

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

COLBY GOROG, JOSHUA FLINT,  
LOUIS ROBINSON, and MICHAEL LERRO,  
individually and on behalf of all others  
similarly situated,

Plaintiffs,

v.

ELON MUSK and TESLA, INC.,

Defendants.

**Civil Action No.: 1:22-cv-05037-AKH**

**PLAINTIFFS' THIRD AMENDED  
CLASS ACTION COMPLAINT**

**JURY TRIAL DEMANDED**

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### **NATURE OF THE ACTION**

This is a securities fraud class action arising from a deliberate course of carnival barking market manipulation and insider trading by the world’s richest man Elon Musk, who hijacked an emergent pop-culture phenomenon to cross-promote himself and his companies, and to pad his obscene fortune, preying on the earnest hopes of vulnerable Americans, including war veterans, blue collar workers, and the elderly. Just a few days ago, on May 16, 2023, Musk stated in an interview with CNBC that, “I’ll say what I want to say and if the consequence of that is losing money so be it.” After this case was filed Musk tweeted to his 100 million followers, “I will continue to support Dogecoin,” and the next business day after filing a motion to dismiss in the instant case Musk changed the Twitter blue bird logo to the Dogecoin Shiba Inu logo for three days, spiking the price of Dogecoin 30%.

In April 2019, celebrity tycoon Elon Musk initiated a publicity circus—on social media and television—that wildly manipulated the market for the Dogecoin cryptocurrency. Self-proclaimed “Dogefather” and “Dogecoin CEO” Musk drew in a flock of millions of new investors as he sent out tweet after tweet, pumping up Dogecoin’s price 36,000% by May 2021 (a \$90+ billion market cap increase), just prior to a spectacular crash that saw the cryptocurrency rapidly lose 90% of its value when the Dogefather slipped up by describing Dogecoin as “a hustle” live on national television. Throughout this time, Musk misled investors about the nature of Dogecoin and its risks and potential rewards; he omitted key facts about his personal and business interest in promoting it; and he encouraged his fans to hold on to their investments in the aftermath of a mass crypto liquidation by more sophisticated investors.

Musk’s followers did exactly what he said. Musk’s pretense that promotion of Dogecoin was just well-meaning fun—not meant to be taken seriously—is not credible. It is Musk’s custom

to publicly address serious topics glibly on Twitter. That doesn't make him any less serious. Musk knows that the bulk of his followers are not sophisticated in business or investment, and Musk uses this knowledge to manipulate them. Musk is what is called an apex predator, feeding on and manipulating the hordes below, including his Twitter following which has grown to 141 million.

Numerous independent scientific studies credibly demonstrate that Musk's social media manipulations are the direct and proximate cause of the dramatic price fluctuations of Dogecoin, a highly speculative security investment he has been touting since 2019. Musk's Twitter activity before and during the class period shows that he leveraged his public image to mislead investors, and blockchain records bolstered with robust pretrial discovery will show that Musk and his company, Tesla, Inc., traded profitably on foreknowledge of his intended moves, only to cause Plaintiffs and the Class of millions of investors to lose billions of dollars in the aggregate.

On behalf of themselves and all others similarly situated, Plaintiffs now seek to hold Defendants Elon Musk and Tesla Inc. accountable.

## **PARTIES**

### **I. DEFENDANTS**

1. Defendant Elon Musk is a United States citizen and a global, household-name celebrity. He is CEO and largest individual shareholder of, respectively, U.S.-based vehicle manufacturer Tesla, Inc.; U.S.-based satellite manufacturer SpaceX; and U.S.-based social media platform Twitter. During the class period he was, and remains, one of the two wealthiest individuals in the world with a net worth of approximately \$250 billion.

2. Defendant Tesla, Inc. is a publicly traded Delaware corporation with its principal place business located at 13101 Tesla Road, Austin, TX 78725.

## II. PLAINTIFFS

### A. Lead Plaintiffs

3. Plaintiff Colby Gorog is a U.S. Army special operations veteran, 75th Ranger Regiment, and is a full-time undergraduate student at Columbia University in New York City. As a direct and proximate result of Defendants' misconduct alleged herein, Mr. Gorog lost approximately \$30,000 investing in Dogecoin domestically on the Robinhood exchange, as set forth in Mr. Gorog's certification, filed with Plaintiffs' Second Amended Class Action Complaint ("SAC") and attached hereto as (**Exhibit "A"**).

4. Plaintiff Joshua Flint is an aerospace technician from Florida. As a direct and proximate result of Defendants' misconduct alleged herein, Mr. Flint lost approximately \$30,000 investing in Dogecoin domestically on the Robinhood exchange, as set forth in Mr. Flint's certification, filed with Plaintiffs' SAC and attached hereto as (**Exhibit "B"**).

5. Plaintiff Louis Robinson is a cancer survivor and retiree from Arkansas. As a direct and proximate result of Defendants' misconduct alleged herein, Mr. Robinson lost approximately \$17,000 investing in Dogecoin domestically on the Robinhood exchange, as set forth in Mr. Robinson's certification, filed with Plaintiffs' SAC and attached hereto as (**Exhibit "C"**).

6. Plaintiff Michael Lerro is a hospital administrator from New Jersey. As a direct and proximate result of Defendants' misconduct alleged herein, Mr. Lerro lost approximately \$150,000 investing in Dogecoin domestically on the Robinhood and Coinbase exchanges, as set forth in Mr. Lerro's certification, filed with Plaintiffs' SAC and attached hereto as (**Exhibit "D"**).

7. Pursuant to their Motion to Appoint Lead Plaintiffs and Approve Lead Counsel, filed December 22, 2022, as Document 42, Plaintiffs Gorog, Lerro, Flint, and Robinson were appointed Lead Plaintiffs by order of the Court on January 3, 2023, in Document 44 filed in this action.

**B. The Class**

8. Pursuant to FRCP 23(a) and (b), and the Private Securities Litigation Reform Act of 1995 (“PSLRA”), 15 U.S.C. § 77z-1(a), Plaintiffs bring this action on behalf themselves and all others similarly situated, namely, all individuals and entities who hold Dogecoin at a loss—or who have lost money trading Dogecoin—since February 4, 2021, when the price of Dogecoin first breached \$0.05 (USD five cents) per “coin,” until the present.

9. Excluded from the Class are the Defendants, any firm, trust, corporation, or other entity in which any Defendant is an agent, beneficiary, officer, director, shareholder, or trustee, and the representatives, officers, directors, subsidiaries, heirs, successors-in-interest and/or assigns of any such excluded party.

10. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiffs at this time and can only be ascertained through appropriate discovery, Plaintiffs believe that the number of Class members is in excess of two million.

11. Currently, there are over 4.92 million Dogecoin wallets. There are also millions of people who trade cryptocurrency without using a wallet, through major domestic exchanges, the largest of which (that offers Dogecoin) is Robinhood. Robinhood has offered Dogecoin since 2018. As of April 8, 2021, Robinhood had over 9.5 million customers trading cryptocurrency, and Dogecoin has consistently been ranked among the top ten cryptocurrencies Robinhood offers its customers.

12. Members of the Class may be identified from records maintained by exchanges such as Robinhood, Gemini, Kraken, Webull, and Coinbase and may also be identified by any given wallet’s owner signing a message using the private key associated with that wallet’s public address,

to prove ownership. Exact data showing profits and losses from any given wallet are readily available on the Dogecoin blockchain.

13. Members of the Class were notified by pendency notice published September 23, 2022, in national wire service Accesswire.

14. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual Class members, including:

- (a) whether by his misstatements, omissions and other acts, Defendant Musk violated 17 C.F.R. § 240.10b-5 promulgated under 15 U.S.C. § 78j(b), as alleged herein;
- (b) whether Defendants Musk and Tesla, Inc., committed insider trading in violation of the aforesaid laws per 15 U.S.C. § 78t-1 as alleged herein;
- (c) whether Defendant Musk knew or recklessly disregarded the fact that his statements and/or omissions were materially false and misleading;
- (d) whether Defendant Musk's statements omitted material facts necessary to make them not misleading, in light of the circumstances under which they were made;
- (e) whether Defendant Musk was a controlling person of Defendant Tesla, Inc. under Section 20(a) of the Exchange Act;
- (f) the extent to which the market price of Dogecoin securities during the Class period was artificially inflated due to the material misrepresentations complained of herein;
- (g) the extent to which the members of the Class have sustained damages and the proper measure of damages;
- (h) whether Defendant Musk committed fraud in violation of the common law of the State of New York;
- (i) whether Defendants were unjustly enriched.

15. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual class members may be small relative to the total damages suffered by the Class, and because the Class comprises persons of limited means and low income, the expense and burden of litigation make it impossible for members of the Class to individually redress the wrongs done to them.

16. There will be no difficulty in the management of this suit as a class action.

### **JURISDICTION & VENUE**

17. Plaintiffs invoke this Court's jurisdiction under Article III, § 2 of the United States Constitution; the Securities Exchange Act of 1934 § 10(b), 15 U.S.C. § 78j(b) and Securities and Exchange Commission ("SEC") Rule 10b-5 promulgated thereunder at 17 C.F.R. § 240.10b-5; and Section 20A of the Securities Exchange Act, 15 U.S.C. § 78t-1.

18. This Court has personal jurisdiction over the Defendants because they have sufficient minimum contacts with the United States and the State of New York.

19. This Court has jurisdiction over the subject matter of this action pursuant to § 27(a) of the Securities Exchange Act, 15 U.S.C. § 78aa(a); under 28 U.S.C. § 1331; and under the Class Action Fairness Act, 28 U.S.C. § 1332(d)(2), because this is a class action, at least one member of the class is a citizen of a State different from at least one Defendant, and the matter in controversy exceeds the sum or value of \$5,000,000, exclusive of costs and interest.

20. Venue is proper in the Southern District of New York pursuant to § 27 of the Securities Exchange Act, 15 U.S.C. § 78aa(a); and pursuant to § 28 U.S.C. 1391(b), because the Defendants transact business in this District, a substantial part of the acts, events, or omissions giving rise to

Plaintiffs' claims occurred in this District, and the Court has personal jurisdiction over the Defendants.

## **STATEMENT OF FACTS**

### **I. WHAT IS DOGECOIN?**

21. Dogecoin is a cryptocurrency.

22. "Cryptocurrencies," including Dogecoin, are speculative digital assets designed to function as electronic cash. They allow payments to be sent directly from one party to another, ostensibly without first going through a financial institution. They function as mediums of exchange, investment instruments, and stores of wealth, but they are not backed by any product, service, bank, commodity, insurer, government, or bona fide corporation and do not yield dividends. There is no secondary market for cryptocurrencies.

23. Units of Dogecoin ("coins" or "Dogecoins") are "stored" on a dedicated "blockchain," a decentralized, digital public ledger that runs on a specialized software program called Dogecoin Core. Dogecoin Core uses cryptographic protocols to anonymize and secure transactions, distributing and replicating the blockchain across a network of computers called "nodes." The Dogecoin blockchain records and tracks the ownership of every Dogecoin in existence, and every Dogecoin transaction that has ever taken place. This information can be viewed on websites such as BitInfoCharts.com, BlockExplorer.one, Blockchair.com, and Dogechain.com.

24. Dogecoin Core is an open-source software designed and maintained by various "developers," and available for download from Dogecoin.com, and from GitHub, an internet hosting service for software development that is owned by Microsoft.

25. Like other cryptocurrencies, Dogecoins are created by a process called "mining." Transactions using the coins are bundled by the software into "blocks" containing metadata and a

list of constituent transactions. These blocks are released by the software onto the Dogecoin blockchain as cryptographic puzzles, enabling “miners” to use computing power to solve the puzzles and process the blocks, thus validating the transactions and helping to secure the network. To incentivize people to participate in this process, the miner who solves a block first is rewarded with new Dogecoins.

26. A Dogecoin investor doesn’t need to “mine.” The investor simply interfaces with the blockchain to purchase units of Dogecoin through a personal “wallet,” which can either be a mobile app, or a hardware device (often resembling a USB stick or external hard drive) with a customized chip, that runs on a mobile device or computer.

27. A wallet does not hold any actual Dogecoins. Rather, it stores the private and public “keys” to the investor’s “address” on the blockchain where the Dogecoins and their ownership are recorded. For first-time users, a wallet generates a unique private key akin to a bank PIN, and a public key or “address” akin to a bank account number.

28. A cryptocurrency wallet is an investor’s passport to interface with the blockchain. It allows the investor to transfer and receive ownership of units of cryptocurrency by keeping the investor’s keys accessible and secure.

29. A custodial wallet is an address to which the individual investor holds the private key. An investor can use his custodial wallet to purchase Dogecoin through an online exchange, sell Dogecoin back onto an online exchange, or transfer Dogecoin directly to another wallet.

30. Major online exchanges offer custodial wallets hosted through their platforms. To trade cryptocurrency through these exchanges, an investor must open an account on the exchange by providing personally identifying information exactly as he would to a stock brokerage. The investor funds his exchange account by connecting it with his personal bank account and

transferring dollars via debit or wire transfer and can then trade cryptocurrencies offered on the platform through his or her built-in custodial wallet.

31. A non-custodial wallet is a wallet that a trusted entity other than the investor holds the private key to. Major online exchanges maintain these wallets, and members of the investing public may trade from them by opening an account on the exchange, which requires the investor to provide the exchange with personally identifying information exactly as he would to a stock brokerage and fund his investment account by connecting it with his personal bank account and transferring dollars via debit or wire transfer. The investor can then buy and sell units of the cryptocurrency held in the platform's wallet without having to use a wallet of his own.

32. Ironically, Dogecoin co-founder Billy Markus, who is currently a Board Advisor of the Dogecoin Foundation, Inc. ("DCFI"), has described cryptocurrency essentially as a scam driven by, "99.99% greater fool theory."

33. Greater fool theory posits that (foolishly) investing in an overvalued asset can be profitable, provided the asset can be sold to a "greater fool" ready to pay an even higher price based on the overvaluation. The term has been used to describe cryptocurrency by Warren Buffet and Bill Gates.

## **II. DOGECOIN IS A SECURITY**

34. A security is, "a contract, transaction or scheme whereby a person invests his money in a common enterprise and is led to expect profits solely from the efforts of the promoter or a third party." *S.E.C. v. W.J. Howey Co.*, 328 U.S. 293, 298-99 (1946).

35. "Numerous cases throughout the United States, and especially by this Court, have determined that cryptocurrencies are in fact an investment contract security subject to the SEC." *Sec. & Exch. Comm'n v. Telegram Grp. Inc.*, 448 F. Supp. 3d 352, 359 (S.D.N.Y. 2020)

36. As a cryptocurrency without any secondary market, Dogecoin qualifies as a security. The purchase and sale of Dogecoin is a transaction or scheme involving the issuance of Dogecoin virtual units (“tokens” or “coins”) to participants in exchange for investment of money.

37. The enterprise is common because the digital ‘ecosystem’ or network around the Dogecoin blockchain consists of developers, nodes, and miners working together to develop, maintain, and secure the blockchain; and because the success of the ecosystem drives demand for Dogecoin and thus determines investors’ profits, in the form of increased value of Dogecoin. The enterprise is also common because Musk’s advisor, Billy Markus is, and Musk’s “right-hand man,” Jared Birchall was, a member of the Dogecoin Foundation, Inc. (“DCFI”) Board of Advisors; and because Musk, the Dogecoin core developers, as well as the DCFI Board Advisors, help publicize Dogecoin through social media content and by giving interviews to the press.

38. The character Dogecoin is given in commerce by the publicity efforts of Defendant Musk, is of a fun, profitable and fungible investment instrument with immense long-term utility both as a store of wealth and as a medium of exchange, on the cutting edge of technology and pop culture.

39. The investor is led to expect profits from the computing efforts of developers, nodes, and miners; from Musk’s consulting with the core developers; from the publicity efforts of Musk, DCFI, and various online shills or “influencers;” and the crypto exchanges offering Dogecoin to investors.

### **III. TRANSACTIONS IN DOGECOIN ARE DOMESTIC**

40. A transaction in Dogecoin occurs when it is validated by one or more nodes (i.e., the physical computers running Dogecoin Core software) in the network of computers that make up the blockchain or on an exchange.

41. Because Dogecoin does not physically exist except as data in a distributed software program, when Dogecoin is purchased, to the extent ownership of anything is transferred to the buyer, that thing is the record in the ledger itself or the exchange.

42. Irreversibility is one of the fundamental properties of blockchain technology. Once one or more nodes in the network or an exchange validates a transaction, the original parties to that transaction may no longer rescind their deal.

43. Then—once one or more nodes in the network has initially validated a transaction—a majority of the nodes on the network must agree that it is valid. Once verified, the transaction then becomes part of the permanent record on the blockchain.

44. The nodes of the Dogecoin blockchain come in several varieties depending on type of function. “Full nodes” are the backbone of the blockchain, akin to servers—they have both outbound and inbound connectivity, each contains a copy of the entire blockchain, and they are able to fully validate transactions and blocks and relay them to other nodes.

45. Examples of less-than-full nodes include light nodes, which verify transactions; and miner nodes, which create new blocks of transactions in the blockchain by solving cryptographic puzzles.

46. Blockchair (blockchair.com) is a cryptocurrency database and search engine that provides detailed, historical and real-time data about the activity of blockchains including Dogecoin.<sup>1</sup>

47. Blockchair’s “node explorer” feature tracks and displays, in real time, the number of full nodes of various cryptocurrencies, and what proportion of each are located in which countries.<sup>2</sup>

48. The total number of Dogecoin nodes is subject to some fluctuation at any given time.

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<sup>1</sup> <https://blockchair.com/dogecoin>

<sup>2</sup> <https://blockchair.com/nodes>

49. According to the Web Archive, as of February 15, 2021, less than two weeks after the class period began, Blockchair showed that there were 938 Dogecoin full nodes worldwide, with approximately 40% of those located in the United States.<sup>3</sup>

50. According to Dogecoin.com, as of the filing of this Third Amended Complaint (“TAC”), the Dogecoin blockchain is distributed across more than 5,000 nodes around the world, more than 1,300 of which are located in the United States.<sup>4</sup>

51. Based on the foregoing, all Dogecoin transactions are initially validated by approximately 1,300 U.S.-based nodes prior to being validated by the network and added to the blockchain. Thus, in all Dogecoin purchases, irrevocable liability attaches, and title is transferred, in the United States. This is true currently, before the class period, and throughout the class period.

#### **IV. DOGECOIN IS TRADED ON DOMESTIC EXCHANGES**

52. Plaintiffs and the Class traded Dogecoin on domestic exchanges in the United States including but not limited to Robinhood, eToro, Coinbase, Gemini, Kraken, Webull and CoinZoom.

53. Robinhood Markets, Inc., an American publicly traded corporation that operates one of the largest online stock, EFT, and cryptocurrency exchange platforms, is a Delaware corporation and SEC registered broker dealer with its registered address and/or principal place of business located at 85 Willow Rd, Menlo Park, CA 94025. The Robinhood platform has offered U.S. investors non-custodial trading of Dogecoin through its corporate wallet(s) since July 2018, and throughout the class period. Dogecoin assets purchased through Robinhood are allocated to investors’ accounts in the records of the platform, which are maintained by Amazon Web Services (“AWS”) and located in or nearby Ashburn, VA, or at another U.S.-based data center.

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<sup>3</sup> <https://web.archive.org/web/20210215201852/https://blockchair.com/dogecoin/nodes>

<sup>4</sup> <https://what-is-dogecoin.com/nodes/>

54. eToro Group, Ltd., is an Israel-based and British Virgin Islands-registered corporation that operates eToro, one of the largest online asset trading platforms in the U.S., which offers cryptocurrency trading on eToro to U.S. customers through eToro USA LLC, a New Jersey corporation and SEC registered broker dealer with its principal place of business located at 221 River St 9th Floor, Hoboken, NJ 07030. During the class period, eToro has offered U.S. investors Dogecoin through custodial wallets built into the platform through servers located primarily or entirely in the United States.

55. Coinbase Global, Inc., an American publicly traded corporation that operates Coinbase, a Delaware corporation and SEC registered broker dealer with its registered address and/or principal place of business located at 248 3rd St #434, Oakland, CA 94607. During the class period, Coinbase has offered U.S. investors Dogecoin through custodial wallets built into the platform. Coinbase's customer and transaction data is maintained on computer servers located primarily or entirely in the United States.

56. Gemini Trust Co., LLC, is a New York limited liability trust company that operates Gemini, one of the largest cryptocurrency exchange platforms in the U.S. and has its registered address and/or principal place of business at 600 3rd Ave 2nd Floor, New York, NY 10016. During the class period, Gemini has offered U.S. investors Dogecoin through custodial wallets built into the platform. Transactions via the Gemini platform occur primarily if not entirely over Gemini's Point of Presence (PoP) network infrastructure, which is housed in the Equinix NY5 data center in Secaucus, NJ, or at another U.S.-based data center.

57. Kraken, an online cryptocurrency exchange platform, is operated by Payward Ventures, Inc., a Delaware corporation with its registered address and/or principal place of business located at 237 Kearny St #102, San Francisco, CA 94108. The Kraken platform offered U.S. investors

non-custodial trading of Dogecoin through its corporate wallet(s) during the class period. Dogecoin assets purchased through Kraken were allocated to investors' accounts in the records of the platform, which are maintained by Amazon Web Services ("AWS") and located in or nearby Ashburn, VA, or in another U.S.-based data center.

58. Webull, an online cryptocurrency exchange platform, is operated by Webull Financial LLC, an SEC registered broker dealer and wholly owned subsidiary of Delaware corporation Apex Fintech Solutions LLC, which maintains its principal place of business at 44 Wall St Ste 501, New York, NY 10005. During the class period, the Webull platform has offered U.S. investors non-custodial trading of Dogecoin through its corporate wallet(s). Dogecoin assets purchased through Webull are allocated to U.S.-based investors' accounts in the records of the platform, which are maintained on computer servers located in Chicago, IL, or in another U.S.-based data center.

59. CoinZoom, an online cryptocurrency exchange platform, is operated by Coinzoom Securities LLC, a Utah corporation and SEC registered broker dealer with its registered address and/or principal place of business at 4640 S Holladay Village Plaza Ste 206, Salt Lake City, UT 84117. During the class period, CoinZoom has offered U.S. investors Dogecoin through custodial wallets built into the platform. CoinZoom's customer and transaction data is maintained on computer servers located primarily or entirely in the United States.

## **V. DOGECOIN'S DEVELOPMENT PRIOR TO MUSK'S INVOLVEMENT**

60. Dogecoin was created by software engineers Billy Markus and Jackson Palmer in 2013, purportedly as a joke intended to satirize the media hype around cryptocurrency, using as its logo an image of a Shiba Inu dog that was previously popularized as an internet meme.

61. On December 6, 2013, Dogecoin was launched, and within two weeks was trading at a volume of billions of units per day, albeit at a value less than \$0.001 (one-tenth of a cent) per coin. Within one month there were over one million visitors to Dogecoin.com.

62. The DCFI was formed in June 2014 as a Colorado non-profit corporation, to provide advocacy and support for the Dogecoin project.

63. On January 7, 2018, Dogecoin reached a pre-Musk peak of \$0.017 per coin, briefly driving its market capitalization to \$1.982 billion. However, by the end of 2018, the price dropped over 80% from its then all-time high to \$0.0023.

## **VI. ENTER RINGMASTER MUSK**

64. Prior to Musk's involvement, Dogecoin trading volume rarely exceeded \$20 million per day, but at the post-Musk peak on May 5, 2021, there was 24-hour trading volume of \$52 billion.

65. On April 1, 2019, in an online survey conducted by aforesaid @dogecoin Twitter account, Dogecoin stakeholders and fans chose Elon Musk as "CEO" of Dogecoin:

We have listened to your concerns. We have decided we need a CEO. Someone who can lead us into the future while maintaining the core values of what we are. Below are the candidates, vote wisely. **(Exhibit "E")**

66. Dogecoin enthusiasts' choice of Musk (from among four candidates) as "CEO" was accepted by Musk.

67. The following day, April 2, 2019 (in response to a Twitter user who posted a screenshot of the @dogecoin survey with the remark, "@elonmusk You can't decline!") Musk tweeted "Dogecoin might be my fav cryptocurrency. It's pretty cool." **(Exhibit "F")** The @dogecoin account then "quote retweeted" Musk's tweet with the remark, "It looks like you're the CEO now, @elonmusk, DM [i.e., 'direct message'] us where to email the access codes :-D" and Musk replied, "Uh oh." Later that day, Musk tweeted a Dogecoin-themed meme. **(Exhibit "G")**

68. Musk began advising Dogecoin's core development team the very same week the survey was released.<sup>5</sup>

69. On April 1, 2019, Dogecoin was trading at \$0.002. After Musk's Twitter activity, its price rose to over \$0.004 by April 4, 2019, doubling in value in only three days.

70. In subsequent tweets, Musk, who had tens of millions of Twitter followers at the time, dubbed himself "the Dogefather," and has tweeted about Dogecoin over one-hundred times since then as variously attached hereto. His follower-count has steadily increased since that time and now stands at over 141 million.

71. On July 17, 2020, Musk tweeted a meme of a photo of a dust storm overtaking an urban area, with the face of the Dogecoin Shiba Inu superimposed on the dust cloud. The cloud was labeled "dogecoin standard." The urban area about to be overtaken was labelled, "global financial system." Above this image, Musk superimposed the remark, "It's inevitable." (**Exhibit "H"**)

72. Immediately following this tweet, Dogecoin's price rose 14%, from \$0.00304 to \$0.00363, in less than two hours.

73. On December 20, 2020, Musk tweeted, "One word: Doge." (**Exhibit "I"**)

74. This tweet caused the price of Dogecoin to increase by 20%.

75. On January 28, 2021, Musk tweeted an image of a magazine cover parodying *Vogue* magazine. It was titled "Dogue," and it featured a dog fashion model. (**Exhibit "J"**) This tweet caused Dogecoin's price to shoot from \$0.0262 to \$0.0799, a 57% increase in just five hours.

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<sup>5</sup> See "Exclusive: Dogecoin Developers Say They've Been Working with Elon Musk Since 2019." Hamacher, Adriana. May 14, 2021. *Decrypt*. Retrieved May 11, 2023. <https://decrypt.co/70945/exclusive-dogecoin-developers-say-theyve-been-working-with-elon-musk-since-2019>

76. In the early hours of February 4, 2021, Musk tweeted a picture of a rocket blasting into space with the Moon looming in the background. Beneath this tweet, he added another tweet that read, simply: “Doge.” (**Exhibit “K”**)

77. The price of Dogecoin increased from \$0.04089 to \$0.05797 within an hour.

78. Later that day, February 4, 2021, Musk tweeted another meme. This was a screen-capture of the famous “Circle of Life” scene from Disney’s *The Lion King* animated film, with Dogecoin’s Shiba Inu mascot and Elon Musk superimposed. (**Exhibit “L”**) Above this image, Musk added the remark, “ur welcome” an apparent reference directed at Dogecoin investors.

79. Also on that day, Musk let off several more tweets touting Dogecoin, including a tweet calling Dogecoin, “the people’s crypto.” (**Exhibit “M”**)

80. On this day alone, February 4, 2021, Musk’s tweets caused a dramatic spike in Dogecoin’s price, from \$0.0400 to \$0.0579, provoking headlines in major tabloids around the world.

81. The next day, February 5, 2021, Musk tweeted another survey labeled: “The future currency of Earth.” There were two options for Twitter users to choose from: “Dogecoin to the moooonn” or “All other crypto combined.” No surprise that Musk’s followers chose Dogecoin. Within an hour of this tweet (**Exhibit “N”**), Dogecoin’s price surged from \$0.04512 to \$0.05044.

82. Later that day, Musk gave an impromptu interview outside a Los Angeles steakhouse that was videorecorded by celebrity gossip outlet TMZ. In this interview, Musk predicted, “(T)here’s a good chance that crypto is the future currency of earth— and then it’s like well, which one is it going to be?” Musk then expressed optimism that it would be Dogecoin. He also admitted that Dogecoin might eventually have an inflation problem.

83. Then, on February 7, 2021, Musk backtracked, tweeting that any inflation would not be “meaningful.” (**Exhibit “O”**) Within ten hours, Dogecoin shot up from \$0.0733 to \$0.0847.

84. This tweet was misleading, because Dogecoin is indeed “meaningfully” inflationary with 15 million new coins mined per day, equivalent to around 4% inflation per year (5 billion coins added annually to 130 billion supply).

85. On February 10, 2021, Musk tweeted that he had purchased Dogecoin for his son. **(Exhibit “P”)** This sent Dogecoin on a manic run from \$0.0687 to \$0.07904 in under 20 minutes.

86. On February 14, 2021, Musk appeared to be encouraging “major” investors to sell. He tweeted that, “If major Dogecoin holders sell most of their coins, it will get my full support. Too much concentration is the only real issue IMO [‘in my opinion’].” He followed the following day by stating, “I will literally pay actual \$ if they just void their accounts.” **(Exhibit “Q”)**

87. On February 24, 2021, Musk tweeted an image of a cartoon Shiba Inu in a spacesuit, on the moon, holding up a flag labelled “Doge.” Above this image, Musk added the remark, “Literally.” And later he tweeted, “On the actual moon.” Dogecoin’s price shot up 25% that same day. **(Exhibit “R”)**

88. Musk’s tweets from February 2021 were “liked” by millions of Twitter users and resulted in Dogecoin’s market capitalization hitting a then all-time high of \$7.4 billion, with trading at a volume of \$3 billion per day from February 20-24 alone. Dogecoin’s price more than doubled, from \$0.00814 on January 27, 2021 (the day before Musk tweeted his *Vogue* parody Dogecoin meme) to \$0.04868 by February 28th.

89. On February 25, 2021, the SEC announced that it was investigating Musk for his Dogecoin tweets. Musk responded in a since-deleted tweet stating, “Good luck catching my rocket. Doge will live forever. #dogefather.”

90. Musk had previously negotiated a settlement with the SEC. This was in regard to charges of securities fraud arising from Musk’s Twitter statements about Tesla. That settlement cost Musk

and Tesla \$20 million each. As part of that settlement, Musk entered a consent decree with the SEC which required attorneys to vet some of Musk's communication in advance, including tweets. In a December 2018 interview with Leslie Stahl on CBS's 60 Minutes just after that settlement, when he was questioned about it, Musk replied, "I want to be clear. I do not respect the SEC. I do not respect them." He also denied that his communications were being vetted.<sup>6</sup>

91. On March 1, 2021, Musk tweeted a meme of a cartoon image of a soldier, kneeling, arms outstretched, shielding a child sleeping in bed from an incoming barrage of fire and missiles. **(Exhibit "S")** The incoming barrage was labelled, "Dogecoin value dropping," the cartoon soldier was labeled, "memes" and the sleeping child was labeled, "Dogecoin." The implication was that Musk's memes and tweets are what serve to shield Dogecoin's value from dropping.

92. Musk had earlier tweeted (on June 26, 2020) that, "Who controls the memes, controls the Universe." **(Exhibit "T")** A clear admission that Musk's manipulations are intentional.

93. Musk promoted Dogecoin in subsequent tweets throughout early March 2021, resulting in its price rising from \$0.045 on February 28 to \$0.063 by March 13—a nearly 30% increase in just two weeks.

94. On April 1, Musk tweeted, "SpaceX is going to put a literal Dogecoin on the literal moon," sending Dogecoin's price from \$0.054 to \$0.0692 in under ninety minutes. **(Exhibit "U")**

95. This tweet was false and misleading, as two years later SpaceX has yet to launch any Dogecoin-themed spacecraft (or coins, or computer node, or Shiba Inu) anywhere.

96. On April 20, 2021, *Bloomberg* and other major news outlets reported that JP Morgan analysts were warning investors of an imminent crypto market correction.

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<sup>6</sup> Recently Musk filed a rule 60(b) motion asking a court in this District to overturn the consent decree. On May 15, 2023, however just days ago, the U.S. Second Circuit of Appeals upheld the court's denial of the motion. *SEC v. Musk*, 1:18-cv-8865, Ct. App. No. 22-1291.

97. Almost immediately, on April 24, 2021, Musk tweeted, “What does the future hodl?”  
**(Exhibit “V”)**

98. That’s not a typo. “Hodl” or “HODL” is a slang acronym that stands for, “hold on for dear life.” This term is used to discourage investors from selling their assets, and the related term “hodler” refers to a die-hard fan of a given cryptocurrency who doggedly holds no matter what.

99. Musk’s “hodl” tweet was “liked” by hundreds of thousands of Twitter users and was “retweeted” by tens of thousands. As a result of Musk’s “instructions,” the price of Dogecoin spiked from \$0.2382 to \$0.2863 within twelve hours.

100. On the same day, it was announced that Musk would host NBC’s *Saturday Night Live* (“*SNL*”) on May 8, 2021. On April 28, 2021, Musk confirmed his TV appearance by tweeting, “The Dogefather SNL May 8.” **(Exhibit “W”)**

101. Within three hours, the price of Dogecoin increased from \$0.2864 to \$0.3343.

102. By May 7th, as a result of Musk’s market manipulation, on the eve of Musk’s *SNL* appearance, the Dogecoin market cap surpassed \$95 billion, and Dogecoin hit a peak trading price of \$0.73, an increase of 36,000% since April 1, 2019.

## **VII. MUSK’S SNL APPEARANCE BURIES DOGECOIN**

103. On May 8, 2021, 7.3 million people tuned in to watch Musk host *SNL*.<sup>7</sup> Unfortunately for Musk, this was not a comfortable performance, and it was widely panned as stiff and awkward.<sup>8</sup>

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<sup>7</sup> “Elon Musk's episode of 'SNL' was 3rd most-watched of the season, behind Dave Chappelle, Chris Rock.” *USA Today*. May 12, 2021. Retrieved April 28, 2023. <https://www.usatoday.com/story/entertainment/tv/2021/05/12/elon-musk-snl-dave-chappelle-chris-rock-saw-higher-ratings/5052352001/>

<sup>8</sup> See, e.g., “Saturday Night Live: Elon Musk stumbles, cast bumbles in brutally awkward episode.” Vasquez, Zach. May 9, 2021. *The Guardian*. Retrieved May 11, 2021. <https://www.theguardian.com/tv-and-radio/2021/may/09/saturday-night-live-elon-musk>

104. In one particularly damaging and revelatory comedy sketch, Musk played a financial expert being interviewed about Dogecoin on a newscast.<sup>9</sup>

105. The thrust of the bit was that the viewers and even the newscasters don't really understand what Dogecoin is. Five times they ask Musk, "What is Dogecoin?" or something similar.

106. After first attempting to use technical terms, and then buzzwords, Musk finally gave up and admitted, "yeah, it's a hustle."

107. This was a big mistake. Within minutes of Musk referring to Dogecoin as "a hustle"—before the show was even over, the price of Dogecoin began to fall.

108. At 12:35 am EST (25 minutes before the 11:30 pm live show ended in New York City) the price of Dogecoin stood at a near all-time high of \$0.65 and within 15 minutes by 12:50 am the price dropped to \$0.54, reducing the market cap from \$85 billion to \$65 billion.

109. So frenzied was the selloff that Robinhood's system was overloaded, and the exchange experienced a temporary outage in crypto trading.

110. Within two days, Dogecoin lost \$30 billion in market cap. Within four days, Dogecoin's market cap dropped to \$45 billion (a nearly 50% plunge from its peak) and its price dropped from \$0.73 cents to \$0.38 cents.

111. Dogecoin's price continued dropping until it sank to \$0.06, a 90% loss within a year.

112. Dogecoin has not recovered, and trades today at approximately \$0.07.

113. In his *SNL* appearance, one of the tropes Musk raised was that cryptocurrency is "decentralized." This characterization of cryptocurrency is false and misleading. With regard to Dogecoin, it is misleading because just 100 wallets own roughly two-thirds of all Dogecoin, while approximately four million wallets own the remaining one-third; because the vast majority of

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<sup>9</sup> See "Weekend Update: Financial Expert Lloyd Ostertag on Cryptocurrency – SNL." Retrieved April 28, 2023. <https://www.youtube.com/watch?v=x5RCfQyTDFI>

Dogecoin is traded on a small number of major exchanges located in the U.S.; and because one man, Elon Musk, can manipulate the price of Dogecoin at will. Furthermore, Musk had earlier tweeted that he believes Dogecoin is too heavily concentrated in too few hands (**Exhibit “Q”**), and would tweet just one week later that he doesn’t believe that Bitcoin is truly decentralized either. (**Exhibit “X”**)

#### **VIII. THE DOGEFATHER DOUBLES DOWN**

114. As Dogecoin plummeted, Musk scrambled and doubled down. On May 9, 2021, Musk tweeted, “SpaceX launching satellite Doge-1 to the moon next year. Mission paid for in Doge, 1st crypto in space, 1st meme in space. To the moooooonnn!!!” This tweet included a link to the Dogecoin theme song and video, which was released on February 9, 2021, and had over 2.3 million views on YouTube. (**Exhibit “Y”**)

115. This annoying jingle was adopted by Musk as the “Dogecoin theme song.” The video includes numerous photos and video clips of Defendant Musk endorsing Dogecoin.

116. The lyrics encourage people to buy and hold Dogecoin, including but not limited to the following: *“What is the only crypto currency that you should invest? Dogecoin!!! ... It's the people's currency, you know it's the best ... But even daddy Elon knows it's the time to join ... Cause fate loves irony, therefore we're passing bitcoin soon ... Elon! Take this little puppie to the moon! ... Hold it hold it hold it hold it, never sell! ... Buy more buy more buy more buy more, it's doing well! ... In doge we trust! ... We're taking dogecoin to the moon!”*

117. This tweet was false and misleading—to date (over two years later), SpaceX has not launched any such satellite.

118. On May 13, 2021, Musk tweeted a meme which read, “DON’T PANIC.” (**Exhibit “Z”**) Later that same day he also tweeted, “Working with Doge devs to improve system transaction

efficiency. Potentially promising.” (**Exhibit “AA”**) As a result of these tweets, Dogecoin temporarily jumped from \$0.39 to \$0.56.

119. On May 20, 2021, to reassure people, Musk tweeted that he would never sell his Dogecoin.

120. Apparently in response to urgings by his followers, on May 25, 2021, Musk tweeted, “Please note Dogecoin has no formal organization & no one reports to me, so my ability to take action is limited.” (**Exhibit “BB”**)

121. So now Musk was playing dumb. The truth was that he was already working with the DCFI and with Dogecoin’s core developers and had been since at least April 2019. Also, Musk’s “ability to take action” was virtually the sole cause of Dogecoin’s prior, meteoric rise.

122. On July 1, 2021, Musk let off three more Dogecoin-themed tweets that caused Dogecoin’s price to increase from \$0.2475 to \$0.2575. (**Exhibit “CC”**)

123. By now it was clear that Musk’s post-SNL efforts to spike the price of Doge were far less effective than the two years leading up to SNL, but he continued market manipulation nonetheless.

124. On July 25, 2021, Musk tweeted a meme: two sequential screenshots from the film *The Matrix*, one of actor Keanu Reeves as the character Neo, labelled, “What are you trying to tell me, that I can make a lot of money with Dogecoin?”, and another of actor Laurence Fishburne as the character Morpheus, but with a cartoon Shiba Inu superimposed over his face, labelled, “No Neo. I’m trying to tell you that Dogecoin *is money*.” This caused Dogecoin’s trading price to increase from \$0.1951 to \$0.2028. (**Exhibit “DD”**)

125. In a videorecorded interview with *Time* magazine posted to Twitter on December 13, 2021, Musk again falsely and misleadingly stated that Dogecoin has potential to replace currency as a medium of exchange.

126. This and other similar tweets by Musk are highly misleading, because widespread adoption of Dogecoin as currency or money is unlikely for numerous reasons: (a) its trading price is highly volatile; (b) miner’s fees are expensive; (c) it’s accepted at only 1,300 businesses worldwide after 10 years, whereas Visa is accepted at 44 million businesses; (d) it’s environmentally unsound as a single Dogecoin transaction consumes as much energy as roughly 624,000 Visa transactions; the total Dogecoin energy consumption is comparable to the electricity usage of entire nations;<sup>10</sup> (e) Dogecoin is inefficient processing only 50,000 transactions per day while Visa handles 700 million per day; (f) Dogecoin has a built annual inflation of approximately 4%; and (g) in the absence of a sustained publicity campaign by the world’s richest man, its value would be little to nothing.

127. As part of DCFI’s “revitalization” in 2021, former Morgan Stanley senior VP Jared Birchall—who sits on the board of the Musk Foundation and manages Defendant Musk’s family office—was appointed to the DCFI’s Board of Advisors, to represent Musk’s interests there.<sup>11</sup>

128. However, Musk falsely tweeted that, “Neither Jared, nor me, nor anyone I know has anything to do with this foundation.” (**Exhibit “EE”**) Obviously, this tweet was a lie. Dogecoin co-creator and Musk advisor Billy Markus also joined the DCFI Board in 2021.

129. Musk replied to @binance, a major exchange where Dogecoin was being traded at the time, in a tweet on November 23, 2021, further demonstrating his ability to take action by stating, “Doge holders using Binance should be protected from errors that are not their fault.” Musk then added another tweet containing a link to a “thread” or lengthy series of tweets from @dogecoin\_devs, an account operated by the Dogecoin core development team, explicating certain technical issues that Dogecoin traders were having with Binance. (**Exhibit “FF”**)

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<sup>10</sup> “Dogecoin’s Growing Energy problem.” January 15, 2022. *Digiconomist*. Retrieved May 14, 2023. <https://digiconomist.net/dogecoins-growing-energy-problem/>

<sup>11</sup> “Ethereum founder and an adviser to Elon Musk join Dogecoin board.” August 18, 2021. *Fortune*.

130. On December 14, 2021, in another publicity stunt directed at the market manipulation of Dogecoin, Musk tweeted, “Tesla will make some merch buyable with Doge & see how it goes.”

**(Exhibit “GG”)** Within two hours, Dogecoin’s price shot up from \$0.1593 to \$0.2146.

131. On March 26, 2022, Musk tweeted that it might be a good idea to change the Twitter bird logo to “a doge.” Again, this caused Dogecoin’s price to increase slightly from \$0.1131 to \$0.1187 within hours. **(Exhibit “HH”)**

132. On April 9, 2022, Musk teased rumors of Dogecoin adoption as a Twitter payment method.<sup>12</sup> This made the price of Doge rise from \$0.14399 to \$0.15665 in 24 hours. **(Exhibit “II”)**

133. On May 26, 2022, Musk tweeted, “Dogecoin Trillionaire, the Movie” **(Exhibit “JJ”)**.

134. On May 27, 2022, Musk tweeted that Tesla “merch” could be purchased with Doge, and that soon, “SpaceX merch too.” **(Exhibit “KK”)** Dogecoin’s price shot up 8% within 20 minutes of this tweet.

135. The truth is that Tesla only ended up accepting Dogecoin as payment for three items out of approximately 170 offered for sale on its website—a whistle, a belt buckle, and a \$1900 mini-ATV for kids which was quickly recalled for safety issues.

136. SpaceX has never accepted Dogecoin for any purchases.

137. After the instant lawsuit was filed, Musk tweeted that he would keep supporting Dogecoin and confirmed that that he would keep buying it. **(Exhibit “LL”)**

138. On October 27, 2022, Musk completed his \$44 billion purchase of Twitter.

139. Shortly thereafter, on October 31, 2022, Musk again teased rumors that Twitter would be accepting Dogecoin as payment for the Twitter Blue subscription service. He tweeted a photo of a

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<sup>12</sup> “Elon Musk wants to let Twitter’s premium subscribers pay with dogecoin.” Zilber, Ariel. April 11, 2022. *New York Post*. Retrieved May 12, 2023. <https://www.cnn.com/2022/04/04/investing/elon-musk-twitter-shares-stake/index.html>

Shiba Inu in a Twitter t-shirt beside a Halloween pumpkin with the Twitter logo carved into it. In the text-space above this image, Musk added a winking emoji icon. **(Exhibit “MM”)** As per usual, in six hours, Dogecoin went from \$0.1260 to \$0.1573.

140. When Dogecoin co-founder Billy Markus suggested that Twitter subscription services might not be easily monetized, Musk responded, using emojis that, “shit brings money.” This was a reference to Dogecoin, which was originally regarded as shitcoin. “Shitcoin” is a slang term that refers to a cryptocurrency low in value. Once again, insinuation that Dogecoin might be adopted as a method of payment by Twitter, caused Dogecoin’s price to spike by 8%. **(Exhibit “NN”)**

141. However, Twitter has not adopted Dogecoin for any kind of payment.

142. On February 12, 2023, Musk tweeted simply, “Dogecoin” **(Exhibit “OO”)**. This caused the price to increase 8% from \$0.1444 to \$0.1569 by the next day.

143. On April 3, 2023, Musk changed Twitter’s logo on the platform’s smartphone app from Twitter’s iconic blue bird silhouette to the Dogecoin Shiba Inu logo, causing Dogecoin’s price to increase by 30% in a matter of hours, from \$0.07705 to \$0.10109. **(Exhibit “PP”)** Musk also sent out a Dogecoin promotional tweet **(Exhibit “QQ”)** in which a police officer is looking at a driver’s license with the blue Twitter bird logo while the driver, a Shiba Inu dog says, “(T)hat’s an old photo,” implying that the Dogecoin symbol was Twitter’s new logo.

144. Musk posted another Dogecoin-themed tweet that same day **(Exhibit “RR”)**, and by the day after, April 4th, the price reached \$0.10202. When Twitter reverted back to its regular logo on April 6th, Dogecoin plunged back down to \$0.08183.

## **IX. MUSK FALSLEY CLAIMS TO HAVE ALTRUISTIC MOTIVES**

145. On October 24, 2021, Musk pretended to be a “man of the people” when he tweeted, “Lots of people I talked to on the production lines at Tesla or building rockets at SpaceX own Doge.

They aren't financial experts or Silicon Valley technologists. That's why I decided to support Doge – it felt like the people's crypto.” (Exhibit “SS”) This caused the price to rise 14% from \$0.2477 to \$0.2819 in less than a day.

146. Later, in an interview given to *Bloomberg* at the Qatar Economic Forum on June 22, 2022, Musk pretended that all of his cheerleading has no intent to make anyone by Dogecoin:

I have never said that people should invest in crypto. I... bought some Dogecoin [and] I intend to personally support Dogecoin because I just heard a lot of people who are not that wealthy who have encouraged me to buy and support Dogecoin, so I'm responding to those people, just people when I walk around the factory at SpaceX or Tesla, they've asked me to support Dogecoin, so I'm doing so.<sup>13</sup>

147. By June 2022 Musk had already spent more than three years knowingly encouraging the public to invest in Dogecoin.

148. And Musk is not a man of the people. He has a track record of union busting, intimidation, alleged sexual impropriety with employees, and retaliatory terminations.

149. Moreover, Musk's companies have repeatedly resorted to mass layoffs to cut costs since 2019 at Tesla, SpaceX and Twitter.

150. On January 12, 2019, just six weeks prior to Musk's first tweets promoting Dogecoin, SpaceX announced a round of mass layoffs that saw 10% of the company's workforce – about 600 people – let go by January 31<sup>st</sup>.

151. On January 18, 2019, Tesla also announced a round of mass layoffs, of 3,150 people, or seven percent of the company's workforce.

152. In April 2020, Tesla announced that it would be cutting salaries for all salaried employees—10% for the rank-and-file, more for directors and officers.

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<sup>13</sup> “Tesla CEO Elon Musk at Qatar Economic Forum: Full Interview.” June 21, 2022. *Bloomberg.com*. Retrieved May 12, 2023. <https://www.bloomberg.com/news/videos/2022-06-21/tesla-ceo-musk-at-qatar-economic-forum-full-interview> (at 16:02 of embedded video).

153. In June 2022, Tesla began a hiring freeze and a round of layoffs that saw 10% of its salaried employees (about 3.5% of its total workforce) let go.

154. After becoming CEO of Twitter in October 2022, Musk initiated a workforce reduction that saw 3,700 employees out of about 7,500 let go in less than a month. By April 2023, further layoffs had reduced the company's total workforce down to just 2,000.

155. During the first month of Musk's Twitter takeover, he had subordinates comb through the internal communications and tweets of Twitter employees, leading to the firing of dozens of critics.

156. In November 2022, a complaint was filed with the National Labor Relations Board ("NLRB") alleging that nine SpaceX employees had been fired in retaliation for internally circulating an open letter protesting, "inappropriate, disparaging, sexually charged comments on Twitter" by Musk in regard to a settlement SpaceX reached with a former employee over claims that Musk had prepositioned and exposed himself to her.

157. In mid-February 2023, Tesla laid off 4% of the workforce at its Buffalo facility, just one day after workers there launched a campaign to form a labor union.

158. Musk's flexible solicitude for his employees in non-Dogecoin related matters can further be inferred from a March 2023 ruling by the U.S. 5th Circuit Court of Appeals upholding a NLRB finding that Musk unlawfully threatened employees with the loss of stock options should they vote to be represented by a union, and that Musk unlawfully forbade Tesla employees from speaking to the media during a unionization drive at the company. 2023 WL 2749236 (April 3, 2023).

159. Dogecoin co-founder Jackson Palmer has repeatedly referred to Defendant Musk as a "grifter" and tweeted the following viral thread on July 14, 2021:

Despite claims of 'decentralization', the crypto industry is controlled by a powerful cartel of wealthy figures who, with time, have evolved to incorporate many of the same institutions tied to the existing centralized financial system they supposedly set out to replace.

The cryptocurrency industry leverages a network of shady business connections, bought influencers and pay-for-play media outlets to perpetuate a cult-like ‘get rich quick’ funnel designed to extract new money from the financially desperate and naïve.

Financial exploitation undoubtedly existed before cryptocurrency, but cryptocurrency is almost purpose built to make the funnel of profiteering more efficient for those at the top and less safeguarded for the vulnerable.

Cryptocurrency is taking the worst parts of today’s capitalist system (e.g., corruption, fraud, inequality) and using software to technically limit the use of interventions (e.g., audits, regulation, taxation) which serve as protections or safety nets for the average person.

Lose your savings account password? Your fault.  
Fall victim to a scam? Your fault.  
Billionaires manipulating markets? They’re geniuses...<sup>14</sup>

## **X. STUDIES DEMONSTRATE MUSK’S MARKET MANIPULATION**

160. Numerous studies have been conducted that demonstrate that Musk’s Twitter activity and publicity stunts exercise a powerful sway over the market for Dogecoin.

161. For example, an analysis of 47 Musk tweets identified, “significant positive abnormal returns and trading volume” of Dogecoin in the wake of Musk’s Twitter activity and showed that the market, “reacts quickly and significantly to Musk’s tweets.”<sup>15</sup>

162. Similarly, a collaborative statistical analysis by a team of statisticians concluded that, “it is difficult to explain [Dogecoin’s] abnormal price increase other than the Musk effect.”<sup>16</sup>

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<sup>14</sup> <https://twitter.com/ummjackson/status/1415353986392072196>

<sup>15</sup> Lennart Ante. “How Elon Musk’s Twitter activity moves cryptocurrency markets.” *Technological Forecasting and Social Change*, Vol. 186, Part A, 2023, 122112, ISSN 0040-1625. <https://www.sciencedirect.com/science/article/pii/S0040162522006333>

<sup>16</sup> Lee & Kim, et al (2022). “The Credibility Cryptocurrency Valuation: Statistical Learning Analysis for Influencer Tweets.” 58-61. <https://ieeexplore.ieee.org/document/9687194>

163. Another statistician’s review of market data also concluded that Musk’s tweets have a, “substantial causal effect on the price of Dogecoin.”<sup>17</sup>

164. One e-commerce study concluded that, “[Dogecoin] price dynamics are subject to the real-time behaviors” of Elon Musk.<sup>18</sup>

165. The popular press has also recognized and remarked upon the so-called “Musk Effect” on Dogecoin.<sup>19</sup>

#### **XI. MUSK’S SCIENTER IS CONFIRMED BY HIS MANIPULATION OF BITCOIN**

166. Musk’s scienter regarding the market manipulation of Dogecoin is supported by the history of his market manipulation of Bitcoin.

167. In his Bloomberg interview at the Qatar Economic Forum, Musk stated that Tesla and SpaceX had both purchased both Bitcoin.

168. On February 15, 2021, Economist Nouriel Roubini accused Elon Musk of market manipulation of Bitcoin, stating that the SEC should investigate.<sup>20</sup>

169. Signia CEO Magda Wierzycka stated on June 11, 2021, that Musk was engaging in market manipulation of Bitcoin and that he would be reprimanded if it was a traditional security.<sup>21</sup>

170. Also see Vox June 14, 2021, article regarding Musk market manipulation of Bitcoin.<sup>22</sup>

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<sup>17</sup> “Causal effect of Elon Musk tweets on Dogecoin price.” Dablander, Fabian. February 7, 2021. *R-bloggers*. Retrieved May 11, 2023. <https://www.r-bloggers.com/2021/02/causal-effect-of-elon-musk-tweets-on-dogecoin-price-2/>

<sup>18</sup> Cary, M. “Down with the #Dogefather: Evidence of a Cryptocurrency Responding in Real Time to a Crypto-tastemaker.” September 2021. *Journal of Applied Electronic Commerce Research*. 2021, 16, 2230-2240. [https://www.researchgate.net/publication/354391025\\_Down\\_with\\_the\\_Dogefather\\_Evidence\\_of\\_a\\_Cryptocurrency\\_Responding\\_in\\_Real\\_Time\\_to\\_a\\_Crypto-Tastemaker](https://www.researchgate.net/publication/354391025_Down_with_the_Dogefather_Evidence_of_a_Cryptocurrency_Responding_in_Real_Time_to_a_Crypto-Tastemaker)

<sup>19</sup> See, e.g., “When Elon Musk tweets, crypto prices move.” Molla, Rani. June 14, 2021. *Vox*. Retrieved May 11, 2023. <https://www.vox.com/recode/2021/5/18/22441831/elon-musk-bitcoin-dogecoin-crypto-prices-tesla>

<sup>20</sup> See “Sygnia CEO criticizes Elon Musk for alleged Bitcoin pump and dump.” Wright, Turner. June 11, 2021. *Cointelegraph*. Retrieved May 12, 2023. <https://cointelegraph.com/news/sygnia-ceo-criticizes-elon-musk-for-alleged-bitcoin-pump-and-dump>

<sup>21</sup> See “Elon Musk Accused of Bitcoin Market Manipulation By Top Economist” <https://www.tomshardware.com/news/elon-musk-accused-bitcoin-market-manipulation>

<sup>22</sup> See “When Elon Musk tweets, crypto prices move. How Elon Musk affects bitcoin prices, in one chart. <https://www.vox.com/recode/2021/5/18/22441831/elon-musk-bitcoin-dogecoin-crypto-prices-tesla>

## XII. DEFENDANTS' INSIDER TRADING OF DOGECOIN WAS AT CLASS'S EXPENSE

171. Not only does Musk manipulate the market on his own behalf, he has other people doing it for him too. Upon information and belief, the Twitter user and fintech commentator who calls himself "Dave Lee" (@heydave7) is a paid influencer (a shill) for Elon Musk. For years, this account has frequently and almost exclusively posted positive commentary about Musk and his companies, and it interacts with Musk obsequiously on Twitter. @heydave7 currently has almost 340,000 Twitter followers.

172. Upon information and belief, Twitter user @stevenmarkryan is also a paid propagandist for Musk. The person behind @stevenmarkryan has a YouTube channel with over 260,000 subscribers (youtube.com/@SolvingTheMoneyProblem) containing hundreds of videos effusively praising Musk and his companies in a North Korea-like manner. The channel has no other content besides this.

173. As of May 20, 2021, @heydave7 had over 100,000 followers on Twitter. On that date, @heydave7 tweeted:

After watching @stevemarkryan's video yesterday I think it's plausible Elon has a large Doge holding. With major skin in the game, it doesn't look like this will stop anytime soon since without Elon I think Doge goes back to \$0.01.

To clarify, I don't think Elon would ever sell any of his Doge holdings. He's the ultimate hodler.

174. Musk replied to this a few hours later. He did not deny having "a large Doge holding" and "major skin in the game," but tweeted, "Yeah, I haven't & won't sell any Doge." (**Exhibit "TT"**).

175. However, Musk did in fact sell his Doge.

176. In a tweet posted October 24, 2021, Musk again disclosed that he had purchased Dogecoin (**Exhibit "UU"**). In his June 2022 interview with *Bloomberg* at the Qatar Economic Forum, Musk

also stated that he had bought Dogecoin, and that Tesla and SpaceX had, too. Musk again disclosed, in July 2022, that Tesla, Inc. (of which he is CEO and largest individual shareholder) purchased Dogecoin.<sup>23</sup>

177. Musk traded Dogecoin profitably through one or more wallets and domestic exchanges using foreknowledge then unknown and undisclosed to Dogecoin investors generally or publicly, of his own intended moves to manipulate the market.

178. Tesla, Inc., also traded profitably through one or more wallets and domestic exchanges during the class period, having been tipped off to this information by Defendant Musk.

179. Dogecoin wallet DJ6KcPsxiWQAXigrk3xwoq1xYb1ZNCxB3o (“DJ6Kc”) belongs to Defendant Musk. Reddit reported that on February 1, 2021, GiveDirectly, a nonprofit that sends cash to the poor, tweeted from its Twitter account, @GiveDirectly, “Now accepting #dogecoin! Give directly to recipients living in poverty at DJbsZJVxMaRqY1tZXQDk8wZVjU5cJdxKKw.”

180. On February 10, 2021, at 2:53pm EST, Musk responded to this tweet by tweeting, “Just sent some.” (**Exhibit “VV”**)

181. Exactly one minute earlier, at 2:52pm EST, a donation of 150,000 Dogecoins had been received by that same wallet, DJbsZ. On that date, February 10, 2023, no other donations were received by DJbsZ prior to 2:53pm EST, when Musk tweeted “Just sent some.”

182. This donation was received by DJbsZ from DJ6Kc.

183. Elon Musk’s wallet DJ6Kc was opened in 2017, and since that time has sent and received billions of dollars’ worth of Dogecoin in at least 737,920 separate transactions.

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<sup>23</sup> See “Elon Musk discloses that Tesla owns Dogecoin, but how much does it have?” Matney, Lucas. July 20, 2022. *TechCrunch*. Retrieved May 13, 2023. <https://techcrunch.com/2022/07/20/elon-musk-discloses-that-tesla-owns-dogecoin-but-how-much-does-it-have/>

184. The extremely high number of transactions DJ6Kc has conducted suggests that DJ6Kc is not operated manually, by a person, but is instead operated by a software program.

185. Dogecoin wallet DH5yaieqoZN36fDVciNyRueRGvGLR3mr7L (“DH5ya”) also belongs to Defendant Musk. During the class period Musk traded Dogecoin profitably through this wallet using foreknowledge then unknown and undisclosed to Dogecoin investors generally or publicly, of his intended moves to manipulate the market through tweets, his SNL appearance, interviews and other publicity stunts.

186. On February 10, 2021, Musk tweeted that he had purchased Dogecoin for his son. (**Exhibit “P”**) The previous day, DH5ya (which was then the world’s largest Dogecoin wallet, containing roughly \$2.8 billion worth of Dogecoin) placed a transaction for 28.061971 Dogecoins, the numeric equivalent of Defendant Musk’s date of birth, i.e., the 28th of June 1971. This wallet would purchase Dogecoin in that same amount on February 10, 2021, and once again on February 17th.

187. The basis for speculation that DH5ya belongs to Robinhood has been that Robinhood was using DH5ya from 2019-2022 for “cold storage,” rather than for active trading.

188. However, according to publicly available Blockchain activity data, DH5ya has conducted significant trading between 2019-2022.

189. Furthermore, at its peak dollar value on May 8, 2021, DH5ya held over \$25 billion in Dogecoin, whereas Robinhood’s market capitalization has rarely exceeded one-third of that amount.

190. Robinhood CEO Vlad Tenev publicly commented on these rumors in May 2021, stating that, “[w]e don’t have significant positions in any of the coins that we keep on a proprietary basis.”

191. DH5ya was opened on February 5, 2019, less than two months before Musk began publicly promoting Dogecoin on Twitter when Dogecoin was trading at \$0.0018 (less than two-tenths of a cent per coin).

192. At that time, there were over 2,000 cryptocurrencies, with Dogecoin being ranked #24 in market cap.

193. It was all Musk. He picked Dogecoin from obscurity, bought it starting at less than \$0.002 (2/10 cent per coin), and accumulated it individually through multiple wallets, and through his company, Defendant Tesla, whispering in the ears of his followers through tweets, manipulating the market to make himself a winner.

194. By February 3, 2021, on the eve of Musk's most intense period of Dogecoin promotion and the bull market it immediately gave rise to, DH5ya had accumulated almost 35 billion Dogecoins and was the largest Dogecoin wallet in existence. (*see* Bitinfocharts)

195. Far from functioning as cold storage, DH5ya has offloaded large amounts of Dogecoin at a profit at numerous times corresponding to Musk's tweets.

196. On April 3, 2019, at a time when Dogecoin was up nearly 30% in response to Musk's very first salvo of Dogecoin tweeting on April 2nd, DH5ya sold nearly 706,000,000 Dogecoin for over \$2.5 million.

197. On April 5, 2019, at a time when Dogecoin was up roughly 50% in response to Musk's April 2nd activity, DH5ya sold just over one billion Dogecoin for over \$3.5 million.

198. On April 12, 2021, at a time when Dogecoin was approaching its all-time high in direct response to Musk's most intense period of Dogecoin tweeting, DH5ya sold over 100 million Dogecoins.

199. On October 24, 2021, Musk tweeted about Dogecoin, twice, for the first time in months. In retrospect, this pair of tweets had the tone of a wistful (and self-serving) denouement signifying the closing of a chapter in Musk’s relationship with Dogecoin. **(Exhibit “SS” and Exhibit “UU”)**

200. In response to these tweets, by October 28th, Dogecoin had risen from \$0.26 to just over \$0.33. The following day, October 29, 2021, in fifteen transactions over the course of one hour, DH5ya sold over 32 billion Dogecoins for a total of more than \$9.5 billion dollars, bringing DH5ya to an all-time profit of more than \$10.2 billion since the wallet was first opened in February 2019.

201. Dogecoin wallet DPDLBAe3RGQ2GiPxDzhgjcmpZCZD8cSBgZ (“DPDL”) also belongs to Defendant Musk. During the class period Musk traded Dogecoin profitably through this wallet using foreknowledge then unknown and undisclosed to Dogecoin investors generally or publicly, of his intended moves to manipulate the market.

202. Between October 25 and November 1, 2022, Dogecoin went from \$0.0599 to \$0.1573 on reports that Musk was in the midst of closing a \$44 billion deal to take over Twitter. During this period, DPDL sold more than 2.25 billion Dogecoins (300 million of which were sold after Musk’s Halloween Shiba Inu tweet) for over \$230 million.

203. Between July 19 and 21, 2022, DPDL acquired over 41 billion Dogecoins, valued at \$6.4 billion in total, from DH5ya.

204. Upon information and belief, one or more of the following Dogecoin wallets also belong(s) to Defendant Musk and/or to Defendant Tesla, Inc.:

DRSqEwcnJX3GZWH9Twtwk8D5ewqdJzi13k (“DRSq”)

DSP3H2VZ8hKAGhhAhQnasu4YMFpEwzeXy2 (“DSP3”)

D6dqAr2G8EmhA1zDnJKr1AfkHmowy3PvN (“D6dq”);

During the class period Musk traded Dogecoin profitably through one or more of these wallets using foreknowledge then unknown and undisclosed to Dogecoin investors generally or publicly, of his intended moves to manipulate the market; or Tesla traded profitably through one or more of these wallets having been tipped off to this information by Defendant Musk.

205. On December 14, 2021, Musk announced via Twitter that Tesla would be accepting Dogecoin as payment for merchandise (**Exhibit “GG”**), and within a five-hour period, Dogecoin shot up from \$0.1593 to \$0.2146. During that period, \$12,630,800 in Dogecoin was sent from DRSq to DSP3, and \$844,936,300 was sent from DRSq to D6dq.

206. Dogecoin wallet DDuXGMFNGpGjaAqyDunSMvceMBruc1wwKF (“DDuX”) also belongs to Defendant Musk or Tesla, Inc. During the class period Musk traded Dogecoin profitably through this wallet using foreknowledge then unknown and undisclosed to Dogecoin investors generally or publicly, of his intended moves to manipulate the market; or Tesla traded profitably through this wallet having been tipped off to this information by Defendant Musk.

207. During the period between April 4 and 6, 2023, when Musk replaced Twitter’s app logo with the Dogecoin logo (**Exhibit “PP”**), DDuX offloaded 1.1 billion Dogecoins for over \$95 million dollars.

208. Dogecoin wallet D8ZEVbfg4yPs3MK8dMJJ7PpSyBKsbd66TX (“D8ZEV”) also belongs to Defendant Musk or Tesla; and during the class period Musk traded Dogecoin profitably through this wallet using foreknowledge then unknown and undisclosed to Dogecoin investors generally or publicly, of his intended moves to manipulate the market; or Tesla traded profitably through this wallet having been tipped off to this information by Defendant Musk.

209. During the period between April 4 and 6, 2023, when Musk replaced Twitter’s app logo with the Dogecoin logo, D8ZEV offloaded over 300 million Dogecoins for nearly \$29 million.

**CAUSES OF ACTION**

AS A RESULT of their losses caused directly and proximately by Defendants' fraudulent conduct, Plaintiffs, on behalf of themselves and all others similarly situated, hereby plead the following causes of action against Defendants, WHOM THEY SEEK TO HOLD LIABLE:

**COUNT I**  
**Securities Fraud in Violation of 15 U.S.C. § 78j(b)**  
**and 17 C.F.R. § 240.10b-5(a)(b) and (c)**  
**Defendant Musk**

210. Plaintiffs incorporate by reference all preceding paragraphs.

211. Defendant Elon Musk, by use of means and instrumentalities of interstate commerce, employed a device, scheme, or artifice to defraud Plaintiffs and the Class, in connection with the purchase and sale of Dogecoin securities.

212. Defendant Musk, by use of the means and instrumentalities of interstate commerce, in connection with the purchase and sale of Dogecoin securities, made to Plaintiffs and the Class, untrue statements of material fact, and he omitted material facts with the intent to deceive.

213. Defendant, by use of means and instrumentalities of interstate commerce, engaged in acts, practices and a course of business in connection with the purchase and sale of Dogecoin securities, which operated as a fraud and/or deceit upon Plaintiffs and the Class.

214. At all times relevant to this action, Defendant Musk was a mega-billionaire, tech CEO, and household-name celebrity with special insight and unique influence in technological and financial subjects.

215. At all times relevant to this action, Defendant Musk enjoyed a widespread reputation and public image as having special insight and unique influence in technological and financial subjects.

216. At all times relevant to this action, Defendant Musk held himself out to the public, and to Plaintiffs and the Class—time and again over the years on social media, on major podcasts, on

television, in news interviews, and in publicly reported earnings calls with shareholders of his companies—as having special insight and unique influence in technological and financial subjects.

217. At all times relevant to this action, Dogecoin, as a blockchain technology, emerging investment instrument, and purported new medium of commercial exchange, was just such a technological and financial subject.

218. Defendant, by use of the means and instrumentalities of interstate commerce, made false and misleading statements of then-existing fact in connection with the purchase and sale of Dogecoin securities to investors and the public—including Plaintiffs and the Class—from April 2019 through the class period, thus artificially inflating the price and/or value of Dogecoin.

219. Defendant made the aforesaid false and misleading statements while knowing they were false.

220. Defendant, by use of the means and instrumentalities of interstate commerce, also made false and misleading forward-looking statements to Plaintiffs, the Class, investors, and the public, in connection with the purchase and sale of Dogecoin securities, from April 2019 through the class period, thus artificially inflating the price and/or value of Dogecoin.

221. Defendant made these false and misleading forward-looking statements while omitting to make meaningful cautionary statements identifying important factors then known to him that could cause actual results to differ materially from those in the purported forward-looking statements.

222. Defendant made aforesaid forward-looking statements knowing that they were false, but hoping that his public antics could make them true eventually.

223. Defendant by his false and misleading public statements knowingly and recklessly lent Dogecoin a false character in commerce, namely, as a store of long-term value and a potential

currency of the future, that his personality and public antics could support and propel, thus artificially inflating the price and/or value of Dogecoin.

224. Defendant lent Dogecoin this false character with reckless disregard for whether his personality and public antics really could support and propel such long-term value.

225. Defendant by his false and misleading public statements knowingly and recklessly lent Dogecoin a false character in commerce, namely, of a fun, profitable and fungible investment instrument on the cutting edge of technology and pop culture, thus artificially inflating the price and/or value of Dogecoin, while knowing countervailing information about Dogecoin's risks that he failed to disclose or to adequately disclose to Plaintiffs and the Class.

226. Defendant's material misstatements and omissions concealed from Plaintiffs and the Class Dogecoin's utter dependence on Defendant's public antics for its value; the unsustainability of this support as a basis for Dogecoin's value; and the severe extent to which Dogecoin is limited in its potential, utility, fungibility, and sustainability as an investment, a medium of commercial exchange, and as a store of value whatsoever with a 4% built in annual inflation.

227. The primary purpose of Defendant's material misstatements and omissions was to cross-promote himself and his companies and to cultivate a cryptocurrency brand uniquely associated with himself, that he could manipulate.

228. If not for Defendant's material misstatements and omissions, Plaintiffs and the Class would not have purchased Dogecoin.

229. During the class period, Plaintiffs and the Class, in reliance on Defendant's material misrepresentations, purchased Dogecoin at artificially inflated prices resulting from Defendant's misstatements and omissions. The price of Dogecoin then significantly declined when the information concealed from Plaintiffs, the Class, investors, and the public was revealed—thus

directly and proximately causing Dogecoin's price to plummet and Plaintiffs and the Class to suffer economic losses.

230. As a direct and proximate result of Defendant Elon Musk's wrongful conduct in violation of 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(a)(b) and (c), Plaintiffs and the Class suffered economic loss and damages in connection with their respective purchases of Dogecoin securities during the class period.

**COUNT II**  
**Insider Trading in Violation of 15 U.S.C. § 78j(b), and**  
**17 C.F.R. § 240.10b-5(a)(b) and (c),**  
**per 15 U.S.C. §§ 78t-1, 78t(b)**  
**All Defendants**

231. Plaintiffs incorporate by reference all preceding paragraphs.

232. Defendant Musk incurred a fiduciary duty, created by his undertaking, to act primarily for the benefit of the Dogecoin enterprise, and Dogecoin investors, including Plaintiffs and the Class.

233. This duty was amplified by Defendant Musk's reputation as a major tech CEO, with special insight into financial and technological matters, which reputation he cultivated by holding himself out to the public for years as having such special insight; and by his leveraging of this reputation to "support" and sway the market for Dogecoin.

234. Defendants Musk and Tesla, Inc., by use of the means and instrumentalities of interstate commerce, employed a device, scheme, or artifice to defraud, in connection with the purchase and sale of Dogecoin securities.

235. The primary purpose of Defendant Musk's material misstatements and omissions was to artificially inflate the price of Dogecoin so that he and Tesla, Inc. could profit from trading Dogecoin contemporaneously with Plaintiffs and the Class.

236. Defendants Musk and Tesla, Inc., by use of the means and instrumentalities of interstate commerce, engaged in acts, practices and a course of business in connection with the purchase and sale of Dogecoin securities, which operated as a fraud and/or deceit upon Plaintiffs and the Class.

237. By the use of the means and instrumentalities of interstate commerce, Defendants Musk and Tesla, Inc., purchased and sold Dogecoin securities while in possession of material, non-public information, namely, foreknowledge of Musk's own intended moves to manipulate the price of Dogecoin with his public statements and actions.

238. By the use of the means and instrumentalities of interstate commerce, Musk purchased and sold Dogecoin securities—during the class period and contemporaneously with Plaintiffs and the Class—while in possession of aforesaid material, non-public information, in violation of his fiduciary duty to Dogecoin investors including Plaintiffs and the Class.

239. By the use of means and instrumentalities of interstate commerce, Defendant Tesla, Inc., purchased and sold Dogecoin securities—during the class period and contemporaneously with Plaintiffs and the Class—while in possession of aforesaid material, non-public information.

240. Defendant Musk, deliberately, for personal financial benefit, in violation of his fiduciary duty to the Dogecoin enterprise and its investors (including Plaintiffs and the Class), communicated aforesaid material, nonpublic information to Defendant Tesla, Inc., in furtherance of Tesla's purchases and sales of Dogecoin.

241. At the time he communicated it, Defendant Musk knew that aforesaid material, nonpublic information was of a sort that can ordinarily be capitalized upon to gain no-risk profits through the purchase or sale of securities.

242. At the time he communicated it, Defendant Musk knew that aforesaid material, nonpublic information was material for securities trading purposes and that to disclose it to Defendant Tesla, Inc., would violate his fiduciary duty to Dogecoin investors including Plaintiffs and the Class.

243. At the time he communicated it, Defendant Musk knew that his communication of aforesaid material, nonpublic information would result in the trading of Dogecoin by Defendant Tesla, Inc., contemporaneously with the trading of Dogecoin by investors, including Plaintiffs and the Class.

244. As a direct and proximate result of Defendants' purchase and sale of Dogecoin securities while in possession of material, nonpublic information, contemporaneous with Plaintiffs and the Class, Plaintiffs and the Class have suffered economic loss and been damaged.

245. By virtue of the foregoing, Defendants violated 15 U.S.C. §§ 78j(b), C.F.R. § 240.10b-5(a)(b) and (c), per 15 U.S.C. §§ 78t(b); and are jointly and severally liable to Plaintiffs and the Class for Dogecoin insider trades pursuant to § 20A of the Securities Exchange Act, 15 U.S.C. § 78t-1.

**COUNT III**  
**Fraud in Violation of the Common Law of the State of New York**  
**Defendant Musk**

246. Plaintiffs incorporate by reference all preceding paragraphs.

247. Defendant Musk knowingly and recklessly made material misrepresentations and omissions of material fact to Dogecoin investors and the public, including Plaintiffs and the Class.

248. Defendant made these misrepresentations and omissions for the purpose of inducing investors and members of the public including Plaintiffs and the Class to purchase and hold Dogecoin.

249. Plaintiffs and the Class justifiably relied on Defendant's aforesaid misrepresentations and omissions to purchase and hold Dogecoin.

250. Defendant had scienter to commit fraud as evidenced by his acts and statements as hereinbefore alleged.

251. Defendant had scienter to commit fraud as evidenced by his encouraging investors to hold Dogecoin less than one week after market analysts predicted a market correction.

252. Defendant had motive to commit fraud as evidenced by his manipulation of the price of Bitcoin.

253. Defendant had scienter to commit fraud as evidenced by his encouraging investors to hold and lose 4% per year to Dogecoin inflation, rather than use Dogecoin as currency.

254. Defendant had motive to commit fraud as evidenced by his public averments that he purchased Dogecoin for himself and his son, as had companies he controls.

255. Defendant had motive to commit fraud as evidenced by the highly doubtful veracity of his public statements of the reasons why he was "supporting" Dogecoin.

256. Defendant had opportunity to commit fraud as evidenced by the fact that he was a global celebrity with a huge social media following and special insight into financial and technological matters.

257. Defendant had opportunity to commit fraud as evidenced by the fact that Dogecoin is purchased anonymously, and as evidenced by the timing and pattern of trading by the particular Dogecoin wallets hereinbefore alleged.

258. As a direct and proximate result of their reliance on Defendant's misrepresentations and omissions, Plaintiffs and the Class purchased and held Dogecoin during the class period only to

suffer economic losses and damages when Defendant's representations turned out to be false and Dogecoin lost value.

**COUNT IV**  
**Unjust Enrichment**  
**Defendants Musk and Tesla**

259. Plaintiffs incorporate by reference all preceding paragraphs.

260. As a result of Defendants' unethical, tortious and criminal conduct, Plaintiffs and the Class invested billions of dollars in Dogecoin.

261. Defendants, at the expense of Plaintiffs and the Class, were unjustly enriched by billions of dollars when Plaintiffs and the Class bought and held Dogecoin based on Defendants' material misrepresentations and omissions and through their undisclosed sales of Dogecoin based on insider information.

262. Defendants were enriched at the expense of Plaintiffs and the Class.

263. It is against equity and good conscience to permit Defendants to retain billions of dollars in profits they have obtained at the expense of Plaintiffs and the Class.

**PRAYER FOR RELIEF**

WHEREFORE the Plaintiffs, Colby Gorog, Joshua Flint, Louis Robinson, and Michael Lerro, on behalf of themselves and the Class, pray this Honorable Court for the following relief:

- A) Compensatory damages.
- B) Punitive damages.
- C) Pre- and post-judgment interest.
- D) Attorneys' fees and all costs of suit.
- E) Such other and further relief as this Honorable Court in its wisdom deems just and equitable.

Respectfully Submitted,

Dated: June 7, 2023

By: /s/ Evan Spencer

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the June 7, 2023, a true and correct copy of the above and foregoing document was electronically filed with the Clerk of the Court using the CM/ECF system giving notice to all parties in this action.

s/Evan Spencer  
Evan Spencer