurrency. It is called a wallet because it is used similarly to a wallet you put cash and cards in. Instead of holding these physical items, it stores passkeys you use to sign for your cryptocurrency transactions and provides the interface that lets you access your crypto. The Investopedia Team, *Cryptocurrency Wallet: What It Is, How It Works, Types, Security*, INVESTOPEDIA, https://www.investopedia.com/terms/b/bitcoin-wallet.asp (last updated Aug. 29, 2023).

24. According to NYSE, depending on the duration of the position hold, these bets will generate returns ranging from 10% to 30%. The positions of longer duration and higher returns require larger investments. For example, to participate in a 180-second bet, which purportedly yields 20% returns, a consumer must have a minimum of $1,000,000 in their account.



25. NYSE representatives explain the process to the victims and tout the safety of this investment.

26. If the prediction is correct, it is reflected as a "Pass" in the victims' NYSE account and appear to have generated the promised return.

27. All trades on NYSE are fictious, and the fake "passes" are designed to get the victim excited at the prospect of higher profits with greater investments.

28. For example, encouraged by the alleged profits on his several initial investments in NYSE's trading opportunities, the Massachusetts consumer invested close to $100,000 in NYSE's crypto trading programs. This investment appeared to generate over $20,000 in profits in one day.

29. All of NYSE's representations about the success of its victims' bets, or profits gained on them, are false and are simply a manipulative technique used to convince the victims to invest more in NYSE's scam.

30. To instill further trust in the victims, NYSE representatives even "lend" money to them by purportedly making a deposit of crypto into the victims' NYSE accounts.

31. For example, the Massachusetts consumer received a gift of $100,000 worth of Tether from an NYSE representative, who purportedly transfered these monies from her own Coinbase account to the victim's NYSE account in order to bring the victim's NYSE balance to the minimum required to participate in 120-second duration bets (these bets purportedly generate 15% returns).

32. To further establish a guise of legitimacy, NYSE victims are allowed to withdraw some of their profits early in the scam after they make small initial deposits. By allowing this initial small withdrawal, victims are convinced that they will be able to withdraw larger profits in the future.

33. For example, early in the scam, the Massachusetts victim withdrew $500 of his initial profits into his exchange-hosted wallet.

34. With the victims encouraged by their investment returns and feeling secure in their ability to safely withdraw their earnings, the representatives try to convince them to invest increasingly greater sums by promising that larger investments will allow them to participate in bets that lead to greater profits. As the victims continue to invest, their accounts with NYSE purport to show exponential profits.

35. For example, excited by his investment returns and feeling secure in his ability to safely withdraw his earnings, the Massachusetts victim deposited hundreds of thousands of dollars into his NYSE account.

36. At some point, victims decide to withdraw their investments, only to face NYSE's additional ploys to extract more money from them. This is when they are told via NYSE's

customer service chat that their accounts are frozen due to purported concerns about "money laundering." To "unfreeze" the accounts, the victims are instructed to deposit additional large sums of money or face 1% daily penalties charged by NYSE's "Risk Department." The victims are further threatened that if these additional deposits are not received within 14 days, all of their funds would be forfeited.

37. For example, after the Massachusetts victim attempted to withdraw funds from his NYSE account, he received a message from NYSE's customer service demanding a payment of over $700,000 to authenticate his account and advising him that failure to do so would result in his account staying frozen.

38. If the victims deposit the demanded amounts to "unfreeze" their accounts, they face another ploy to extract money from them – a demand of a payment of "taxes" from NYSE's "internal financial regulators." NYSE's customer service representatives claims that no withdrawals can be made unless the "taxes" are paid.

39. For example, after the Massachusetts victim paid the required fee to "unfreeze" his account and attempted to withdraw most of his holdings at NYSE, he received a customer service message indicating that he had to pay a 30% tax on his profits (the purported tax totaled close to $600,000).

40. At this point, the victims' requests for withdrawal of their investments, let alone the profits, remain unanswered by NYSE.

41. Using blockchain analytics tools, the Commonwealth traced the Massachusetts victim's funds, via several transactions, to five unhosted wallets[7] ending in -eLgvd; -pv4GA; -

[7] Unhosted wallets are often referred to as "self-custody" or "non-custodial" wallets. They are distinguished by granting users absolute command over their private keys. This aspect is critical in the cryptocurrency domain, as the private key is essentially the gateway to accessing and managing crypto assets. In contrast to hosted wallets, where a

dgynm; -7ozcu; -MxxG (the "Wallets") with virtual currency addresses that exist on the Tron network.[8]

42. The Wallets contain Tether coins, also known as "USDT".

43. USDT is a type of cryptocurrency. Payments or transfers of value made with USDT are recorded on the blockchain network in which they exist, but unlike decentralized cryptocurrencies like Bitcoin, USDT has some features of centralization. One centralized feature is that USDT is a "stablecoin," where the value of the digital asset is pegged to a reference asset (in case of USDT, the U.S. dollar); for all USDT issued, the tokens are represented to be backed by $1 of asset reserves.

44. Tether Limited ("Tether") is the company that manages the smart contracts and treasury (i.e., reserve assets) for USDT. Because Tether manages the smart contracts for USDT, it can blacklist some virtual cryptocurrency addresses containing USDT. For example, Tether is able to blacklist addresses on the Tron network, rendering them inaccessible to whomever controls the private keys to the blacklisted addresses.

45. Tether is also able to "burn" or destroy the Tether addresses associated with the Wallets (and by extension the USDT tokens associated with them) and then reissue the equivalent amount of USDT tokens associated with each address and transfer that USDT to a government-controlled wallet, such as a wallet held by the Commonwealth.

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third-party service has custody of these keys, unhosted wallets entrust this responsibility solely to the user. This shift from reliance on external entities to self-management marks a significant step towards decentralization in the handling of digital assets. *Hosted vs. Unhosted Crypto Wallets: A Comprehensive Guide to Self-Custody, available at* https://secuxtech.com/blogs/blog/hosted-vs-unhosted-crypto-wallets?gad_source=1&gclid=CjwKCAjwpbi4BhByEiwAMC8JnWWfYoOIXVBSGOFC_OxDJ90a-y3RVBVhqD-VgGJa_YKaJRVF75NDMBoCzZ4QAvD_BwE.

[8] Tron is a blockchain for creating decentralized applications. Its native token [token issued by Tron] is TRX, which developers can use in their applications. Tron is maintained by the Tron DAO, a Singapore non-profit organization. *What's Tron, available at* https://www.investopedia.com/tech/what-tron-trx/.

CAUSES OF ACTION

COUNT ONE

Violations of G.L. c. 93A, § 2

46. The Commonwealth repeats and realleges the foregoing paragraphs of the Complaint and incorporates them herein by reference.

47. Defendant is a person that has been acting in trade or commerce in the Commonwealth of Massachusetts.

48. Defendant concocted the scheme set forth in this Complaint, which defrauds inexperienced Massachusetts investors of their money and cryptocurrency, constituting deceptive acts or practices under G.L. c. 93A, § 2.

49. Defendant's actions cause or continue to cause foreseeable harm to investors in Massachusetts by fraudulently taking their money.

NATURE OF THE PROCEEDING AND RELIEF SOUGHT

50. The Commonwealth brings this action pursuant to the authority conferred upon it by G.L. c. 93A, § 2.

51. The Commonwealth seeks, as immediate relief: (1) a temporary restraining order and a preliminary injunction against Defendant (a) prohibiting them from future violations of G.L. c. 93A, § 2 as alleged in this Complaint and (b) freezing Defendant's assets, including the assets contained in the Wallets; and (3) the award of compensatory damages to investors harmed by Defendant's unfair and deceptive conduct.

52. The Commonwealth also seeks a final judgment: (a) permanently enjoining Defendant from: (i) engaging in acts, practices, and courses of business alleged herein pursuant to G.L. c. 93A, § 4 and (ii) operating Defendant's websites and from transferring the domains to

a different registrar; (b) ordering Defendants to disgorge their ill-gotten gains and pay compensation to investors as well as prejudgment interest thereon; (c) imposing civil money penalties on Defendant pursuant to G.L. c. 93A, § 4; and (d) imposing reasonable costs of investigation and litigation, including reasonable attorneys' fees, on Defendant, pursuant to G.L. c. 93A, § 4.

Respectfully Submitted,
COMMONWEALTH OF MASSACHUSETTS
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