

No. - 1:23-cv-01599

**In the District Court of the United States
At Washington District of Columbia**

In re: Eeon, on behalf of "Customers" *et al.*, comprised of
Natural Parties/Persons, a class identified by the Court

Class - Counter Claimants, *et al.*, and

Binance, *et al.*,

Case No.: 1:23-cv-01599

v.

COUNTERCLAIM

SECURITIES AND EXCHANGE COMMISSION, *et al.*,

Respondent(s).

**Redress Petition in the form of a Counterclaim and Challenge to the
jurisdiction of the SEC respecting private interests**

I. Notification of interested parties and their right to sue:

Introduction: My name is Eeon, known as a public advocate, however; in this instance, I am also a "customer" of Binance.

1. On June 17, 2023, the Court identified me, along with millions of others, as "Customers, including affiliated and non-affiliated liquidity providers (hereinafter referred to as 'Customers')." We have collectively invested over \$ 600,000.00 in cryptocurrency on the Binance trading platforms. The outcome of this matter directly affects me and others in similar situations.

2. The claims allege that the Defendants unlawfully solicited U.S. investors to buy, sell, and trade crypto asset securities through unregistered trading platforms, specifically Binance.com ("Binance.com Platform") and Binance.US ("Binance.US Platform") (collectively, "Binance Platforms"). The Defendants are accused of engaging in multiple unregistered offers and sales of crypto asset securities and other investment schemes.

3. Furthermore, Binance and BAM Trading are accused of engaging in unregistered offers

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Angela D. Caesar, Clerk of Court
U.S. District Court, District of Columbia

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and sales of crypto asset securities, including Binance's own crypto assets called "BNB" and "BUSD," as well as the Binance profit-generating programs called "BNB Vault" and "Simple Earn," and a so-called "staking" investment scheme available on the Binance.US Platform. These actions have allegedly deprived investors of material information regarding the risks and trends associated with these securities.

4. Additionally, BAM Trading and BAM Management are accused of making misrepresentations to investors about the implemented controls on the Binance.US Platform. They raised approximately \$ 200 million from private investors in BAM Management and attracted billions of dollars in trading volume from investors, both retail and institutional, seeking to transact on the Binance.US Platform. It is claimed that, starting in or around 2018, the Defendants, under Zhao's control, designed and implemented a multi-step plan to surreptitiously evade U.S. laws, with the Binance Chief Compliance Officer admitting that they do not want Binance.com to be regulated.

5. However, it is important to note that these allegations are just that, allegations. Cryptocurrencies have been treated as transactions between private parties since nearly 2000 and this remains the case today.

6. The Securities and Exchange Commission (SEC) had numerous opportunities to regulate cryptocurrency but consistently maintained that cryptocurrencies were not securities and therefore fell outside their jurisdiction.

7. Considering the SEC's failure to regulate cryptocurrency for over twenty (20) years, it is questionable how the SEC can accuse one of evading regulations when even the SEC did not require such regulations.

8. The SEC has not provided any law mandating the regulation of cryptocurrencies. Their suggestion that a person expressing a desire not to be regulated is evidence of a conspiracy or attempt to evade money laundering is absurd.

9. We challenge any claim that a person's statement can be used against them in a Court of law, particularly in a civil proceeding. Public figures address audiences all the time and unless under oath, the state has no jurisdiction to use their statements solely for the purpose of prosecution. The person making the statement was not under oath of office; it was a simple statement. Furthermore, stating that you do not wish to be regulated does not imply an intention to intentionally violate the law.

II. Here are eight (8) industries that are not regulated by the SEC:

1. **Freelance Services:** Individuals offering freelance services, such as writing, graphic design, or consulting, often face fewer regulatory burdens compared to traditional businesses.
2. **E-commerce:** While some aspects of e-commerce are regulated (*e.g.*, consumer protection, privacy), online retail platforms generally have fewer regulatory requirements compared to physical stores.
3. **Web Development:** The web development industry is relatively unregulated, allowing developers to create websites and web applications without significant government interference.
4. **Art and Crafts:** Artists and artisans creating and selling their own artwork and crafts typically face minimal government regulations, although copyright and intellectual property laws still apply.
5. **Personal Training:** Independent personal trainers can operate their businesses with fewer government regulations, as long as they adhere to basic health and safety standards.
6. **Professional Coaching:** Similar to personal training, professional coaches often have more flexibility in running their businesses due to fewer regulatory requirements.
7. **Event Planning:** Event planners have relatively fewer government regulations to comply with compared to industries such as food service or hospitality.
8. **Social Media and Influencer Marketing:** While regulations exist regarding advertising and endorsements, the social media and influencer marketing industry generally faces less government intervention.

If we follow the SEC's reasoning, a person who simply wants to be a freelance photographer because they do not wish to be regulated by the government would be considered guilty of a crime. The SEC's accusation of conspiracy against us is based on similar flawed logic and we strongly object.

III. Statement of Interest:

1. There is a claim that someone misled me regarding the risks involved in cryptocurrency trading, but that is not the case. I created and started a group called "The LaunchPad" and we not only participate in cryptocurrency trading but also educate individuals about the nature of this arena, as every investor should do.

2. We underwent age verification and the KYC's (Know Your Customer) verification processes. Binance provided notices to every customer, warning about money laundering, gambling, and scamming others. Therefore, we reject the presumption that Binance misrepresented the facts or conspired to evade taxes.

3. After every transaction, there is a comprehensive accounting process, surpassing even the rigorous accounting regimens of major financial institutions. Additionally, to protect our funds, we have the opportunity to secure our funds to safeguard against scammers and hackers. This is a process known as "staking" which is similar to a temporary savings account or an "on platform" crypto wallet. Either way, all details and aspects of this process are explained, including the benefits associated thereto as any assertions to the contrary lack merit and any other sort of credence must be categorically denied entertainment.

IV. Legal Standard:

1. A bank or other financial institution can legally shut down someone's account, block access to their funds and collect interest resulting from holding or staking the customers funds. However, the SEC, through its attorneys, suggests that only financial institutions are permitted to practice such a scheme. This suggestion is preposterous.

2. As a party having a direct interest, "the Class," which incorporates - "Berry M8ke Cents Grow" consisting of two hundred eleven (211) directly affected real parties of interest - members along with as previously mentioned "The LaunchPad" consisting of one hundred one (101) directly affected real parties of interest members are directly and/or indirectly affected by the outcome of this instant matter.

3. Prior claims against the SEC are reiterated. The SEC receives its authority from Congress respecting securities and the regulation thereof. Congress has not in any way stipulated that cryptocurrencies are securities, in fact, to the contrary; the United States Congress has specifically stated that cryptocurrencies are not securities - the United States Congress has the authority to determine whether or not cryptocurrencies are regulated as securities. However, Congress has yet to pass any laws specifically addressing cryptocurrencies.

4. The proper procedure is for the SEC to petition Congress and follow the legislative process. The SEC does not have the authority to legislate through litigation and neither do the Courts.

5. Circumventing the process can cause a great deal of harm to the stability of the

Democratic system and the Republic framework established here in America and in some cases may be interpreted as tantamount to treason, rebellion, and/or other insurrection-based activities as defined by the Fourteenth Amendment Section 4.

6. As noted earlier, when the SEC brought forth their claim against Binance, they stated that somehow, Binance had misled individuals such as us and this was completed without any communications. An affiliate of Binance with whom we operate through has been upfront with the exception that they operate from a different legal system as they are a foreign entity to those of us here in the United States. The fact is, we were well aware of this when we signed up for the program, however simply stated that we were not told and/or was somehow misled is not completely accurate and is not grounds for requesting an injunction.

7. The claim that Binance is co-mingling funds is not correct either. In order to transfer the funds, this signifies that the funds are separate, because the funds are not existing in the same location initially. Moving the funds from the United States offshore requires taxes to be paid on the funds if they fall under the category of a capital gains. Once they are moved offshore and the taxes have been paid, the United States exercises no jurisdiction over those funds and so it matters not if they are co-mingling. This is especially in light with the fact that, if the neighboring country for which the funds are transferred, has no regulations for such, then there is no criminal activity or illegalities that can be attributed by of the United States to the offshore entity. The SEC appears to have overshot its authority!

8. As stated earlier, regulations are necessary just as we need regulations in the medical field. We also need regulations and financing within reason. We state this along the following line of reasoning, "What if, there was a regulation that allowed a medical facility to only working on individuals who had a specific genetic marker and all other persons who could benefit from the services were denied because they didn't have the proper genetics?" This would most definitely be a violation of the principles of equal protection of law, *i.e.*: unconstitutional.

9. The SEC stated that cryptocurrencies must meet the Howey Test criteria is hereby challenged as unconstitutional. First of all, the Courts coming up with a four-part test and not being the standard is a violation of the delegation of authority. According to the restrictive instrument, the Constitution of the United States, the Courts do not get to determine what test is applicable and under what circumstances because there is no direct delegation of authority and/or license granting the Courts such a jurisdiction.

- a. Interpretation of the law, if it only belongs to the Courts to make such a determination, would allow room for ignorance, because individuals could then say that they couldn't understand the law, didn't know the law because they were not permitted to understand and know the law as a result of the Courts sole responsibility for interpreting the law!

- b. The Howey Test is a good starter, however; what is most important is that it was impossible for Congress to not have understood the concept of digital currency. How so? The Act of March 9, 1933, commonly known as THE NATIONAL EMERGENCY BANKING RELIEF ACT, an amendment to The Trading with the Enemy Act, so references cryptocurrencies as commodities and securities. This predates the Securities Act and/or the Exchange Act of 1933 and 1934 respectively.

10. Whether or not a cryptocurrency is a commodity and/or a security must be defined in statute and if not specifically defined in statute and/or identified, there is no controversy and there is no interpretation. One must get Congress to so specify because Congress under its authority to regulate commerce does not have the authority to grant another the authority to regulate commerce!

11. The SEC is assuming authority where authority had not been granted to assume and there is nothing on any record showing that the SEC has the right to regulate a cryptocurrency, for which itself, has a history of claiming that cryptocurrencies are not securities.

- a. There is somehow the argument that there is a specific manufacturer (with the reference to cryptocurrencies that definition does not apply).
- b. There is an investment of money. Cryptocurrency is a medium of exchange but is not money as defined by the Constitution. It is neither legal tender nor has it been classified by Congress under the Coinage Act and/or any of the Banking Acts as money!
- c. The investment is in a common enterprise - there is no common enterprise, for their customers are investing in coin that are on what is known as a block chain, the customers, and neither the suppliers of the block chain that they are the suppliers of the coins, because they purchased the Coins independently of the block chain, since the block chain does not own the coins! Because the block chain does not own the coins, even though there is a common phrase, "Not your key, not your crypto" in order for this aspect of the Howey Test to apply, the block chain would have to own the coin, and if it did, then it would not meet the definition of a security, because there is no common enterprise at that point, because they would own both the coin and the investment platform, and it would not qualify as an investment because they would be investing in their own product, their own property, on their own platform, and then there could be no claim of money laundering, now could their?
- d. The investor expects profits to be derived solely from the efforts of others is contrary to the reality of block chain and that of cryptocurrency exchanges. Solely from the efforts of others, where the block chain is set up, the customer, has to initiate the trade, has to supply the coins being traded on, which would negate the term "solely from the efforts of others" thus the SEC fails the test!

- e. The investment is not readily convertible into cash. We have two terms here of which do not add up. The first is an investment of money and the second the investment of money is not readily converted into cash. The Howey Test uses the term investment, then it uses the term money and cash. We've already dealt with the fact that money and cryptocurrencies are not the same, as they have not been identified by the United States Congress as being interchangeable, and/or legal tender. Readily convertible to cash is not how cryptocurrency works, because it is not readily convertible to cash. There even cryptocurrency ATMs, financial institutions accept cryptocurrency in exchange for cash, getting all technical, the SEC fails this test, either way, because the SEC has asked for a jury trial and were asking for a trial by jury which are not synonymous, these prongs of this test are matters for a jury to decide!

12. There exists Binance, *et al.*, and its subsidiaries, and/or affiliates, and/or sub-corporations whether nationally, and/or internationally, as well as the other block chain organizations. Because of the knee-jerk reactions caused by the SEC's and the DOJ's complaints, the involvement of foreign governments as a result of these complaints, this has had a direct impact on the customer's right to access their property. This appears to be the design and outworking of the scheme devised by the SEC's legal TEAM.

13. Because an accounting has been requested, the withdrawal features have been suspended without input from the customers who are directly impacted and affected by such an act, they are being given a proper opportunity to challenge, as the act has led to the suspension of any withdrawal functions and/or proper justification for such actions. The Supreme Court has held that individuals have a right to a hearing before being denied any significant due process deprivations or property rights have been affected. A fundamental due process right. We do have a say do "[W]e" not?

14. We present this Countersuit and charge Binance, *et al.* with theft and fraud. Not because they have misinformed us as to our investment(s) but because they have denied us access to the withdrawal of our property from their platforms, even if it was at the issuance of an order from the Court. "Not your key, not your crypto." The keys are important and help to provide security and when operating on a decentralized platform such as that provided by Binance, *et al.*, the investors are aware that there may be some limitations placed on their withdrawals, for allowing a party to withdraw all of your funds at one time could destabilize the entire industry, and no one wants that.

15. However, Binance, *et al.*, and other cryptocurrency organizations and/or block chain platforms have made the unilateral decision to deny "the Customers" the right to their property, a universally recognized right of due process.

16. Although we are trading on a platform that is foreign to the United States, the funds for trading on that platform originate in the United States. Cryptocurrency is acquired in the United States and then transferred to the platform *via* electronic means outside the United States, by

doing business in the United States, Binance, *et al.* accepts, acknowledges, and recognizes the laws of the United States.

17. We are simply challenging the fact that Binance, *et al.*, and other cryptocurrency platforms deny customers such as us the right to withdraw. We are also challenging the fact that the Court's order also blocks the right of law-abiding civilians to have access to their property. No one ever suggested that 50% would be withheld or that 40% would be withheld, no. There was a total blockage on all access to all withdrawal features as a result of the Court, Binance, and the SEC's consent agreement without taking into consideration, the "Customers" also defined in statute as consumers, and throughout these proceedings, the word and/or phrase and/or term customer shall be synonymous with -"consumer!"

18. Binance and/or its subsidiaries also do not provide full disclosure when it comes to ownership and/or access for filing complaints and/or claims and we seek to have such corrected by our counter complaint.

V. Presentation: The existing parties adequately represent the interests.

1. The SEC cannot represent the interests of "the Customers" because the SEC is accusing the "Customers" of engaging in a conspiracy to include money laundering and other nefarious activities. Therefore, any representation of the SEC respecting the "Customers" would be a conflict of interest to say the least.

2. Binance, cannot represent the interests of the "Customers" because Binance is accused of a conspiracy with the "Customers" and has elected to give up personal data and other information regarding the "Customers" without ever having communicated such to the "Customers" and giving them an opportunity to object and/or to contest and/or to acquiesce and/or to forfeit *via* default. The Supreme Court of the United States stated: an individual has a right to be informed and that they have the right to notification prior to being subjected to any significant deprivations of any property rights. They have the right to choose whether or not to contest, to acquiesce, to default, and/or otherwise. Binance *et al.*, has a conflict of interest and could not possibly represent the interests of the "consumer."

3. The Court issued an order which has a direct bearing on the "consumer" and they failed to give proper notice to the "consumer" before taking away their rights in violation of the Due Process Clause and the Takings Clause of the Fifth Amendment. It is fundamentally understood that the Court is an entity operating for the public and any property rights it seizes, and/or takes, are secured and must be for public interests which allows a claim under the Fifth Amendment of the United States Constitution for violation of the Takings Clause!¹

¹ 339 U.S. 306 This is defined by our holding that 'The fundamental requisite of due process of law is the opportunity to be heard.' *Grannis v. Ordean*, 234 U.S. 385, 394, 34 S.Ct. 779, 783, 58 L.Ed. 1363. This right to be heard has little reality or worth unless one is informed that the matter is pending and can choose for himself whether

VI. Summarization:

1. This section summarizes the proposed intervenor's counterclaims and points, requesting that the Court grant our motion to intervene and allow a "trial by jury" to decide the counterclaim. It is important to note that a "trial by jury" and a "jury trial" are not synonymous.

2. As consumers, the "Customers" have a right to intervene into this instant matter and to bring forth their legitimate claims with reference to the issues presented, and to challenge the jurisdiction of the SEC, and welding of such exercise of jurisdiction by the SEC, which this presentment purports to do.

3. The fact that the SEC has attempted to legislate to regulation is in violation of the delegation of authority, and we challenge their jurisdiction as a result thereof.

4. The four (4) Tiers of the Howey Test are not met. The profits derived are based on several key factors and parties actions and not solely derived by the efforts of others. The funds are acquired by being converted into monies and/or cash, and such as through a One-Click mechanism known as "the withdrawal process."

5. The issue of staking and securing funds on a platform as opposed to removing them from the platform and having to place them back on the platform, and in removing them from the platform, and then having to place them back on a platform, then removing them from the platform... is a mechanism designed to help to alleviate the possibility of loss respecting the transference of the coins by the redundancy of the repeated process noted herein.

a. Staking is the same as having a savings account with a financial institution. A party owns interests by allowing the crypto block chain platform to secure the funds. If there is anyone who appreciates the analogy, please pardon the presumption, that a simplistic familiar illustration would help with a better understanding of what was being conveyed. That is for the sake of the jury that such an analogy was utilized in the first instance.

6. We have placed this countercomplaint through an AI language model algorithm, so as to

to appear or default, acquiesce, or contest. An elementary and fundamental requirement of due process in any proceeding which is to be accorded finality is notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections. *Milliken v. Meyer*, 311 U.S. 457, 61 S.Ct. 339, 85 L.Ed. 278, 132 A.L.R. 1357; *Grannis v. Ordean*, 234 U.S. 385, 34 S.Ct. 779, 58 L.Ed. 1363; *Priest v. Board of Trustees of Town of Las Vegas*, 232 U.S. 604, 34 S.Ct. 443, 58 L.Ed. 751; *Roller v. Holly*, 176 U.S. 398, 20 S.Ct. 410, 44 L.Ed. 520. The notice must be of such nature as reasonably to convey the required information, *Grannis v. Ordean, supra*, and it must afford a reasonable time for those interested to make their appearance, *Roller v. Holly, supra*, and cf. *Goodrich v. Ferris*, 214 U.S. 71, 29 S.Ct. 580, 53 L.Ed. 914. But if with due regard for the practicalities and peculiarities of the case these conditions are reasonably met the constitutional requirements are satisfied. 'The criterion is not the possibility of conceivable injury, but the just and reasonable character of the requirements, having reference to the subject with which the statute deals.' *American Land Co. v. Zeiss*, 219 U.S. 47, 67, 31 S.Ct. 200, 207, 55 L.Ed. 82, and see *Blinn v. Nelson*, 222 U.S. 1, 7, 32 S.Ct. 1, 2, 56 L.Ed. 65, Ann.Cas.1913B, 555.

document, that it is in a language that any common man or woman above the age of 18 *i.e.*: competent to understand basic principles of law, would be able to grasp the points being made here, although some of the terms might be either unfamiliar and/or technical. It has assured us that based on the structure and the format, that any party reading it who is above 18 years of age would get the basic understanding and at most certainly a lawyer or a judge would understand the complexities of the information herein presented.

VII. Suit in Law and not Equity as the United States is a Party

1. As noted, the court identified a collective body and referred to them as, “the Customers” yet the customers, although referenced by the court in one document more than fifty (50) times (*See*: Order of June 17, 2023 of this instant matter), clearly documents that there is a class, clearly documents that there is a property interest, clearly documents that the outcome of this matter shall have a direct bearing on them, clearly documents that the court issued an order concerning their interests, property, and/or the disposition of substantial rights.

2. Request for application of class status would be unnecessary as a result thereof, as the party has been properly identified as a real party in interest and the credit carriers for a motion to intervene are thereby satisfied.

3. The SEC, an agency for the United States, places this matter under the Eleventh Amendment to the Constitution for the United States and this particular suit may not be had under equity as a result thereof and must be had under the laws of the United States.

4. We further bring to the court’s attention, as well as the jury, that the U.S.C. is hereby forever challenged, as not part of the legislative process, THE U.S.C. IS WRITTEN BY THE LAW REVISION COUNCIL and not the Legislature. THE LAW REVISION COUNCIL are not elected officials and the compilation is rrenal with errors, upon last checked, over 6000 errors in the code, both positive and nonpositive and we object to the use of such throughout these proceedings, as this information shall operate as a preponderance of evidence to the contrary of any claim.

5. Our counterclaim shall be in the amount equal to 20% of the daily value of the funds withheld compounded per-diem, or \$ 1000.00 per day per customer to be divided between Binance, *et al.*, and its subsidiaries (50% of responsibility). The other 50% being the responsibility of the SEC, equating to \$ 500.00 per day for the SEC and \$ 500.00 per day for Binance, *et al.*, per customer, as a result of their acts, and/or actions, and/or inactions, and/or forbearances, and/or conduct, and/or performances that has resulted in damage to the property and/or blockage of access to property which may or may not have resulted in a loss of value in such property, directly or indirectly as a result of the actions, and/or inactions, and/or conduct, and/or performances, and/or forbearances. Such costs, the per day penalty, shall commence from 5 June 2023 and continue until this matter is resolved!

VIII. Unique circumstances

1. It does not appear, that in our history, someone has ever brought forth a counterclaim in a matter that was initiated by one of the agencies of the United States and/or the Attorney General. Usually the United States represents the interests of the people, in this instance, the United States is not representing the interests of the people, but the interests of the SEC.

2. It appears in this instance, that the SEC's actions are vindictive, retaliatory, that the SEC has an ax to grind and they are not concerned about the collateral damage.

3. The SEC has lost sight of its mandate in this instant matter, the SEC is said to have been put in place, to assure that investors were not taken advantage of, to make sure that the marketplace was fair and available to those seeking to utilize it.

4. The SEC is not responding the Congress and technically they do not have to, although, that's where they receive their delegation of authority. However, it is evidenced, as they are not willing to cooperate with Congress and they appear to be attempting to usurp congressional authority. It also appears that the SEC is trying to rewrite the laws of regulations, which means that they are not representing the people of the United States and/or the class herein named, "the Customers."

5. It is therefore necessary to bring forth our claim against the SEC and against Binance, *et al.* This may be unusual in form, however; there are no rules, and/or laws prohibiting the people, in this instance represented by a small segment and/or class known as "the Customers" for bringing a claim and intervening in the matter whereby their interests are paramount.

IX. Appointment of counsel

1. This is a complex matter, although I, Eeon, am suited for representing the interests of the Class as I have provided evidence to this body that I have been recognized as such. The seventy (70) plus attorneys that this court has rejected respecting intervention, none of them spoke up for the "Customers" which could imply that, simply **NO ONE CARES!**

2. Because of the complexity of the matter and the issues involved, we asked the court under the limited power of speaking on behalf of the group, **to appoint counsel to represent the interests of the group and to address the issues raised herein specifically before the court and before the jury.**

3. Although the aforementioned complies with Rule 5 and Rule 8, we ask and insist that it Be construed contractually so that there is no confusion. If there are any necessities for correcting any provision, we asked that the court point out the deficiencies and we will assure

that the deficiency will be corrected without delay. We thank the court for its time in considering our Counterclaim as presented.

X. Certification and Acknowledgment

Representatives name: Eeon

Representatives Address: 304 South Jones Boulevard, Void-EEON, Las Vegas Nevada 89107

[Please note that absolutely no bulk mail and/or parcels are to be sent to this address under any circumstances, if there was a need, please communicate for proper procedure for delivery of the aforementioned items.]

The aforementioned is wholly accurate, witness by and before God and is placed in this affidavit format as such under penalty if held otherwise so help me God. A copy of this present has been sent to all responsive parties as prescribed in law by either U.S. Postal Service and/or other means for which they reasonably service, on or about this the 8th day of July 2023 A.D.



Eeon

CERTIFICATE OF SERVICE

On this 8th day of July 2023, the aforementioned was sent *via* United States Postal Service to the following:

United States District Court
District of Columbia
333 Constitution Avenue NW
Washington, D.C. 20001-2802


via: U.S.P.S. Tracking No.: 9400111206203224681558

Securities Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

via: U.S.P.S. Tracking No.: 9400111206203224986622

Binance Holdings Limited
San Francisco HQ
1 Letterman Dr # C3-800
San Francisco, CA 94129-1494

via: U.S.P.S. Tracking No.: 9400111206203224987230



/s/ Eeon