

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' FOURTH AMENDED  
CLASS ACTION COMPLAINT**

**JURY TRIAL DEMANDED**

*Submitted By:*

EVAN SPENCER LAW, PLLC  
Evan Spencer, Esq.  
305 Broadway, 7th Floor  
New York, NY 10007  
(917) 547-4665  
Evan@EvanSpencerLaw.com  
EvanSpencerLaw.com

*Lead Attorney for Plaintiffs and the Class*

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### **NATURE OF THE ACTION**

In April 2019, celebrity tycoon Elon Musk initiated a publicity circus on Twitter that would wildly manipulate the market for the Dogecoin cryptocurrency. Musk intensified this activity beginning in February 2021, drawing in a flock of unsophisticated investors and pumping Dogecoin's price 36,000% by May 2021, just prior to a spectacular crash that saw Dogecoin abruptly lose 90% of its market capitalization after Musk's awkward and poorly received performance on *Saturday Night Live*, where he referred to Dogecoin as "a hustle."

Musk leveraged his public image not just so that he and Tesla, Inc. could pump-and-dump Dogecoin in the short term, but to hijack the cryptocurrency brand—which was widely perceived as fun, hip and cheeky—and groom it into a long-term pet project subject to his direct, personal control. He knowingly misled investors about Dogecoin's risks, omitted material facts about his personal interest in promoting it, wildly overstated its utility as currency and his ability to control its price, and wantonly exhorted his fans to hold in the immediate aftermath of a massive crypto futures liquidation by more sophisticated investors.

After this action was commenced, Musk purchased Twitter. After the TAC was filed, he rebranded Twitter as "X" and has continued to utilize the platform as a megaphone to control the Dogecoin project, mislead investors about its risks, and manipulate its price. Furthermore, in recent media coverage of Musk's business activities it has been reported that Musk is attempting to reinvent Twitter to create an "everything app" incorporating numerous added features including a payment processing system that would use cryptocurrency. This new information slightly alters, and strengthens, the TAC's allegations of Musk's intent in endorsing Dogecoin, and strengthens the inference that Musk's advisory role with the Dogecoin Foundation and its core development team has effectively been managerial in nature all along, reflecting the long-term business purposes

that first prompted Musk's engagement with Dogecoin. However, as a Twitter exchange he had with Ethereum co-creator Vitalik Buterin in May 2021 shows, the entire time Musk has touted Dogecoin as a form of currency, he has been aware that technological impediments make the scaling of Dogecoin into a currency highly unlikely if not impossible.

That Musk's promotion of Dogecoin was just well-meaning fun is a far-fetched inference, as he is known to publicly address serious topics glibly, on Twitter. Nor was Dogecoin the only crypto asset that Musk and Tesla, Inc. manipulated for gain, at other investors' expense. Numerous independent scientific studies show that Musk's social media gimmicks are the sole cause of the dramatic price fluctuations Dogecoin has been subject to since he began pumping it in 2019. Blockchain records triangulated with robust pretrial discovery and Tesla's required public disclosures to the SEC will also show that Musk and Tesla, Inc., under Musk's leadership, traded profitably on insider foreknowledge of Musk's intended moves to pump Dogecoin, only to leave Plaintiffs and the Class saddled with their deflated bags, costing millions of investors billions of dollars in the aggregate when Dogecoin crashed in May 2021.

Lead Plaintiffs are Dogecoin investors who reasonably relied on Musk's public misstatements about Dogecoin to their financial detriment. This action was commenced in June 2022. Defendants first responded to Lead Plaintiffs' allegations nearly ten months later, in a motion to dismiss the Second Amended Complaint, filed March 31, 2023. In response to that motion, Plaintiffs filed a Third Amended Complaint ("TAC") which reduced the number of plaintiffs, defendants, and causes of action. On July 14, 2023, after reviewing the TAC and agreeing to allow Plaintiffs to file it, Defendants moved for the impertinent—and virtually unheard of—sanction of full dismissal under Rule 11, based on nothing more than their non-party employees' hearsay

declarations perfunctorily denying eight of the TAC's hundreds of fact allegations, viz., that Defendants own eight particular Dogecoin digital "wallets."

Defendants then moved for dismissal under Rule 12(b)(6) on August 7, 2023. Defendant Musk, meanwhile, has continued his market manipulative activities throughout the pendency of this action, including after the TAC was filed. In response to new evidence presented in Defendants' recent motion for sanctions, in response to Defendants' arguments for dismissal, in order to clarify their allegations, and in order to include allegations regarding Musk's most recent acts of Dogecoin market manipulation, Lead Plaintiffs Colby Gorog, Joshua Flint, Louis Robinson, and Michael Lerro hereby respectfully submit this Fourth Amended Complaint, on behalf of themselves and all others similarly situated. Given the self-concealing behavior typical of a market manipulation scheme, Lead Plaintiffs believe that further evidentiary support for the allegations set forth below will exist after a reasonable opportunity for discovery.

## **PARTIES**

### **I. DEFENDANTS**

1. Defendant Elon Musk is a United States citizen, the world's richest man, and a global, household-name celebrity with a widespread popular reputation for business acumen, as well as financial and technological expertise. Among other large corporations he controls, Musk is and at all times relevant to this action was CEO and largest individual shareholder of, respectively, U.S.-based electric vehicle manufacturer Tesla, Inc. and U.S.-based satellite manufacturer SpaceX. Since April 2022, Musk has been the largest individual shareholder of the U.S.-based social media platform Twitter, now rebranded as "X." In October 2022 he purchased Twitter outright and became the company's CEO. In June 2023 he stepped down as CEO but remains the company's CTO and owner.

2. Defendant Tesla, Inc. is a publicly traded Delaware corporation with its principal place of 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. In reasonable reliance on Defendant Musk's material misrepresentations about Dogecoin alleged herein, Mr. Gorog lost approximately \$30,000 investing in Dogecoin domestically on the Robinhood trading platform, as set forth in Mr. Gorog's certification, attached hereto as **Exhibit A**.

4. Plaintiff Joshua Flint is an aerospace technician from Florida. In reasonable reliance on Defendant Musk's material misrepresentations about Dogecoin alleged herein, Mr. Flint lost approximately \$30,000 investing in Dogecoin domestically on the Robinhood trading platform, as set forth in Mr. Flint's certification, attached hereto as **Exhibit B**.

5. Plaintiff Louis Robinson is a cancer survivor and retiree from Arkansas. In reasonable reliance on Defendant Musk's material misrepresentations about Dogecoin alleged herein, Mr. Robinson lost approximately \$17,000 investing in Dogecoin domestically on the Robinhood trading platform, as set forth in Mr. Robinson's certification, attached hereto as **Exhibit C**.

6. Plaintiff Michael Lerro is a hospital administrator from New Jersey. In reasonable reliance on Defendant Musk's material misrepresentations about Dogecoin alleged herein, Mr. Lerro lost approximately \$150,000 investing in Dogecoin domestically on the Robinhood trading platform, and on the Coinbase cryptocurrency trading platform, as set forth in Mr. Lerro's certification, attached hereto as **Exhibit D**.

**B. The Class**

7. Pursuant to Federal Rules of Civil Procedure Rule 23, and 28 U.S.C. § 1332, 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.

8. 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 agents, representatives, officers, directors, subsidiaries, heirs, successors-in-interest, and assigns of any such excluded party.

9. 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.

10. Currently, there are over 5 million Dogecoin “wallets.” There are also millions of people who have traded Dogecoin without using a wallet, through major domestic trading platforms, the largest of which (that offers Dogecoin) is Robinhood. Robinhood has offered Dogecoin since 2018 and millions of Class members invested in Dogecoin via Robinhood during the class period.

11. Members of the Class may be identified from records maintained by cryptocurrency brokerages and exchanges including Robinhood, Kraken, Webull, CoinZoom, eToro, Gemini, Binance.US, and Coinbase.

12. Members of the Class may also be identified through the Dogecoin blockchain, 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 and publicly 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 and omissions Defendant Musk violated 17 C.F.R. § 240.10b-5(b) promulgated under 15 U.S.C. § 78j(b), as alleged herein.
- b. Whether Defendants Musk and Tesla, Inc. orchestrated a pump-and-dump scheme in violation of 17 C.F.R. § 240.10b-5(a) and (c) promulgated under 15 U.S.C. § 78j(b), as alleged herein.
- c. Whether Plaintiffs and the Class reasonably relied on Musk's misrepresentations.
- d. The extent to which members of the Class sustained damages as a result of Defendants' misconduct, and the proper measure of damages.
- e. Whether Defendant Musk committed common law fraud.
- f. Whether Defendants were unjustly enriched at the expense of the Class.

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.

16. Because the damages suffered by individual class members may be small relative to the total damages suffered by the Class, the expense and burden of litigation make it impossible for members of the Class to individually redress the wrongs done to them.



17. 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.

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

### **JURISDICTION & VENUE**

19. Plaintiffs invoke this Court's jurisdiction under Article III, Section 2 of the United States Constitution; under 28 U.S.C. § 1331; 15 U.S.C. §§ 78aa(a), 78t-1, and 78j(b).

20. The Court has jurisdiction over the subject matter of this action under 28 U.S.C. § 1332, 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.

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

22. Venue is proper before the Southern District of New York pursuant to § 28 U.S.C. 1391.

### **STATEMENT OF FACTS**

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

23. Dogecoin is a cryptocurrency.

24. Cryptocurrencies are speculative digital assets originally designed to function as electronic cash. They allow payments to be sent directly from one party to another without first going through a financial institution. They function as mediums of exchange, investment instruments, and stores of wealth.

25. Like most cryptocurrencies, Dogecoin is not backed by any product, service, bank, commodity, insurer, government, or bona fide corporation, and does not yield dividends. There is no secondary market for Dogecoin.

26. Units of Dogecoin are stored on a dedicated blockchain, a digital public ledger containing a chronological record of every Dogecoin transaction that has ever taken place. This information can be viewed in substantially identical form on numerous blockchain data websites including, without limitation, BitInfoCharts.com, BlockExplorer.one, Blockchair.com, and Dogechain.com.

27. The Dogecoin blockchain runs on Dogecoin Core, an open-source software that uses cryptographic protocols to anonymize and secure transactions, distributing and replicating the blockchain across a network of computers called “nodes.”

28. A “full node” contains a copy of the entire blockchain and is able to validate transactions, meaning that when a Dogecoin transaction is placed, a full node in the network detects it and references the blockchain to verify that the Dogecoin being transacted is not counterfeit.

29. Only one full node is needed to validate a transaction.

30. A “block” is a data structure where some or all of the most recent transactions are batched together.

31. A “light node” can verify whether transactions were included in a block, but cannot validate a transaction because it does not store a copy of the entire blockchain.

32. Because each full node contains a copy of the entire Dogecoin blockchain, the blockchain is not stored in one place. Instead, it is distributed across hundreds of full nodes located around the world.

33. Once a transaction is validated by a full node, specialized nodes called “miners” bundle the data regarding the transaction into a block.

34. These blocks are then released onto the blockchain as cryptographic puzzles, enabling miners to use computing power to solve the puzzles, thus validating blocks and helping to secure the network. To incentivize people to participate in this process, the operator of the miner node that solves a block first is rewarded with new Dogecoins. Dogecoin transactions incur fees in order to support mining.

35. Every block that is created contains the cryptographic “hash” of the preceding block, which in turn contains the hash of its preceding block, and so on and so forth, creating a chain all the way back to Dogecoin’s “genesis block.”

36. Irreversibility is one of the fundamental properties of blockchain technology. Although it does not become part of the blockchain until it is bundled and mined as part of a block, once at least one full node in the network validates a transaction, the original parties to that transaction may no longer rescind their deal. Thus, irrevocable liability in a Dogecoin transaction is incurred when at least one full node validates the transaction.

37. Investors interface with the blockchain to purchase units of Dogecoin through a personal “wallet,” which can either run on a mobile or desktop app, or a hardware device (often resembling a USB stick or external hard drive) with a customized chip.

38. A cryptocurrency wallet is an investor’s passport to interface with the blockchain. It stores the private and public “keys” to the investor’s blockchain “address” where transactions are recorded. For first-time users, a wallet generates a unique private key akin to a bank PIN, and a public key (also called an address) akin to a bank account number.

39. A “non-custodial” wallet is an address to which the individual investor holds the private key, and can store, send and receive crypto directly from other wallets without relying on a third-

party custodian. Non-custodial wallets can be created and operated through various apps and websites maintained by certain trading platforms.

40. A “custodial wallet” is an address hosted through a trading platform which controls the wallet’s private keys. To trade crypto through a custodial wallet, an investor opens an account on the app or website of a platform that offers such wallets, by providing personally identifying information exactly as he would to a stock brokerage or a bank. The investor then funds his exchange account by connecting it with his personal bank account and transferring fiat currency via debit or wire transfer.

41. Other online trading platforms maintain “proprietary wallets” owned and controlled entirely by them, that investors may trade shares of, much like an ETF, but with shares denominated in units of cryptocurrency. Ownership of these units is determined by, and irrevocable liability in transactions is incurred through, the records of the platform, rather than through the blockchain. To trade crypto through such a platform, an investor opens an account on the app or website of the platform, by providing personally identifying information exactly as he would to a stock brokerage or a bank. The investor then funds his exchange account by connecting it with his personal bank account and transferring fiat currency via debit or wire transfer.

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

42. The purchase and sale of Dogecoin is a contract, transaction or scheme involving the issuance of Dogecoin virtual units (“Dogecoins” or, “coins”) to participants in exchange for investment of money.

43. Dogecoin investors pool their funds on the Dogecoin blockchain. When the value of Dogecoin rises or falls against the U.S. dollar, each Dogecoin investor enjoys a gain or sustains a loss proportional to the dollar value of each unit of Dogecoin he or she owns.

44. Dogecoin investors are led to expect profits solely from the efforts of third parties because the Dogecoin blockchain is a digital ecosystem consisting of developers, nodes, and miners working together to develop, maintain, and secure the blockchain. The success of the ecosystem drives demand for Dogecoin and thus determines investors' profits and losses, in the form of the increased or decreased value of Dogecoin.

45. The total number of Dogecoin nodes is subject to some fluctuation at any given time, as individual nodes go in and out of operation.

46. As of the filing of this complaint, the Dogecoin blockchain is distributed across more than 5,000 nodes (of any kind) around the world, more than 1,600 of which (approximately 33%) are located in the United States,<sup>1</sup> more than in any other country.

47. As of February 15, 2021, less than two weeks after the class period began, there were 938 Dogecoin *full nodes* worldwide, approximately 40% of which were located in the United States,<sup>2</sup> more than in any other country.

48. As of the filing of this complaint, there are at least 670 Dogecoin full nodes in operation, approximately 44% of which are located in the United States,<sup>3</sup> more than in any other country.

49. Plaintiffs and the Class traded Dogecoin domestically via proprietary wallets operated by domestic trading platforms including Robinhood, Kraken, and WeBull; via custodial wallets

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<sup>1</sup> See <https://what-is-dogecoin.com/nodes/>

<sup>2</sup> See <https://web.archive.org/web/20210215201852/https://blockchair.com/dogecoin/nodes>

<sup>3</sup> See <https://blockchair.com/dogecoin/nodes>

built into crypto exchange platforms including CoinZoom, eToro, and Gemini; and via noncustodial wallets over crypto exchanges including Binance.US, and Coinbase.

50. Robinhood, an online stock, ETF, and cryptocurrency trading platform, is owned by Robinhood Markets, Inc., a publicly traded Delaware corporation and SEC registered broker dealer with its principal place of business located at 85 Willow Rd, Menlo Park, CA 94025.

51. Robinhood is only available in the U.S. and has offered U.S. investors trading of Dogecoin through its proprietary wallets since July 2018, and throughout the class period.

52. Upon information and belief, Dogecoin assets purchased or sold via Robinhood are allocated to investors' accounts in the records of the platform, which are maintained by Amazon Web Services ("AWS") and located in the United States.

53. Kraken, an online cryptocurrency trading platform, is owned by Payward Ventures, Inc., a Delaware corporation with its principal place of business located at 237 Kearny St #102, San Francisco, CA 94108.

54. Kraken offered U.S. investors trading of Dogecoin through its proprietary wallets during the class period.

55. Upon information and belief, Dogecoin assets purchased or sold via Kraken are allocated to investors' accounts in the records of the platform, which are maintained by AWS and located in the United States.

56. WeBull, an online cryptocurrency trading 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.

57. WeBull offered U.S. investors trading of Dogecoin through its proprietary wallets during the class period.

58. Upon information and belief, Dogecoin assets purchased via WeBull are allocated to U.S.-based investors' accounts in the records of the platform, which are maintained on computer servers located in the United States.

59. CoinZoom, an online cryptocurrency exchange, is owned by Coinzoom Securities LLC, a Utah corporation and SEC registered broker dealer with its principal place of business at 4640 S Holladay Village Plaza, Ste. 206, Salt Lake City, UT 84117.

60. CoinZoom offered U.S. investors Dogecoin through custodial wallets built into the platform, during the class period.

61. eToro Group, Ltd., is an Israel-based and British Virgin Islands-registered corporation that owns eToro, an online stock and cryptocurrency trading platform, which offers cryptocurrency trading to U.S. customers through eToro USA LLC, a New Jersey corporation and SEC registered broker dealer with its principal place of business at 221 River St 9th Floor, Hoboken, NJ 07030.

62. eToro offered U.S. investors Dogecoin through eToro Money, a custodial wallet built into the platform, during the class period.

63. Gemini Trust Co., LLC, is a New York limited liability trust company that owns Gemini, an online cryptocurrency exchange, with its principal place of business at 600 3rd Ave 2nd Floor, New York, NY 10016.

64. Gemini offered U.S. investors Dogecoin through custodial wallets built into the platform, during the class period.

65. Upon information and belief, transactions via the Gemini platform occur over Gemini's Point of Presence (PoP) network infrastructure, which is housed in the United States.

66. BAM Trading, d/b/a/ Binance.US, is a Delaware corporation with its principal place of business located at 252 North West 29th St., Ste. 905, Miami, Florida 33127. BAM Trading operates online cryptocurrency exchange Binance.US.

67. Since July 2019 and during the class period, Binance.US offered Dogecoin over its platform to U.S. investors in 43 states through noncustodial wallets.

68. Coinbase Global, Inc., is a Delaware corporation and SEC registered broker dealer that operates Coinbase, and online cryptocurrency exchange, and has its registered address and/or principal place of business located at 248 3rd St #434, Oakland, CA 94607.

69. During the class period, Coinbase offered U.S. investors Dogecoin over its platform through noncustodial wallets.

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

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

In 2013, the vision for the future of cryptocurrencies seemed relatively clear: To deliver a peer-to-peer alternative to cash that, through decentralization, did away with the need for trust in financial institutions... Back then, I hoped that through the power of community, a project such as Dogecoin may help drive further awareness of and innovation in that technology.<sup>4</sup>

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<sup>4</sup> See, "My Joke Cryptocurrency Hit \$2 Billion and Something Is Very Wrong." Palmer, Jackson. Jan. 11, 2018. *Motherboard*. Retrieved Aug. 7, 2023. <https://www.vice.com/en/article/9kng57/dogecoin-my-joke-cryptocurrency-hit-2-billion-jackson-palmer-opinion>



71. 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 per coin.

72. In December 2013, the Dogecoin Foundation was founded, and it established Dogecoin.com, which had one million visitors in its first month.

73. The Dogecoin Foundation has also maintained Twitter accounts, @dogecoin, since December 2013, and @DogecoinFdn, since June 2014.

74. In April 2014, the Dogecoin Foundation, together with Jackson Palmer and now-defunct cryptocurrency webzine *Follow the Coin* sponsored the “Dogecon” conference in San Francisco, to promote Dogecoin as an empowering and idealistic alternative to banking and fiat currency.<sup>5</sup>

75. The Dogecoin Foundation, Inc. (“DCFI”) was incorporated in June 2014 as a Colorado non-profit corporation, to provide advocacy and support for the Dogecoin project.

76. DCFI maintains Dogecoin.com, which touts Dogecoin as “the people’s cryptocurrency” and “the future of currency,” and where the online public can read the “Dogecoin Manifesto,” download a Dogecoin wallet, and learn how to download and run Dogecoin Core software.

77. Although Dogecoin Core software is open source, its source code and cryptographic protocols are maintained primarily by a group of “core developers” with funding from DCFI.

78. In April 2014, the Dogecoin core development team established a Twitter account, @dogecoin\_devs, which remains active.

79. In 2014, DCFI launched a 30-day “DogeParty” which was promoted online, including on Twitter, Reddit, and YouTube.<sup>6</sup> The DogeParty worked essentially as a stock buyback. In

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<sup>5</sup> See, “A Trip to Dogecoin’s First Conference.” Cherney, Max. Apr. 28, 2014. *Vice*. Retrieved Aug. 8, 2023. <https://www.vice.com/en/article/bmjmv8/a-trip-to-dogecoins-first-conference>; see also, “Dogecon SF” at <https://web.archive.org/web/20140419040303/http://www.followthecoin.com/dogeconsf/>, retrieved Aug. 8, 2023.

<sup>6</sup> “Simple Explanation of DogeParty.” 2015. *Reddit*. Retrieved Aug. 14, 2023. [https://www.reddit.com/r/dogecoin/comments/2ejxnc/simple\\_explanation\\_of\\_dogeparty/](https://www.reddit.com/r/dogecoin/comments/2ejxnc/simple_explanation_of_dogeparty/)

exchange for voluntarily “burning” Dogecoins by transferring them to an agreed upon “garbage wallet” which no one holds the private keys to, participants received units of a different cryptocurrency called XDP.

80. Elon Musk would begin promoting Dogecoin in 2019. Prior to his involvement, trading volume almost never exceeded \$20 million per day, and with brief exceptions, market cap consistently remained below \$400 million.<sup>7</sup> 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 around \$0.002.

81. Dogecoin co-creator Billy Markus—an associate of Musk since at least 2021 and currently a member of DCFI’s board of advisors—has described cryptocurrency essentially as a scam. On May 31, 2021, from his Twitter account @BillyM2k, Markus, in a since-deleted tweet, responded to another Twitter user’s suggestion that crypto investing is driven by, “greater fool theory,” by stating,

I agree with the greater fool theory driving most of crypto prices, but I’m honestly wondering what percent you think any crypto is purchased from utility vs greater fool theory. From my viewpoint it’s about 99.99% greater fool theory. **Exhibit E1.**

82. Greater fool theory posits that investing in an overvalued asset can be profitable, provided it can be sold along 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, Bill Gates and others.

83. Dogecoin co-creator Jackson Palmer stopped working on Dogecoin in 2014 and has permanently left the crypto community.

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<sup>7</sup> <https://www.globaldata.com/data-insights/financial-services/dogecoins-market-capitalization-history/>

84. In 2018, Palmer penned an op-ed in *Motherboard*, where he wrote that the idealistic Dogecoin community was vulnerable to scammers, fraud, and co-optation by corporate interests. *See* n.4, *supra*.

85. In a May 2022 press interview,<sup>8</sup> Palmer recalled his personal dealings with Musk, and spoke witheringly of him:

I have an interesting past with Elon. The first time I messaged him on Twitter years ago, I had written a bot, a script that would automatically detect if there was a cryptocurrency scam in your Twitter mentions... Elon reached out to me to get hold of that script and it became apparent very quickly that he didn't understand coding as well as he made out... After I gave him the script, I wasn't a fan of him. He's a grifter, he sells a vision in hopes that he can one day deliver what he's promising, but he doesn't know that. He's just really good at pretending he knows...

86. On May 21, 2021, via his now-deleted Twitter account @ummjackson, Palmer again called Musk “a self-absorbed grifter,” **Exhibit E2**.

87. In a since-deleted viral thread (i.e., a widely circulated, consecutive series of “tweets”), **Exhibit E3**, posted July 14, 2021, Palmer stated,

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.

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<sup>8</sup> *See*, “Australian Dogecoin creator Jackson Palmer on grifts, Elon Musk, crypto bubbles and Pauline Hanson.” Wilson, Cam. May 30, 2022. *Crikey*. Retrieved Aug. 14, 2023. <https://web.archive.org/web/20220531035426/https://www.crikey.com.au/2022/05/30/dogecoin-jackson-palmer-elon-musk-crypto-bubble-pauline-hanson/>

Lose your savings account password? Your fault.  
Fall victim to a scam? Your fault.  
Billionaires manipulating markets? They're geniuses...

#### IV. ENTER RINGMASTER MUSK

88. On April 1, 2019, in a survey conducted by DCFI via its Twitter account, @dogecoin, Dogecoin fans chose Elon Musk as “CEO” of Dogecoin. The survey was phrased as follows:

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 F1.**

89. 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 F2.** 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 tweeted the reply, “Uh oh.” **Exhibit F3.** Later that day, Musk tweeted a Dogecoin-themed meme with the remark, “Doge rulz.” **Exhibit F4.**

90. Musk began advising Dogecoin’s core development team the very same week DCFI’s Twitter survey was released, and has worked closely with them since then.<sup>9</sup>

91. Upon information and belief, Musk’s exchange with DCFI and the apparently nominal “CEO” position downplayed the extent of his involvement with DCFI and the core developers, which has included consultation so close that Musk has practically been overseeing the Dogecoin project since 2019 or sometime thereafter.

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<sup>9</sup> See, “Exclusive: Dogecoin Developers Say They’ve Been Working with Elon Musk Since 2019.” Hamacher, Adriana. May 14, 2021. *Decrypt*. Retrieved Aug. 12, 2023. <https://decrypt.co/70945/exclusive-dogecoin-developers-say-theyve-been-working-with-elon-musk-since-2019>

92. However, the evidence necessary to verify the extent of Musk's involvement with DCFI and the core developers is almost entirely in the hands of Musk and those other persons.

93. As a celebrity billionaire and tech CEO, Musk's ability to move securities markets simply by tweeting was already well-known, and had been the subject of high-profile litigation and media coverage.

94. Upon information and belief, Musk was aware he had this power at the time he began endorsing Dogecoin and did so with intent to draw in new investors and "pump" Dogecoin's price so that he and Tesla, Inc. could "dump" Dogecoin at a profit.

95. On April 2, 2019, Dogecoin was trading at roughly \$0.002. After Musk's Twitter activity, its price rose by April 4, 2019, to over \$0.004, doubling in value in only two days. **Exhibit F5.**

96. In subsequent tweets, Musk, who had tens of millions of Twitter followers at the time, proclaimed himself "the Dogefather," and has actively promoted Dogecoin by tweeting about it hundreds of times since April 2019.

97. As of April 2019, Musk had over 25 million Twitter followers.

98. A Twitter user's tweets are not only seen by his Twitter followers. In various ways the Twitter algorithm will also frequently place popular tweets into the "newsfeeds" of users, regardless of whether those users are following the person who made the tweet.

99. On July 17, 2020, Musk tweeted a meme: an aerial photo of a dust storm overtaking an urban area, with the face of the Dogecoin Shiba Inu superimposed on the dust cloud, which was labeled, "dogecoin standard," while the urban area about to be overtaken by the dust cloud was labelled, "global financial system." Above this image, Musk added the remark, "It's inevitable." **Exhibit F6.** Immediately following this tweet, Dogecoin's price rose roughly 14%, from \$0.003038 to \$0.003632, in less than two hours. **Exhibit F7.**

100. This and numerous other tweets and public statements from Musk alleged herein—referencing Dogecoin as a form of currency, suggesting that it “is money” or can be scaled into a form of currency—are misleading and knowingly overstated, because Dogecoin is not scalable for widespread use as currency.

101. This is for several reasons. First, Dogecoin’s trading price is highly volatile.

102. Second, every transaction in Dogecoin incurs miners’ fees, but to reduce those fees would disincentivize mining.

103. Third, Dogecoin is environmentally unsound because the mining process requires considerable computing power. Indeed, a single Dogecoin transaction consumes as much energy as roughly 624,000 Visa credit card transactions. It has been estimated that the Dogecoin blockchain consumes more energy than the entire nation of El Salvador.<sup>10</sup>

104. Fourth, Dogecoin ownership is highly overconcentrated among just 100 wallets which own two-thirds of all Dogecoin, while more than five million wallets own the remaining one-third.

105. Fifth, only about 1,300 retail businesses worldwide have ever accepted Dogecoin for payment, and this acceptance has not been consistent or enduring, but in many cases is a one-off marketing gimmick that is frequently done through Flexa, a payment processor that converts crypto payments into the retailer’s local fiat currency, so that the retailer does not actually receive Dogecoin from the buyer.<sup>11</sup>

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<sup>10</sup> See, “Dogecoin’s Growing Energy Problem.” de Vries, Alex. Jan. 15, 2022. *Digiconomist*. Retrieved Aug. 12, 2023. <https://digiconomist.net/dogecoins-growing-energy-problem/>

<sup>11</sup> See e.g., “10 Companies That Now Accept Shiba Inu and Dogecoin As Payment.” Feb 10, 2022. *Business Insider*. Retrieved Sept. 2, 2023. <https://markets.businessinsider.com/news/stocks/10-companies-that-now-accept-shiba-inu-and-dogecoin-as-payment-1031183926>

106. On December 20, 2020, Musk tweeted, “One word: Doge,” causing the price of Dogecoin to rapidly increase by roughly 20% that day, from \$0.0039 to \$0.0054. **Exhibit F8.**

107. All of Musk’s tweets endorsing or even just mentioning Dogecoin intentionally signal to his followers, to other Twitter users, and to members of the general public that by the strength of his endorsement Dogecoin will see a sustainable long-term increase in value.

108. On January 28, 2021, Musk tweeted an image of a magazine cover parodying *Vogue* magazine, titled “Dogue,” with a picture of a dog fashion model, **Exhibit F9**, causing Dogecoin’s price to shoot from \$0.0235 to \$0.0799 in just five hours. **Exhibit F10.**

109. Upon information and belief, the apparently fun and cheeky quality of Musk’s tweets endorsing or mentioning Dogecoin acts to obscure both the role of Dogecoin in Musk’s long-term business ambitions related to cryptocurrency, and his considerable financial interest in Dogecoin, and that of his companies, which have never been disclosed.

110. Aside from a handful of vague acknowledgements from Musk that both he and Tesla have invested in Dogecoin, more particular facts—including what wallets they own, how much Dogecoin they are holding, what transactions they have engaged in, the profits they have made trading Dogecoin, and the temporal relationship of their transactions to Musk’s Dogecoin-related tweets that pump the market—all remain undisclosed.

111. As of February 2021, Musk had almost 45 million Twitter followers.

112. On February 4, 2021, Musk let off a salvo of tweets that marked the beginning of his most intensive period of Dogecoin promotion: at 2:29am EST, he tweeted a picture of a rocket blasting into space with the Moon looming in the background. Beneath this tweet, at 2:35am, he “reply-tweeted” an additional message (appearing beneath the first one) that read, simply: “Doge.” **Exhibit G1.**

113. This would be the first of many Dogecoin-related tweets and public statements from Musk using imagery of, and references to, space, the moon, and rockets, to suggest that by the strength of his endorsement Dogecoin will see a sustainable long-term increase in value.

114. At 2:57am, Musk tweeted a meme: a screen-capture of the famous “Circle of Life” scene from Disney’s *The Lion King* animated film, showing the royal steward Rafiki, a baboon, triumphantly displaying the newborn lion Prince Simba in his outstretched arms—but with Dogecoin’s Shiba Inu mascot superimposed over Simba, and Rafiki’s face replaced with a smiling picture of Musk along with the remark, “ur welcome.” **Exhibit G2.**

115. With this remark Musk was flaunting his power to sway the market and acknowledging that he was pumping Dogecoin’s price.

116. At 3:15am, Musk tweeted, “Dogecoin is the people’s crypto,” and followed at 3:17am with, “No need to be a gigachad [i.e., an extremely muscular man] to own.” **Exhibit G3.**

117. “Gigachad” is neo-fascist slang originating in the online “alt-right” subculture.

118. The aforementioned two tweets explicitly exhorted investors to buy Dogecoin.

119. Then, at 3:27am, Musk tweeted, “No highs, no lows, only Doge,” then at 3:43am, “Low-key Loki,” a reference to Loki, the trickster god of Norse mythology. *See Exhibit G3.*

120. By the aforementioned two tweets Musk was acknowledging that he was pumping Dogecoin’s price.

121. That day, February 4, 2021, Dogecoin’s price went from \$0.0409 at 12:00am EST to \$0.04529 within twenty-four hours, with an intermediate high of \$0.05797. **Exhibit G4.**

122. Musk’s February 4, 2021, Dogecoin-themed tweets and Dogecoin’s resulting price increases provoked headlines around the world.<sup>12</sup>

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<sup>12</sup> See e.g., “Price of dogecoin rises 50% following Elon Musk tweet.” Jolly, Jasper. Feb. 4, 2021. *The Guardian*. Retrieved Aug. 11. 2023. <https://www.theguardian.com/business/2021/feb/04/price-of-dogecoin-rises-by-50->



123. On February 5, 2021, Musk tweeted a survey labeled, “The future currency of Earth,” with two options for Twitter users to choose from: “Dogecoin to the moooonn” or “All other crypto combined.” Musk’s Twitter followers chose Dogecoin. Dogecoin’s price then surged from \$0.04765 to \$0.06447 the following day. **Exhibit G5.**

124. On February 7, 2021, in response to a Dogecoin-cheerleading tweet by Musk-sycophant account @itsALLrisky, Musk tweeted, “Doge appears to be inflationary, but is not meaningfully so, whereas BTC [i.e., Bitcoin] is arguably deflationary to a fault. Transaction speed of Doge should ideally be a few orders of magnitude faster.” **Exhibit G6.**

125. But in fact, fifteen million new Dogecoins are mined every day, causing considerable inflation.

126. This and similar tweets and statements from Musk, downplaying Dogecoin’s inflationary qualities and suggesting that transaction speed can simply be sped up, intentionally overstate Dogecoin’s scalability and viability as currency.

127. On February 10, 2021, Musk tweeted that he had purchased Dogecoin for his son, sending Dogecoin on a manic run from \$0.068 to \$0.079 in twenty minutes. **Exhibit G7.**

128. Musk made this purchase knowing that by announcing it he could increase Dogecoin’s price just *after* having purchased Dogecoin.

129. On February 11, 2021, at 4:08am EST, Musk tweeted a Dogecoin meme parodying *Lord of the Rings*: an image of the “One Ring” from the 2001-2003 *Lord of the Rings* film series, with the text, “One coin to rule them all,” and the remark, “Frodo was the underdoge, all thought he would fail, himself most of all.” **Exhibit G8.**

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following-elon-musk-tweet; *and see* e.g., “Elon Musk, back on Twitter, turns his attention to Dogecoin.” Adinarayan, Thyagaraju and Anna Irrera. Feb 4, 2021. *Reuters*. Retrieved Aug. 11, 2023. <https://www.reuters.com/technology/elon-musk-back-twitter-turns-his-attention-dogecoin-2021-02-04/>

130. At 6:27pm that day he added, “Dogecoin is underestimated.” See **Exhibit G8**.

131. Upon information and belief, all such suggestions from Musk that Dogecoin is underrated, is an “underdog” crypto, or is “the people’s crypto,” are intended to draw in unsophisticated investors by falsely suggesting that Musk, by his endorsement, intends to make Dogecoin a tool of empowerment for ordinary people, thus obscuring his long-term business objectives with, and undisclosed financial interest in, Dogecoin.

132. On February 14, 2021, Musk 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 continued the following day (February 15, 2021 at 5:05 am EST) by posting a reply to his own prior tweet, stating, “I will literally pay actual \$ if they just void their accounts.”

**Exhibit G9.**

133. As a result of these tweets encouraging investors to sell, Dogecoin dropped from \$0.0637 on February 15, 2021 to \$0.0485 by February 17, 2021.

134. Also on February 14, 2021, Musk sycophant account @itsALLrisky tweeted,

Whales [i.e., owners of the few wallets holding the largest amounts of Dogecoin] will have to consider Elon’s ultimatum here. If they comply, #Dogecoin becomes the currency of the internet. If they don’t, or ‘cheat’ by distributing their coins across multiple wallets, then it loses Elon’s endorsement. Easy decision for the whales. Do the right thing.

Musk responded to this the same day, tweeting affirmatively, “Yup.” (See **Exhibit G9**.)

135. By agreeing that relinquishing a “whale” wallet would be preferable to, “los[ing] Elon’s endorsement” of Dogecoin, Musk acknowledged that his endorsement was the only factor giving Dogecoin any value.

136. However, these tweets were misleading because Musk was already one of the biggest “whales” of all, owning large Dogecoin holdings through multiple wallets and those of his companies.

137. 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.” Musk then followed up with a reply to this tweet stating, “On the actual moon.” Dogecoin’s price shot up 25% that same day. **Exhibit G10.**

138. Musk’s tweets from February 2021 were “liked” by millions of Twitter users and resulted in Dogecoin’s market capitalization reaching a then all-time high of \$7.4 billion, with a trading volume of \$3 billion per day from February 20-24 alone. Within one month, Dogecoin’s price increased nearly sixfold, from \$0.0079 on January 27, 2021 (the day before Musk tweeted his *Vogue* parody Dogecoin meme) to \$0.0491 by February 28th. **Exhibit G11.**

139. On March 1, 2021, Musk tweeted a meme: a cartoon image of a soldier, kneeling, arms outstretched, shielding a child sleeping in bed from an incoming barrage of fire and missiles. The incoming barrage was labelled “Dogecoin value dropping,” the cartoon soldier was labeled “memes,” and the sleeping child was labeled “Dogecoin.” **Exhibit G12.**

140. By this tweet, Musk both acknowledged that he was pumping the market, and suggested to investors that he was safeguarding the value of their Dogecoin. However, this tweet was misleading as Musk could not be certain that he could sustain Dogecoin’s increased value.

141. On March 12, 2021, Musk sycophant account @itsALLrisky tweeted that the crypto exchange Coinbase should list Dogecoin, and Musk responded “Yes!” **Exhibit G13.**

142. Musk let off a series of Dogecoin tweets on March 13, 2021. (*See Exhibit G13.*)

143. From February 28 to March 13, 2021, Dogecoin’s price went from \$0.045 to \$0.063—a nearly 30% increase in just two weeks. **Exhibit G14.**

144. On April 1, 2021, Musk tweeted, “SpaceX is going to put a literal Dogecoin on the literal moon,” sending Dogecoin’s price from \$0.054 to \$0.069 in under ninety minutes. **Exhibit G15.**

145. This tweet was false. Over two years later, SpaceX has yet to launch any Dogecoin-themed spacecraft (or “literal Dogecoin”) anywhere.

146. On April 15, 2021, Musk tweeted a Dogecoin meme that sent Dogecoin’s trading price from \$0.12 to \$0.43 cents within two days. **Exhibit G16.**

147. Over the weekend of April 17-18, 2021, \$10 billion in crypto long positions were liquidated,<sup>13</sup> and the combined crypto market lost \$300 billion in market cap as JP Morgan analysts warned of an imminent and even larger crypto market correction.<sup>14</sup>

148. In the wake of these events, on April 24, 2021, Musk tweeted, “What does the future hodl?” **Exhibit G17.**

149. “Hodl” or “HODL” is a slang acronym that is widely used online and was well-known at the time of Musk’s tweet. It stands for, “hold on for dear life.” This term is used to discourage investors from selling their crypto assets, and the related term “hodler” refers to a die-hard fan of a given cryptocurrency brand, who doggedly holds no matter what.

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<sup>13</sup> See, “Crypto Futures Saw Record \$10B Worth of Liquidations on Sunday.” Godbole, Omkar. Apr. 19, 2021. *CoinDesk*. Retrieved Aug. 7, 2023. <https://www.coindesk.com/markets/2021/04/19/crypto-futures-saw-record-10b-worth-of-liquidations-on-sunday/>

<sup>14</sup> See, “JPMorgan Sounds Urgent Alarm On Bitcoin Price ‘Momentum’ After \$300 Billion Bitcoin And Crypto Sell-Off.” Bambrough, Billy. Apr. 22, 2021. *Forbes*. Retrieved Aug. 7, 2023. <https://www.forbes.com/sites/billybambrough/2021/04/22/jpmorgan-sounds-urgent-alarm-on-bitcoin-price-momentum-after-300-billion-bitcoin-and-crypto-sell-off/>

150. Musk's "hodl" tweet was seen by millions of Twitter users, "liked" by hundreds of thousands of Twitter users, and "retweeted" by tens of thousands. The tweet also received widespread media coverage.<sup>15</sup>

151. On the same day, April 24, 2021, 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." Within three hours, the price of Dogecoin increased from \$0.2864 to \$0.3343. **Exhibit G18.**

152. By May 8th, the day of Musk's *SNL* appearance, the Dogecoin market cap reached its all-time high, surpassing \$95 billion, and Dogecoin hit an all-time peak trading price of \$0.738, an increase of 36,000% since April 1, 2019. **Exhibit G19.**

## V. MUSK'S *SNL* EMPEROR'S CLOTHES MOMENT BURIES DOGECOIN

153. At 11:30pm EST on May 8, 2021, approximately 7.3 million people tuned in to watch Musk host *SNL*.<sup>16</sup> His performance, which was heavily Dogecoin-themed and full of Dogecoin references, was widely panned as stiff and awkward.<sup>17</sup>

154. So thoroughly had Musk associated himself with Dogecoin and overpromised on its value that his unfavorable performance would cause Dogecoin's price to plummet irreversibly, starting before the show had even finished airing.

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<sup>15</sup> See, e.g., "Elon Musk Tweets 'What Does the Future Hodl?' as DOGE Goes Up." Hurst, Dale. Apr. 24, 2021. *Yahoo! Finance*. Retrieved Sept. 1, 2023. <https://finance.yahoo.com/news/elon-musk-tweets-does-future-121000657.html>

<sup>16</sup> See, "Elon Musk's episode of 'SNL' was 3rd most-watched of the season, behind Dave Chappelle, Chris Rock." *USA Today*. May 12, 2021. Retrieved Aug. 12, 2023. <https://www.usatoday.com/story/entertainment/tv/2021/05/12/elon-musk-snl-dave-chappelle-chris-rock-saw-higher-ratings/5052352001/>

<sup>17</sup> See, e.g., "Saturday Night Live: Elon Musk stumbles, cast bumbles in brutally awkward episode." Vasquez, Zach. May 9, 2021. *The Guardian*. Retrieved Aug. 12, 2021. <https://www.theguardian.com/tv-and-radio/2021/may/09/saturday-night-live-elon-musk>

155. In one particularly damaging and revelatory comedy sketch Musk appeared in (alongside *SNL* cast members Michael Che and Colin Jost), he played a financial expert being interviewed about Dogecoin on a newscast.<sup>18</sup> The thrust of the bit was that the viewers and even the newscasters don't really understand what Dogecoin is.

156. Five times, Che and Jost (playing the news anchors) ask Musk to explain what Dogecoin is. After attempting to use technical terms and buzzwords, Musk—at approximately 12:35am EST—finally concedes that Dogecoin is “a hustle.”

157. One of the common meanings of the word “hustle” when used as a noun is, “a fraud or swindle.”<sup>19</sup>

158. When the show began, the price of Dogecoin stood at a near all-time high of \$0.66. Within 15 minutes the price had dropped to \$0.54. Dogecoin would lose \$20 billion in market capitalization before the show was even through. **Exhibit G20.**

159. So frenzied was the selloff that Robinhood's system was overloaded, and the platform experienced a temporary outage in crypto trading from approximately 12:10-12:50am EST.<sup>20</sup>

160. 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 an all-time high of \$0.74 cents to \$0.37 cents. *See Exhibit G20.* Dogecoin's price continued dropping steadily, until it sank to \$0.06, a 90% loss, within a year. Dogecoin has still not recovered, and still trades today at approximately \$0.06. *See Exhibit G20.*

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<sup>18</sup> *See*, “Weekend Update: Financial Expert Lloyd Ostertag on Cryptocurrency – SNL.” Retrieved Aug. 12, 2023. <https://www.youtube.com/watch?v=x5RCfQyTDFI>

<sup>19</sup> *See* Google's Oxford Languages English Dictionary. Retrieved Aug. 12, 2023. <https://www.google.com/search?q=hustle+definition&oq=hustle+def>

<sup>20</sup> *See*, “Robinhood Overwhelmed by Dogecoin Selloff After SNL Mention.” Benson, Jeff. May 8, 2021. *Decrypt*. Retrieved Aug. 11, 2023. <https://decrypt.co/70339/robinhood-overwhelmed-dogecoin-selloff-after-snl-mention>

## VI. THE DOGEFATHER DOUBLES DOWN

161. As Dogecoin plummeted, Musk scrambled and doubled down. On May 9, 2021, he desperately 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!!!” **Exhibit H1.**

162. This tweet was false and misleading. SpaceX did not launch any Dogecoin-themed spacecraft the following year, and has not launched any such satellite to date.

163. This tweet included a link to the Dogecoin theme song and video, which had been released on February 9, 2021, and had over 2.3 million views on YouTube at the time Musk tweeted it. The video includes numerous photos and video clips of Musk endorsing Dogecoin.<sup>21</sup> The song lyrics encourage people to buy and hold Dogecoin, including 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!*

164. As Dogecoin bombed, Musk on May 13, 2021, tweeted a meme that read, “DON'T PANIC.” Later that same day he tweeted, “Working with Doge devs to improve system transaction efficiency. Potentially promising.” **Exhibit H2.** As a result of these tweets, Dogecoin briefly jumped from \$0.43 to \$0.49. **Exhibit H3.**

165. On May 25, 2021, Musk sycophant @itsALLrisky tweeted,

@ElonMusk appears to be treating #Dogecoin like one of his own companies. He's actively marketing \$DOGE, engaging with the community, and using his engineering and leadership prowess to contribute to #DOGE development. With Elon as “Doge CEO,” we are in good hands!

166. This obsequious little tweet directed at him apparently made Musk very uncomfortable and he replied, “Please note Dogecoin has no formal organization & no one

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<sup>21</sup> See, “Dogecoin Song – To the Moon [Official].” <https://www.youtube.com/watch?v=s3NWyh8a5t0>

reports to me, so my ability to take action is limited.” **Exhibit H4**. This tweet was false and misleading, because Musk did indeed, “appear[] to be treating #Dogecoin like one of his own companies,” and had close advisory ties with DCFI and the Dogecoin core developers since April 2019.

167. On July 1, 2021, Musk tweeted about Dogecoin at least twice more, **Exhibit H5**, causing Dogecoin’s price to increase from \$0.2475 to \$0.2575. **Exhibit H6**.

168. One of these two tweets contained the remark, “Release the Doge!” with a meme image of Marlon Brando as “the Godfather,” and the text, “You come to me at runtime to tell me the code you are executing does not compile.” This indicated that Musk was directly managing and overseeing the Dogecoin core development team as its boss (or “Godfather”).

169. On July 25, 2021, Musk tweeted a meme: two sequential screenshots from the film *The Matrix*, one showing the face 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 showing the face of actor Laurence Fishburne as the character Morpheus, but with a cartoon Shiba Inu in sunglasses superimposed over his face, and labelled, “No Neo. I’m trying to tell you that Dogecoin *is money*.” **Exhibit H7**. This caused Dogecoin’s trading price to quickly increase from \$0.19 to \$0.23 by the following day. **Exhibit H8**.

170. On November 11, 2021, the Dogecoin core developers’ Twitter account, @dogecoin\_devs, posted a ten-tweet “thread” explaining technical problems that Dogecoin investors had been experiencing due to stuck transactions on the Binance exchange. **Exhibit H9**.

171. On November 23, 2021, *CoinDesk* tweeted from its account, @CoinDesk, a link to an article on its website titled, “Binance Seeks Investments From Sovereign Wealth Funds,”



with the remark, “@Binance CEO Changpeng ‘CZ’ Zhao is aiming for an ‘improved perception’ by regulators of its global entity, he told the Financial Times.”

172. Musk responded to CoinDesk’s tweet at 5am EST the same day, addressing Zhao directly and “tagging” him so that Zhao would see, then tweeting, “Hey @cz\_binance, what’s going on with your Doge customers? Sounds shady.”

173. That same day, Binance responded to Musk from its corporate Twitter account, @binance, “Hey @elonmusk – no, not shady – just frustrating and we’re working on it.”

174. Musk then replied, “Doge holders using Binance should be protected from errors that are not their fault,” adding a link to the aforementioned @dogecoin\_devs thread explaining the problem with stuck Dogecoin transactions over the Binance platform. **Exhibit H10.**

175. Zhao then responded, “Elon, we are pretty certain it is an issue with the latest #doge wallet. We are in communications with the devs. Apologies for any inconvenience that may have caused you...”

176. Musk then replied, “I don’t use Binance... so no inconvenience to me personally. Just raising this issue on behalf of other Doge holders.” **Exhibit H11.**

177. In response to Musk’s tweets, Dogecoin’s price went from \$0.2174 at 4:59am to \$0.2333 at 10:00am that day. **Exhibit H12.**

178. On December 14, 2021, Musk tweeted, “Tesla will make some merch buyable with Doge & see how it goes.” Within ninety minutes, Dogecoin’s price shot up from \$0.1593 to \$0.2146. **Exhibit H13.**

179. On January 25, 2022, Musk tweeted, “I will eat a happy meal on tv if @McDonalds accepts Dogecoin,” sending Dogecoin’s price from \$0.1364 to \$0.1469 within seven hours. **Exhibit H14.**

180. On May 27, 2022, Musk tweeted that Tesla “merch” could be purchased with Dogecoin, and that soon, “SpaceX merch too.” Within ninety minutes, Dogecoin’s price went from \$0.0778 to \$0.0839, and closed the day above \$0.0828. **Exhibit H15.**

181. In his capacity as Tesla CEO, Musk was utilizing Tesla to pump the price of Dogecoin, an asset both he and Tesla were then holding.

182. The truth is that in May 2022, six months after Musk’s first announcement (in December 2021), that Tesla would be accepting Dogecoin for merchandise, Tesla ultimately only accepted 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 that was recalled in October 2022 by the Consumer Product Safety Commission. Tesla has never accepted payment in Dogecoin for any other products.

183. SpaceX, meanwhile, has never accepted Dogecoin for any purchases.

184. On March 26, 2022, in response to a tweet from Musk-sycophant account @WSBChairman suggesting that Musk should buy Twitter, “and change the bird logo to a doge,” Musk responded, “Haha that would be sickkk,” causing Dogecoin’s price to jump from \$0.1334 to \$0.1496 by the following day. **Exhibit H16.**

185. On April 4, 2022, Musk purchased a 9.2% stake in Twitter, becoming the social media giant’s largest individual shareholder.

186. On April 9, 2022, Musk teased rumors of Dogecoin adoption as a payment method for Twitter subscription services when he tweeted, “Everyone who signs up for Twitter Blue should get an authentication checkmark,” and, “Maybe even an option to pay in Doge?” sending Dogecoin from \$0.14399 to \$0.15665 in thirteen hours. **Exhibit H17.**

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

188. On October 31, 2022, Musk again teased rumors that Twitter will accept Dogecoin as payment for Twitter Blue subscription services, by tweeting a photo of a 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 H18**. Within six hours of this tweet, Dogecoin went from \$0.1260 to \$0.1573. **Exhibit H19**.

189. When Dogecoin co-creator Billy Markus tweeted that Twitter subscription services might not be easily monetized, Musk on November 24, 2022, responded by using emojis to tweet, “shit brings money.” (This was a reference to Dogecoin, which was originally regarded as a “shitcoin,” a slang term that refers to a low-value cryptocurrency.) Again, the insinuation that Dogecoin may be adopted for payment by Twitter caused Dogecoin’s price to rise from \$0.1182 to \$0.1276 in under twelve hours. **Exhibit H20**.

190. These tweets were false and misleading. To date, Twitter has not adopted Dogecoin for any kind of payment.

191. On February 12, 2023, Twitter user @GRDecter tweeted a picture of Musk sitting with Fox News owner Rupert Murdoch at the Super Bowl, with the question, “What are they talking about? Wrong answers only.” Musk responded, “Dogecoin.” Dogecoin’s price then increased from \$0.08176 to \$0.08597 within fifteen minutes. **Exhibit H21**.

192. 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. **Exhibit H22**.

193. That day, Musk also tweeted a cartoon of a police officer at a traffic stop, looking at a driver’s license with the blue Twitter bird logo while the driver, a cartoon Shiba Inu dog, says, “(T)hat’s an old photo,” misleadingly implying that Dogecoin’s symbol was Twitter’s new

logo. **Exhibit H23.** From April 3<sup>rd</sup> to April 4, 2023, Dogecoin’s price went from \$0.07746 to \$0.09810 **Exhibit H24.**

194. On June 6, 2023, at 9:52am EDT, Twitter founder Jack Dorsey tweeted that “altcoins” (such as Dogecoin) “are a distraction,” and that crypto exchange Coinbase, “should pivot back to being focused on #Bitcoin.” Musk disagreed, tweeting in reply, “Doge ftw [‘for the win’]” and sent Dogecoin’s price from \$0.06641 to \$0.07179 within five hours. **Exhibit H25.**

195. On June 9, 2023, at 8:16pm EDT, Musk tweeted, “Cry ‘Havoc!’ and let slip the Doges of war.” Dogecoin’s price went from \$0.0693 to \$0.0705 within fifteen minutes of this tweet. **Exhibit H26.**

196. On July 2, 2023, Musk sycophant account “DogeDesigner” (@cb\_doge) tweeted,

Hey @McDonalds

Just a reminder that, Elon Musk will eat a happy meal on TV, if you guys accept Dogecoin.

197. At 1:30pm EDT, Musk responded to “DogeDesigner” affirmatively. Dogecoin’s price then jittered from \$0.0672 to \$0.0686 within half an hour, and was up to \$0.0692 the following day. **Exhibit H27.**

198. Three days later, on July 19, 2023 at 11:45am EDT, Musk again tweeted, “Doges ftw [‘for the win’],” this time with a meme featuring the cartoon dog Scooby Doo. **Exhibit H28** Dogecoin’s total market capitalization increased by \$320 million within fifteen minutes.<sup>22</sup>

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<sup>22</sup> See, “Elon Musk posted a Scooby-Doo meme—and Dogecoin added \$320 million in 15 minutes”. Weiss, Ben. July 19, 2023. *Fortune*. Retrieved July 19, 2023. <https://www.yahoo.com/finance/news/elon-musk-posted-scooby-doo-174932783.html>

199. On July 24, 2023, Musk added the Dogecoin symbol to the “bio” section of his Twitter account, stoking rumors of Dogecoin adoption for payment over Twitter,<sup>23</sup> and sending Dogecoin from \$0.0708 to \$0.0772 on the day. **Exhibit H29.**

200. By these tweets, Musk continues encouraging investors to buy and hold an intrinsically valueless asset solely on the strength of his continuing endorsement, and his false or wildly exaggerated promises of viability as currency, exponentially increased transaction efficiency, and adoption for payment by his companies.

## VII. SCIENTIFIC STUDIES SHOW MUSK MANIPULATES THE MARKET

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

202. For example, an analysis of 47 Musk tweets by researchers at the Blockchain Research Lab 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>24</sup>

203. Similarly, a collaborative analysis by a team of statisticians concluded that, “it is difficult to explain [Dogecoin’s] abnormal price increase other than the Musk effect.”<sup>25</sup>

204. Another statistician’s review of market data concluded that Musk’s tweets have “[a] substantial causal effect on the price of Dogecoin.”<sup>26</sup>

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<sup>23</sup> See e.g., “Reading the Elon Musk ‘tea leaves’ – Is Dogecoin coming for Twitter?” Mitchelhill, Tom. Jul. 25, 2023. *Cointelegraph*. Retrieved Sept. 2, 2023. <https://cointelegraph.com/news/elon-musk-dogecoin-price-twitter-x-rebrand>

<sup>24</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>25</sup> Lee & Kim, et al (2022). “The Credibility Cryptocurrency Valuation: Statistical Learning Analysis for Influencer Tweets.” 58-61. <https://ieeexplore.ieee.org/document/9687194>

<sup>26</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/> and <https://fabiandablander.com/r/Causal-Doge.html>, retrieved Aug. 11, 2023.

205. An e-commerce market data study concluded that, “[Dogecoin] price dynamics are subject to the real-time behaviors,” of Elon Musk.<sup>27</sup> This study also concluded that Musk’s *SNL* appearance directly caused Dogecoin’s precipitous market correction starting May 9, 2021.

206. The popular press has also recognized and remarked upon the so-called “Musk Effect” on crypto markets, including Dogecoin.<sup>28</sup>

### **VIII. DEFENDANTS PUMP DOGECOIN USING BOTS AND SHILLS**

207. Upon information and belief, Defendants have utilized bots and paid shills on social media to promote Dogecoin and to defend Musk’s Dogecoin-related conduct.

208. Because Defendants have not publicly revealed which social media accounts are operated by their bots and influencers, all evidence needed to show these aspects of Defendants’ Dogecoin-related influence operations is completely within Defendants’ knowledge and control and will require appropriate discovery to uncover.

209. Researchers at the University of Maryland School of Business conducted a decade-long study showing that bot activity plays a big role in driving Tesla’s market value.<sup>29</sup>

210. A Twitter “bot” is a fake account, programmed to scour a social media platform for specific content and respond with preprogrammed tweets. Bots can also be programmed to send nasty or menacing messages to detractors and ideological opponents.

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<sup>27</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>28</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>29</sup> “Twitter bots helped build the cult of Elon Musk and Tesla. But who’s creating them?” Mitchel, Russ. Apr. 12, 2022. *LA Times*. Retrieved Aug. 9, 2023. <https://www.latimes.com/business/story/2022-04-12/musk-is-off-the-twitter-board-of-directors-the-tesla-twitter-bot-army-marches-on>

211. In January 2021, Tesla posted a want ad on the “Careers” page of its website, seeking a, “customer support specialist (who would) address social media escalations directed at the CEO.”<sup>30</sup>

212. Former Tesla employees have stated that Tesla has a dedicated team that hunts for negative remarks on social media about Tesla and Musk personally, and pressures those who post such content to delete it.<sup>31</sup>

213. Upon information and belief, Twitter accounts including but not limited to the following are operated by paid influencers for Defendants who receive(d) royalties (aka ad sharing revenue) from Twitter and/or X, or are operated by individuals who have received other favors from Defendants in exchange for favorable social media content:

- a. “Shibetashi Nakamoto,” @BillyM2k
- b. “Dave Lee,” @heydave7
- c. “DogeDesigner,” @cb\_doge
- d. “Chairman,” @WSBChairman
- e. “Mishaboar,” @mishaboar
- f. “Sir Doge of the Coin,” @dogeofficialceo
- g. “MyDogeTip,” @MyDogeTip
- h. “stevenmarkryan,” @stevenmarkryan
- i. “Doge Whisperer,” @TDogewhisperer
- j. “The Under Doge,” @TheUnderDoge3
- k. “Jordan Jefferson,” @MyDogeCEO
- l. “MyDoge Wallet,” @MyDogeOfficial
- m. “Alex,” @MyDogeCTO
- n. “Doge Dillionaire,” @DogeDillionaire
- o. “Elonoshi Muskamoto,” @occupymars42069
- p. “[three dollar emojis]” @itsALLrisky

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<sup>30</sup> “Tesla is Hiring an Employee to Defend Elon Musk on Social Media.” Tangermann, Victor. Jan. 27, 2021. *The Byte*. Retrieved Aug. 9, 2023. <https://futurism.com/the-byte/tesla-hiring-defend-elon-musk>

<sup>31</sup> “Tesla’s solar division asks employees to scour social media for complaints about both the company and Elon Musk, trying to get customers to delete their posts, former employees say.” Hamilton, Isobel Asher and Anna Cooban. Jul. 25, 2021. *Business Insider*. Retrieved Aug. 9, 2023. <https://www.businessinsider.com/tesla-solar-energy-elon-musk-complaints-social-media-panels-roof-2021-7>

214. Each of these accounts regularly interacts obsequiously with Musk on Twitter, and each one frequently posts positive (and never posts negative) commentary about Dogecoin, about Musk's Dogecoin-related activities, and about Musk personally, and his companies.

215. Several of the above-listed accounts were utilized by Twitter (now rebranded as "X") in August 2023 to promote the platform's ad revenue sharing program for content creators.

**Exhibit H30.**

**IX. MUSK TARGETS UNSOPHISTICATED INVESTORS**

216. Defendant Musk is a sophisticated investor who enjoys a widespread popular reputation as an expert in finance and technology.

217. Musk has knowingly cultivated this reputation by his prognostications and commentary about those subjects in the media.

218. Musk chose to promote Dogecoin primarily via Twitter, a mass medium.

219. Musk currently has over 150 million Twitter followers. He has been using Twitter since 2009 and knows how to effectively utilize the platform to influence a mass audience.

220. Upon information and belief, at all times relevant to this action, the overwhelming majority of Dogecoin investors were unsophisticated investors.

221. Years' worth of press reports and Dogecoin-related content generated by users on Reddit, Twitter, and YouTube strongly suggest that Dogecoin is a populist phenomenon and that many of its enthusiasts are young adults and others who have little to no formal background in finance, technology, and investing.

222. Crypto investors who invest indirectly, via proprietary corporate wallets such as the ones operated by Robinhood, are generally less sophisticated when it comes to trading crypto than traders who maintain non-custodial wallets that they hold their own private keys to.



223. During the first quarter of 2021, while Musk was intensively pumping Dogecoin, 9.5 million people traded cryptocurrency on Robinhood.<sup>32</sup>

224. In its SEC Form 8-K dated August 18, 2021, Robinhood reported 21.3 million active users and 22.5 million net cumulative funded accounts for the second quarter (April, May, June) of 2021; that 60% of those accounts traded crypto during that quarter; and that Dogecoin accounted for 62% of Robinhood's crypto revenue for that quarter.

225. Upon information and belief, Musk knew before first endorsing Dogecoin that the Dogecoin brand appeals primarily to unsophisticated investors; and he promoted it with the intention of influencing such investors.

226. On October 24, 2021, Musk 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 I-1.** Musk had earlier tweeted, "Dogecoin is the people's crypto." *See* **Exhibit G3.**

227. Dogecoin had received minor flurries of publicity in 2018, when its market cap briefly reached a pre-Musk record of nearly \$2 billion; and again in 2020 when Dogecoin enthusiasts on the popular short-form video hosting app TikTok attempted to pump Dogecoin's price by releasing a spate of Dogecoin-themed content.

228. On June 26, 2020, Musk tweeted, "Who controls the memes, controls the Universe." He tweeted this again on February 3, 2022, and August 11, 2023. *See* **Exhibit I-2.** These tweets show that Musk realizes the powerful impact his tweets have on public discourse and securities markets.

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<sup>32</sup> "Crypto trading on Robinhood spiked to 9.5 million customers in first quarter." Azevedo, Mary Ann. Apr. 8, 2021. *TechCrunch*. Retrieved Aug. 11, 2023. <https://techcrunch.com/2021/04/08/crypto-trading-on-robinhood-spiked-to-9-5m-customers-in-first-quarter/>

**X. MUSK BELIEVES HE IS ABOVE THE LAW**

229. Musk’s market manipulation of, and misrepresentations regarding, Dogecoin were not only made knowingly, but were made with knowing disdain for the rule of law, which Musk does not respect.

230. On February 25, 2021, the SEC announced that it was investigating Musk for his Dogecoin tweets. Musk responded by tweeting, “I hope they do! That would be awesome,” **Exhibit I-3**, and, in a since-deleted tweet, “Good luck catching my rocket. Doge will live forever. #dogefather.”

231. In 2018, Musk and Tesla agreed to a settlement with the SEC over charges of securities fraud misstatements on Twitter regarding Tesla stock. As part of the settlement, Musk entered a consent decree requiring Tesla attorneys to vet some of his tweets in advance.

232. In a December 2018 interview with Leslie Stahl on CBS’s *60 Minutes* just after that settlement, Musk stated, “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 as the consent decree requires.<sup>33</sup>

233. On December 9, 2020, SpaceX, under Musk’s leadership, launched a rocket out of Texas in disregard and contravention of the Federal Aviation Administration’s refusal, for safety reasons, to clear the rocket for launch. It later crash-landed, causing a massive explosion.<sup>34</sup>

234. On July 2, 2020, Musk tweeted a vulgar innuendo, “SEC, three letter acronym, middle word is Elon’s.” *See Exhibit I-3*.

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<sup>33</sup> Recently, Musk filed a Rule 60(b) motion asking a court in this District to overturn the consent decree. On May 15, 2023, 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.

<sup>34</sup> *See*, “Elon Musk’s Shadow Rule.” Farrow, Ronan. Aug. 21, 2023. *The New Yorker*. Retrieved Sept. 2, 2023. <https://www.newyorker.com/magazine/2023/08/28/elon-musks-shadow-rule>

235. On April 14, 2022, Musk told the audience at a conference in Vancouver, “So I was forced to concede to the SEC unlawfully. Those bastards.”<sup>35</sup>

236. 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.”

## **XI. DEFENDANTS PUMPED AND DUMPED DOGECOIN**

237. Upon information and belief, both Musk and Tesla, Inc. have profitably traded considerable amounts of Dogecoin concurrent with Musk’s pumping of the asset.

238. Anonymity is one of the fundamental features of blockchain technology. Any given address on the Dogecoin blockchain will publicly show each wallet’s Dogecoin transactions; but not the private keys to that address or who owns them. Absent forensic investigation, or disclosure by an address’s owner, it is difficult if not virtually impossible to know for certain which entity or individual owns a particular crypto wallet.

239. Defendants have never publicly disclosed which cryptocurrency wallets they own. This information is entirely within Defendants’ knowledge and control and requires appropriate discovery to reveal.

240. On numerous occasions, Musk has publicly stated that he is investing in Dogecoin. For example, on February 10, 2021, Musk tweeted that he had purchased Dogecoin for his son. *See Exhibit G7*. On November 23, 2021, in the course of a Twitter interaction with Binance CEO Changpeng ‘CZ’ Zhao, Musk said he was holding Dogecoin. *See Exhibit H11*.

241. On May 20, 2021, Musk sycophant account @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

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<sup>35</sup> “Musk says U.S. SEC ‘bastards’ forced settlement over Tesla tweets.” Jin, Hyunjoo and Sheila Dang. Apr. 14, 2022. *Reuters*. Retrieved Aug. 8, 2023. <https://www.reuters.com/technology/musk-says-us-sec-bastards-forced-settlement-over-tesla-tweets-2022-04-14/>

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.

242. Musk replied to this a few hours later. He did not deny that, "without Elon... Doge goes back to \$0.01," and 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 I-4.**

243. On October 24, 2021, at 2:01pm EDT, Musk tweeted, "Out of curiosity, I acquired some ascii hash strings called 'Bitcoin, Ethereum & Doge.'" Hash strings are used to mine cryptocurrency. On February 20, 2021, Musk had tweeted, "I just set up some little Doge mining rigs with my kids." *See Exhibit I-4.*

244. On June 19, 2022, Musk tweeted, "I will keep supporting Dogecoin." Twitter user @AltcoinGordon responded, "Keep buying it then," and Musk replied, "I am." *See Exhibit I-4.*

245. On June 21, 2022, in an interview with *Bloomberg* at the Qatar Economic Forum, Musk stated, "I also bought some Dogecoin and I intend to personally support Dogecoin."

246. At page 68 of its SEC Form 10-K filed January 30, 2023, Tesla stated that it had purchased and/or received \$1.5 billion in digital assets during 2021 and 2022; that it had converted 75% of these purchases into fiat currency; and that the fair market value of its digital assets held as of December 31, 2022, and 2021 was \$191 million and \$1.99 billion, respectively. Tesla has not revealed which of these digital assets were Dogecoin.

247. At page 9 of its SEC Form 10-Q filed July 21, 2023 (under "Consolidated Statements of Cash Flows") Tesla stated that it had realized \$936 million in proceeds from sales of digital assets during 2022, and that as of June 30, 2023, it holds \$184 million in digital assets. Tesla has not revealed which of these digital assets were in Dogecoin.

248. Upon information and belief, the three Dogecoin wallets beginning, respectively, in "DPDL," "DDuX," and "D8ZEV" each belong to one or both Defendants.

249. Obviously, Musk is aware of his ability to pump Dogecoin, and only he knows in advance when he will move the market.

250. Approximately two-thirds of all Dogecoin is owned by just 100 “whales,” i.e., owners of high-volume wallets. At various times relevant to this action, numerous whale wallets have offloaded (sold) large amounts of Dogecoin virtually in tandem with Musk’s tweets and other activity that Musk knows will temporarily increase Dogecoin’s trading price.

251. For example, 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 buy Twitter. During this period, Dogecoin wallet DPDLBAe3RGQ2GiPxDzhgjcmpZCZD8cSBgZ (“DPDL”) sold more than 2.25 billion Dogecoins (300 million of which were sold immediately after Musk’s Halloween Shiba Inu tweet) for a total of over \$230 million.

252. As another example, between April 4 and 6, 2023, when Musk replaced Twitter’s app logo with the Dogecoin logo, Dogecoin’s price increased by 30%. Within that timeframe, Dogecoin wallet DDuXGMFNGpGjaAqyDunSMvceMBruc1wwKF (“DDuX”) sold 1.1 billion Dogecoins for over \$95 million dollars.

253. Also between April 4 and 6, 2023, when Musk replaced Twitter’s app logo with the Dogecoin logo, Dogecoin wallet D8ZEVbgf4yPs3MK8dMJJ7PpSyBKsbd66TX (“D8ZEV”) sold over 300 million Dogecoins for nearly \$29 million.

254. Upon information and belief, at some or all times relevant to this action, Dogecoin wallet DJ6KcPsgiWQAXigrk3xwoq1xYb1ZNCxB3o (“DJ6Kc”) was owned by one or both Defendants.

255. On February 1, 2021, global charity GiveDirectly tweeted from its Twitter account, @GiveDirectly, “Now accepting #dogecoin! Give directly to recipients living in poverty at DJbsZJVxMaRqY1tZXQDk8wZVjU5cJdxKKw.”

256. On February 10, 2021, at 2:53pm EST, Musk responded to this by tweeting, “Just sent some.” **Exhibit I-5.**

257. Exactly one minute earlier, at 2:52pm EST, a donation of 150,000 Dogecoins (worth about \$11,300 at the time) was received by GiveDirectly’s wallet, DJbsZ, from DJ6Kc. On that date, February 10, 2023, no other Dogecoin was received by DJbsZ prior to 2:53pm EST, when Musk tweeted “Just sent some.”

258. DJ6Kc was opened in 2017, and since that time has profitably trade while sending and receiving billions of dollars’ worth of Dogecoin in at least 739,600 separate transactions.

259. The extremely high number of transactions DJ6Kc has conducted suggests that DJ6Kc is operated by a software program, though at times it may also be operated manually.

260. The extremely high number of transactions DJ6Kc has conducted also suggests that DJ6Kc is being used as a “hot wallet” (i.e., a wallet used for active trading as opposed to use for storage) by some very wealthy person or entity who may be mining Dogecoin.

261. Upon information and belief, forensic analysis of blockchain records for DJ6Kc will reveal the “cold wallet(s)” (i.e., wallets used for storage, not for active trading) of the owner(s) of DJ6Kc.

262. Upon information and belief, at some or all times relevant to this action, Dogecoin wallet DH5yaieqoZN36fDVciNyRueRGvGLR3mr7L (“DH5ya”) was owned by Musk or Tesla, Inc.

263. DH5ya was opened on February 5, 2019, less than two months before Musk began promoting Dogecoin on Twitter.

264. 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.

265. 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.

266. By February 3, 2021, right 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—worth approximately \$1.46 billion at the time—and was the largest Dogecoin wallet in existence.

267. On February 9, 2021, one day before Musk tweeted that he had purchased Dogecoin for his son, DH5ya purchased 28.061971 Dogecoins, the numeric equivalent of Musk's date of birth (28 June 1971). DH5ya would purchase Dogecoin in that same amount at least three more times, on February 10 and 17, 2021, and on November 3, 2022.

268. 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, and at roughly the same week as the largest ever crypto and crypto-futures liquidation in history, DH5ya sold over 100 million Dogecoins for more than \$7.3 million.

269. Speculation about who owns DH5ya has been swirling online for years.<sup>36</sup> Some have speculated that it belongs to Musk.<sup>37</sup> <sup>38</sup> Others have speculated that it belongs to Robinhood.<sup>39</sup>

270. On February 16, 2021, in an interaction with Musk-sycophant account @itsALLrisky, Musk tweeted support for rumors that DH5ya belongs to Robinhood. **Exhibit I-6.**

271. Blockchain data website BitInfoCharts labels DH5ya as belonging to Robinhood. *See Exhibit I-6.*

272. However, none of the many other blockchain data websites that track Dogecoin wallets labels DH5ya as belonging to anyone.

273. The basis for much of the online speculation that DH5ya belongs to Robinhood has been that Robinhood is using DH5ya for “cold storage,” rather than for active trading.<sup>40</sup>

274. However, DH5ya has long actively traded, and repeatedly offloaded large amounts of Dogecoin, in a manner uncharacteristic of a cold storage wallet.

275. Further basis for speculation that DH5ya belongs to Robinhood is that the timing of its creation, and the creation of the addresses it received funds from, supposedly match the timings of Robinhood’s offering of Dogecoin to investors.<sup>41</sup>

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<sup>36</sup> See, e.g., “A mysterious dogecoin whale who owns \$15 billion of the cryptocurrency added another 420.69 coins.” Graffeo, Emily. May 21, 2021. *Business Insider*. Retrieved Aug. 10, 2021. <https://www.businessinsider.in/stock-market/news/a-mysterious-dogecoin-whale-who-owns-15-billion-of-the-cryptocurrency-just-bought-another-420-69-coins/articleshow/82809588.cms>

<sup>37</sup> See [https://www.reddit.com/r/czcalls/comments/yj7och/is\\_elon\\_musk\\_the\\_largest\\_holder\\_of\\_dogecoin\\_doge/](https://www.reddit.com/r/czcalls/comments/yj7och/is_elon_musk_the_largest_holder_of_dogecoin_doge/)

<sup>38</sup> See <https://twitter.com/lookonchain/status/1587392860201967617>

<sup>39</sup> “Cryptocurrency Sleuths Point to Robinhood as Dogecoin Whale.” Kochkodin, Brandon and Olga Kharif. Feb. 17, 2021. *Bloomberg*. Retrieved Aug. 10, 2023. <https://www.bloomberg.com/news/articles/2021-02-17/cryptocurrency-sleuths-point-to-robinhood-as-dogecoin-whale>

<sup>40</sup> See e.g., “Who Owns the Mystery Dogecoin Whale Address? Robinhood’s CEO Dismisses Speculation.” Redman, Jamie. May 21, 2021. *Bitcoin.com*. Retrieved Aug. 10, 2021. <https://news.bitcoin.com/who-owns-the-mystery-dogecoin-whale-address-robinhoods-ceo-dismisses-speculation/>

<sup>41</sup> See [https://www.reddit.com/r/dogecoin/comments/lkwnny/mystery\\_solved\\_the\\_billionaire\\_dogecoin\\_whale\\_aka/](https://www.reddit.com/r/dogecoin/comments/lkwnny/mystery_solved_the_billionaire_dogecoin_whale_aka/)



276. However, Robinhood first listed Dogecoin on its exchange in July 2018, seven months before DH5ya was created.

277. DH5ya exhibits behavior not typical for an exchange, at times making copious, repetitive acquisitions of tiny amounts of Dogecoin; but also offloading large amounts of Dogecoin at times when trading volume was at record highs.

278. Furthermore, at Dogecoin's 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.

279. Robinhood CEO Vlad Tenev effectively denied rumors that Robinhood owns DH5ya, when on May 6, 2021, speaking at a "fireside chat" hosted by Robinhood, he directly addressed a question about DH5ya's ownership by stating that, "We don't have significant positions in any of the coins that we keep on a proprietary basis."<sup>42</sup>

280. Upon information and belief, Defendants own and have traded Dogecoin profitably via other and further wallets, accounts and exchanges presently unknown to Plaintiffs. However, this information is entirely within Defendants' knowledge and control and require appropriate discovery to reveal.

## **XII. DEFENDANTS CONCURRENTLY PUMPED AND DUMPED BITCOIN**

281. During the first half of 2021, Tesla, Inc. and Musk dramatically manipulated and caused historically high volatility in the market for Bitcoin.

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<sup>42</sup> See, "A \$25 billion dogecoin whale lurks, but Robinhood CEO says 'we don't have significant positions in any of the coins we keep.'" DeCambre, Mark. May 8, 2021. *Marketwatch*. Retrieved Aug. 10, 2023. <https://www.marketwatch.com/story/a-25-billion-dogecoin-whale-lurks-but-robinhood-ceo-says-we-dont-have-significant-positions-in-any-of-the-coins-we-keep-11620326508>

282. Upon information and belief, Musk promoted Dogecoin as a hedge against Bitcoin, and in order to cultivate a crypto brand that would be subject to greater and more direct influence by him than Bitcoin.

283. At page 23 of its SEC Form 10-K filed February 8, 2021, Tesla announced that it had invested \$1.5 billion in Bitcoin and was changing its policies to enable it to continue investing in cryptocurrency.

284. At page 68 of its SEC Form 10-K filed January 30, 2023, Tesla stated that it had purchased \$1.5 billion in digital assets during 2021 and 2022; that it had converted 75% of these purchases into fiat currency; and that the fair market value of its digital assets held as of December 31, 2022 and 2021 was \$191 million and \$1.99 billion, respectively.

285. At page 9 of its SEC Form 10-Q filed July 21, 2023 (under “Consolidated Statements of Cash Flows”) Tesla stated that it had realized \$936 million in proceeds from sales of digital assets during 2022, and that as of June 30, 2023, it holds \$184 million in digital assets.

286. In an interview given to *Bloomberg* at the Qatar Economic Forum on June 21, 2022, Musk stated that Tesla, Inc., and he personally had purchased both Bitcoin.

287. Upon information and belief, a portion of Tesla’s digital assets and transactions are in Dogecoin. However, due to the anonymized nature of cryptocurrency trading, virtually all evidence of this is entirely within the knowledge and control of Defendants and will require appropriate discovery to uncover.

288. Historically, Bitcoin’s price has been less malleable to Musk’s public statements than Dogecoin’s price has been and, unlike with Dogecoin, sustained influence over Bitcoin’s price has required Musk to enlist Tesla in making significant public commitments to deal (or refrain from dealing) in Bitcoin.

289. On December 20, 2020, at 4:24am EST, Musk tweeted, “Bitcoin is almost as BS as fiat money.” This remark had no real impact on Bitcoin—indeed, at the moment Musk tweeted it, Bitcoin was trading at \$23,615, and within twelve hours was trading even higher, at \$24,250, closing the day at \$23,851—higher than it had been at the time Musk emitted this criticism. **Exhibit J1.** That same day, in contrast, Musk’s “One word: Doge” tweet caused the price of Dogecoin to increase by 20%. *See Exhibit F8.*

290. Upon information and belief, Musk was trying to drive the price of Bitcoin down ahead of Tesla’s then-planned investment in Bitcoin.

291. On January 28, 2021, after Tesla had invested in Bitcoin but before this was announced, Musk deliberately pumped Bitcoin’s price by adding “#bitcoin” to his Twitter bio, whereupon its price jumped from around \$32,000 to almost \$38,000 that same day.<sup>43</sup>

292. On February 7, 2021, at 12:27am EST, Musk tweeted, “Doge appears to be inflationary, but is not meaningfully so... whereas BTC [i.e., Bitcoin] is arguably deflationary to a fault.” Dogecoin shot up from \$0.0733 to \$0.0847. *See Exhibit G6.* But this remark had no impact on the price of Bitcoin, which went from \$38,371 to \$39,600 in less than five hours, and closed the day even higher, at \$38,639. **Exhibit J2.**

293. The following day, February 8, 2021, Tesla announced in its SEC Form 10-K that it had purchased \$1.5 billion worth of Bitcoin the previous month, and would soon be accepting Bitcoin as a form of payment for Tesla vehicles. On this news Bitcoin went from \$38,641 to \$46,622 by the end of the day. **Exhibit J3.**

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<sup>43</sup> “Bitcoin spikes 20% after Elon Musk adds #bitcoin to his Twitter bio.” Browne, Ryan. Jan. 29, 2021. *CNBC*. Retrieved Sept. 2, 2023. <https://www.cnbc.com/2021/01/29/bitcoin-spikes-20percent-after-elon-musk-adds-bitcoin-to-his-twitter-bio.html>

294. On February 10, 2021, world-renowned economist and NYU professor Nouriel Roubini gave an interview to crypto news outlet *CoinDesk*, where he accused Musk of market manipulation of Bitcoin, which Roubini called “criminal behavior,” and stated that the SEC should investigate Musk.<sup>44 45</sup>

295. On March 24, 2021, Musk tweeted, “You can now buy a Tesla with Bitcoin.” This sent Bitcoin from \$54,665 to \$56,976 within seven hours. **Exhibit J4.**

296. On May 12, 2021, Musk did an about-face, announcing in a tweet that, Tesla has suspended vehicle purchases using Bitcoin. We are concerned about rapidly increasing use of fossil fuels for Bitcoin mining and transactions, especially coal which has the worst emissions of any fuel... Tesla will not be selling any Bitcoin and we intend to use it for transactions as soon as mining transitions to more sustainable energy...

297. With that, Bitcoin began a nosedive from \$56,936 per unit to \$48,177, in just two hours, **Exhibit J5**, and continued plummeting to a July 20th low of \$29,789.

298. Musk’s May 12, 2021, tweet was false and misleading—first, because Musk’s purported concerns about the environmental impact of Bitcoin mining flatly contradicted a public statement he’d made on the subject less than one month earlier, on April 21, 2021. On that date, Twitter founder Jack Dorsey tweeted a link to a five-page white paper from his new payment processing company Square titled, “Bitcoin is Key to an Abundant, Clean Energy Future.” Above this link, Dorsey added the remark, “Bitcoin incentivizes renewable energy.” In reply to this, Musk tweeted, “True.” **Exhibit J6.**

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<sup>44</sup> See, “‘Dr. Doom’ economist Nouriel Roubini says Elon Musk’s tweets about bitcoin ahead of Tesla’s investment are ‘market manipulation’ and the SEC should investigate.” Daniel, Will. Feb. 11, 2021. *Business Insider*. Retrieved Aug. 7, 2023. <https://markets.businessinsider.com/currencies/news/nouriel-roubini-elon-musk-bitcoin-tweets-sec-investigate-market-manipulation-2021-2-1030074013>

<sup>45</sup> See also, “Commenting on @tesla’s \$1.5 billion bitcoin buy on #CDTV First Mover this morning, @Nouriel said it’s ‘criminal behavior’ for Elon Musk to take an individual stance on bitcoin to pump up the price before announcing Tesla’s investment.” Feb. 10, 2021. *CoinDesk*, via Twitter. Retrieved Aug. 7, 2023. <https://twitter.com/CoinDesk/status/1359524088310624258>

299. Second, Musk’s remark in his May 12, 2021, tweet that, “Tesla will not be selling any Bitcoin,” was totally false, because just one month later, on June 13, 2021, Musk would announce in a tweet that Tesla had indeed sold 10% of its Bitcoin holdings; and by July 2022, Tesla announced that it had sold 75% of its Bitcoin.

300. In an interview on South African talk radio on June 9, 2021, Magda Wierzycka, the CEO of multinational fintech conglomerate Sygnia Ltd., stated that Musk was manipulating the market for Bitcoin and that, “if that happened to a listed company he would be investigated and severely sanctioned by the SEC.” Wierzycka added that she believed Musk had pumped Dogecoin’s price and then, “sold a big part of his exposure at the peak.”<sup>46</sup>

301. On June 13, 2021, crypto webzine *Cointelegraph* tweeted a link to a news item about Wierzycka’s remarks.<sup>47</sup> Musk did not deny manipulating the market, and partially admitted Wierzycka’s allegation that Tesla sold, when he responded to *Cointelegraph* by tweeting, “This is inaccurate. Tesla sold only ~10% of holdings to confirm BTC [i.e., bitcoin] could be liquidated easily without moving market.” **Exhibit J7.**

302. Such an experiment would not have yielded very reliable results given the historically high volatility to which Defendants subjected Bitcoin from February to June 2021; and because 10% of Tesla’s then-holdings represented a fraction of a percent of Bitcoin’s market cap. Thus, Musk’s stated reasoning for Tesla’s sale of Bitcoin was misleading.

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<sup>46</sup> See, “Sygnia’s Magda Wierzycka on JSE’s refusal for it to list a bitcoin EFT.” *The Money Show With Bruce Whitfield*, CapeTalk 567 AM. June 9, 2021. Retrieved Aug. 7, 2023. <https://www.702.co.za/podcasts/201/the-best-of-the-money-show/522082/sygnias-magda-wierzycka-on-jses-refusal-for-it-to-list-a-bitcoin-etf>

<sup>47</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>

303. Such was Musk's impact on the Bitcoin market that Bitcoin's dramatic plunge that began May 12, 2021, stabilized for two nearly days when Musk tweeted on May 17, 2021, that, "Tesla has not sold any Bitcoin." **Exhibit J8.**

304. Musk had again falsely insinuated that Tesla would hold its Bitcoin rather than sell when, on May 19, 2021, he tweeted (using a combination of emojis) "Tesla has diamond hands," and, "Credit to our master of coin." **Exhibit J9.**

### **XIII. MUSK'S CLAIMS OF ALTRUISTIC MOTIVES ARE NOT BELIEVEABLE**

305. In his June 21, 2022, interview with *Bloomberg* at the Qatar Economic Forum, Musk stated, "I have never said people should invest in crypto... 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>48</sup>

306. Musk had earlier 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." *See Exhibit G3.*

307. Musk's averment that he, "never said people should invest in crypto," was an outright lie, as he had already spent over two years encouraging people to do just that.

308. Upon information and belief, one reason why Musk promoted Dogecoin was, indeed, to defray or offset some of the cost of employee compensation at his companies.

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<sup>48</sup> *See*, "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).

Confirming this will require appropriate discovery because, at present, Musk's intentions in this regard are known only to him.

309. However, Musk's averment that he "support[s]" Dogecoin out of populist and altruistic motives to help, "people who are not wealthy," including his employees, is false and misleading, as Musk has a well-documented history of union busting, retaliatory terminations, wage theft, mass layoffs without notice required under law, and remarkably dehumanizing abuse of his employees.<sup>49</sup>

310. In May 2017, SpaceX settled a class action brought by former employees alleging, among other things, wage theft, failure to provide notice required under California law prior to mass layoffs, and failure to provide required meal and rest breaks, all under Musk's leadership.<sup>50</sup>

311. Within one month of taking over Twitter, Musk had subordinates comb through the internal communications and public tweets of Twitter employees looking for critical remarks about himself, which led to dozens of retaliatory terminations.<sup>51</sup>

312. 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

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<sup>49</sup> See e.g., "Elon Musk would flip into 'demon mode' and 'rip people apart,' says biographer who shadowed him for two years." Royle, Orianna. June 29, 2023. *Fortune*. Retrieved Aug. 12, 2023. <https://fortune.com/2023/06/29/elon-musk-demon-mode-rip-people-apart-walter-isacson-biographer-shadowed-2-years/>; see also "Dr. Elon and Mr. Musk: Life Inside Tesla's Production Hell." Duhigg, Charles. Dec. 13, 2018. *Wired*. Retrieved Aug. 12, 2023. <https://www.wired.com/story/elon-musk-tesla-life-inside-gigafactory/>

<sup>50</sup> See, "Elon Musk's SpaceX shortchanged its workers and now it must pay." Bloom, Ester. May 15, 2017. *CNBC*. Retrieved Aug. 9, 2023. <https://www.cnbc.com/2017/05/15/elon-musks-spacex-mistreated-its-workers-and-now-it-must-pay.html>

<sup>51</sup> See, "Elon Musk Fired Twitter Employees Who Criticized Him." Conger, Kate, Ryan Mac and Mike Isaac. Nov. 15, 2022. *New York Times*. Retrieved Aug. 9, 2023 <https://www.nytimes.com/2022/11/15/technology/elon-musk-twitter-fired-criticism.html>

Twitter,” by Musk in regard to a \$250,000 settlement SpaceX had reached with a former employee over claims that Musk prepositioned and exposed himself to her.<sup>52</sup>

313. 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.

314. 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 Tesla 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).

315. In August 2023, SpaceX was sued by the Department of Justice for discrimination in hiring, against asylees and refugees.

#### **XIV. MUSK SEEKS TO GRAFT DOGECOIN TO HIS BUSINESS EMPIRE**

316. Upon information and belief, as part of a grand, megalomaniacal vision for control of the internet, Musk’s intent in promoting and helping develop Dogecoin has been to bring the Dogecoin project under his direct, personal control and graft it to his business empire without incurring the cost and legal liability involved in developing his own cryptocurrency.

317. Indeed, on August 4, 2023, Musk announced that Twitter (which he has rebranded as “X”) will never launch a proprietary crypto token. **Exhibit K1.**

318. On February 19, 2019, Musk gave an interview on the “FYI – For Your Innovation” podcast, where he stated, “Paper money is going away,” and, “Crypto is a far better way to transfer

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<sup>52</sup> See, “SpaceX Employees Say They Were Fired for Speaking Up About Elon Musk.” Scheiber, Noam and Ryan Mac. Nov. 17, 2022. *New York Times*. Retrieved Aug. 9, 2023. <https://www.nytimes.com/2022/11/17/business/spacex-workers-elon-musk.html>



value than pieces of paper, that's for sure.”<sup>53</sup>

319. On the evening of February 5, 2021, Musk gave an impromptu interview to reporters on the street outside a Los Angeles steakhouse, in which he stated that, “There’s a good chance that crypto is the future currency of earth.”<sup>54</sup>

320. Musk would later amplify this sentiment in a Twitter exchange with stockbroker Peter Schiff on February 20, 2021, when he stated, “Money is just data that allows us to avoid the inconvenience of barter. That data, like all data, is subject to latency and error. The system will evolve to that which minimizes both,” and again on May 20, 2021, when he tweeted that, “Currency is already digital.” **Exhibit K2.**

321. According to Dogecoin core developer Ross Nicholl, Musk’s work with Dogecoin’s core developers has focused heavily on reducing Dogecoin’s energy consumption.<sup>55</sup>

322. Upon information and belief, increasing Dogecoin’s transaction speed and volume has been a key aim of Musk’s role with the Dogecoin core development team, because this would be necessary to render Dogecoin viable as a form of currency.

323. On May 12, 2021, when Musk announced that Tesla was backtracking on its commitment to accept Bitcoin for payment due to alleged environmental concerns Musk stated, “We are also looking at other cryptocurrencies that use <1% of Bitcoin’s energy/transaction.” *See Exhibit J5.*

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<sup>53</sup> See, “Elon Musk: ‘Paper money is going away.’” Clifford, Catherine. Feb. 20, 2019. *CNBC*. Retrieved Sept. 2, 2023. <https://www.cnbc.com/2019/02/20/elon-musk-paper-money-is-going-away-cryptocurrency-tech-has-merit.html>

<sup>54</sup> See, “Elon Musk: Dogecoin Could Be the Future, but... Beware the Tides of Crypto!” Feb. 6, 2021. *TMZ*. Retrieved Aug. 10, 2023. <https://www.tMZ.com/2021/02/06/elon-musk-says-dogecoin-is-the-future-of-cryptocurrency/>

<sup>55</sup> See, “Exclusive: Dogecoin Developers Say They’ve Been Working with Elon Musk Since 2019.” Hamacher, Adriana. May 14, 2021. *Decrypt*. Retrieved Aug. 12, 2023. <https://decrypt.co/70945/exclusive-dogecoin-developers-say-theyve-been-working-with-elon-musk-since-2019>

324. On May 15, 2021, Musk tweeted, “Ideally, Doge speeds up block time 10x, increases block size 10x & drops fee 100x. Then it wins hands down.”

325. On May 23, 2021, Vitalik Buterin, a well-known computer engineer and co-creator of the Ethereum cryptocurrency, penned a blog post in response to this, explaining why Musk’s proposal to make Dogecoin more efficient is “fundamentally flawed” and would be impossible, “without leading to extreme centralization and compromising fundamental properties that make a blockchain what it is,” because, “there are subtle technical factors that limit blockchain scaling.”<sup>56</sup>

326. On May 24, 2021, crypto news webzine *Cointelegraph* tweeted a link to an article on their website about Buterin’s remarks titled, “Vitalik: Why Elon Musk’s plan for scaling crypto 10x is ‘fundamentally flawed.’” Musk replied the same day with a Dogecoin meme image parodying the movie *Jaws*, with the remark “He fears the Doge.” Text inside the image read, “You will never use the dollar again.” **Exhibit K3.**

327. However, when Vitalik reiterated his stance on *The Lex Fridman Podcast*, Musk responded to a tweet by Fridman containing a link to that podcast episode stating, “I pretty much agree with Vitalik.” **Exhibit K4.**

328. Musk sycophant account “Long Elon” (@long\_elon) had also responded on the same day to Musk’s aforesaid May 15, 2021 tweet by asking, “Why not just make a crypto from scratch that does everything you want technically and has a lot of dev support and doesn’t have high concentration of ownership at least initially?” to which Musk replied, “Only if Doge can’t do it. Big pain in the neck to create another one.” **Exhibit K5.**

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<sup>56</sup> See, “The Limits to Blockchain Scalability.” Buterin, Vitalik. May 23, 2021. *Vitalik Buterin’s website*. Retrieved Aug. 14, 2023. <https://vitalik.ca/general/2021/05/23/scaling.html>

329. On September 22, 2021, Musk continued to plug Dogecoin as a viable currency by tweeting, “Super important for Doge fees to drop to make things like buying movie tix viable.” *See Exhibit K5.*

330. In December 2021, Musk told *Time* magazine that,

I could wax on about the nature of money for hours because I played a significant role in creating PayPal, and so my understanding of the money system at a fundamental level of how it actually works, the detailed mechanics of it, is—I think there are very few people who understand it better than me. Bitcoin is an interesting example and obviously the prime mover on this, but the transaction volume of Bitcoin is low and the cost per transaction is high. It is, at least at its base level, suitable maybe for a store of value, but fundamentally Bitcoin is not a good substitute for transactional currency. And even though it was created as a silly joke, Dogecoin is better suited for transactions. The total transaction flow that you can do with Dogecoin is substantially more than—like, transactions per day, has much higher potential than Bitcoin. It is slightly inflationary, but that inflationary number is a fixed number as opposed to a percentage, so that means over time its percentage inflation actually decreases. And that’s actually good because it encourages people to spend rather than hoard it as a store of value.<sup>57</sup>

331. One of Musk’s great ambitions is to cultivate X into a so-called “everything app” or “super app” akin to the Chinese communist party linked app WeChat, that would incorporate social media, instant messaging, job listings and professional networking, and payment processing like PayPal, including in crypto.<sup>58</sup>

332. In May 2022, Musk stated in reference to WeChat, that, “I think WeChat’s actually a good model. If you’re in China, you kind of live on WeChat. It does everything. It’s

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<sup>57</sup> *See*, “Elon Musk on Income Inequality, Cryptocurrency and His Tweets: Excerpts From the 2021 Person of the Year Interview.” Dec. 13, 2021 *Time*. Retrieved Aug. 9, 2023. <https://time.com/6127757/elon-musk-interview-person-of-the-year-2021/>

<sup>58</sup> *See e.g.*, “Elon Musk’s Shadow Rule.” Farrow, Ronan. Aug. 21, 2023. *The New Yorker*. Retrieved Sept. 2, 2023. <https://www.newyorker.com/magazine/2023/08/28/elon-musks-shadow-rule>; *see also* “Elon Musk’s Quixotic Quest to Turn X Into an ‘Everything App.’” Jul. 27, 2023. Mac, Ryan. Retrieved Sept. 2, 2023. <https://www.nytimes.com/2023/07/27/technology/elon-musk-x-everything-app.html>

sort of like Twitter plus PayPal plus a whole bunch of other things all rolled into one... It's really an excellent app. We don't have anything like that outside of China."<sup>59</sup>

333. X under Musk's control has taken numerous steps to implement this vision. It has altered its terms of service to permit gathering of biometric data from users, as well as education and job history.<sup>60</sup> It announced to users that it intends to use their content to train artificial intelligence ("AI") programs being developed by Musk's new company, xAI,<sup>61</sup> and has also curtailed content moderation,<sup>62</sup> a move that is conducive to AI training because it offers more extensive, more accurate data to the AI.

334. X has also made initial moves toward incorporating payment processing, by offering direct payments to content creators,<sup>63</sup> and by obtaining currency transmitter licenses in seven U.S. states that would allow X to process payments in cryptocurrency.<sup>64</sup>

335. Promoting Dogecoin has enabled Musk to accomplish numerous goals related to his long-term vision for Twitter/X. First, he subsumed a crypto brand that is widely regarded as fun and hip into his public persona, and spurred considerable enthusiasm for that brand without paying for publicity.

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<sup>59</sup> See, "Elon Musk tells employees he wants Twitter to be more like WeChat and TikTok." Heath, Alex. Jun. 16, 2022. *The Verge*. Retrieved Sept. 2, 2023. <https://www.theverge.com/2022/6/16/23171054/elon-musk-twitter-deal-1-billion-users-wechat-tiktok>

<sup>60</sup> See, "Elon Musk's X now wants your biometric data, as well as your job and education history, for 'safety, security, and identification purposes.'" Taylor, Chloe. Aug. 31, 2023. *Fortune*. Retrieved Sept. 2, 2023. <https://fortune.com/2023/08/31/elon-musk-x-biometric-data-user-job-education-history-train-ai-security-twitter/>

<sup>61</sup> See, "Elon Musk's X tells users that it could use their posts to train AI models." Carter, Tom. Sept. 1, 2023. *Business Insider*. Retrieved Sept. 2, 2023. <https://www.businessinsider.com/elon-musk-x-to-use-public-information-trains-ai-models-2023-9>

<sup>62</sup> See, "We're Officially in the Elon Musk Era of Content Moderation." Ecarma, Caleb. Nov. 21, 2022. *Vanity Fair*. Retrieved Sept. 2, 2023. <https://www.vanityfair.com/news/2022/11/elon-musk-twitter-content-moderation>

<sup>63</sup> See "Creators are 'pleasantly surprised' by X's decent ad revenue-sharing payouts." De Luna, Elizabeth. Aug. 8, 2023. *Mashable*. Retrieved Sept. 2, 2023. <https://mashable.com/article/x-creator-payouts>

<sup>64</sup> See, "Elon Musk's X Has Licenses in Multiple U.S. States to Process Payments, Including Crypto." Handagama, Sandali. Aug. 31, 2023. *Coin Desk*. Retrieved Sept 2, 2023. <https://www.coindesk.com/business/2023/08/31/elon-musk-x-has-licenses-in-multiple-us-states-to-process-payments-including-crypto/>

336. Musk has also gained considerable influence over DCFI and the core developers, without the cost and legal liability of formalizing ties or developing his own crypto brand.

337. Upon information and belief, Musk's influence over DCFI and the core developers is so extensive that it is comparable to managerial oversight. The evidence needed to ascertain this is entirely in the hands of Musk, DCFI, and the core developers, and will require appropriate discovery to reveal.

338. As hereinbefore alleged, Musk has been advising the core developers since 2019, and has tweeted numerous indications that this involvement is quite intimate and extensive.

**Exhibit K6. See also Exhibit H5.**

339. In August 2021, DCFI announced a revitalization,<sup>65</sup> including the news that former JP Morgan senior VP Jared Birchall had joined DCFI's Board of Advisors to represent Elon Musk there, as a legal and financial advisor.

340. Birchall is a close associate and agent of Musk who sits on the board of the Musk Foundation and manages Musk's family office.

341. Dogecoin had gone from a "memecoin" designed to empower ordinary people to transact without banks and big-monied intermediaries, to a pet project of the world's richest man for use in hooking consumers on software annuities, with oversight from a Wall Street executive.

342. Also included in this announcement was the news that Dogecoin co-founder Billy Markus had joined DCFI's Board of Advisors.

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<sup>65</sup> See e.g., "Ethereum founder and an advisor to Elon Musk join Dogecoin board." Quiroz-Gutierrez, Marco. Aug. 18, 2021. *Fortune*. Retrieved Aug. 6, 2023. <https://fortune.com/2021/08/18/dogecoin-board-vitalik-buterin-billy-markus-ethereum-founder-elon-musk-crypto/>; see also, "Dogecoin Foundation Returns With Elon Musk Rep, Ethereum's Vitalik Buterin as Advisors." Hamacher, Adriana. Aug. 17, 2021. *Decrypt*. Retrieved Aug. 6, 2023. <https://decrypt.co/78772/dogecoin-foundation-elon-musk-rep-ethereum-vitalik-buterin>

343. Musk has interacted with Markus on Twitter over five hundred times since May 2021, including thirty-four times since Plaintiffs filed their Third Amended Complaint. On April 4, 2023, Musk tweeted, “I consider Billy Markus to be a friend.” **Exhibit K7.**

344. On October 23, 2021, Musk-sycophant account @mishaboar tweeted, [Dogecoin core developer] Ross [Nicoll] made an important note about advisors and the @DogecoinFdn. For example, Jared Birchall represents @elonmusk, but as all advisors he has no direct voting rights. This guarantees the foundation stays independent while taking advantage of the expertise of shibes [i.e., Shiba Inus, a nickname for Dogecoin fans] like Elon.

345. Oddly, Musk seemed to bristle at this, tweeting later that day in response, “Neither Jared, nor me, nor anyone I know has anything to do with this foundation.” This was an outright lie. **Exhibit K8.**

346. DCFI’s August 2021 announcement was subsequently removed from its website, Dogecoin.com,<sup>66</sup> and the advisors list linked in the body of its text has also been scrubbed. However, the Web Archive contains screen-captures of the August 2021 announcement<sup>67</sup> and the separate webpage containing the advisors list.<sup>68</sup> **Exhibit K9.**

## **XV. PLAINTIFFS REASONABLY RELIED ON MUSK’S MISREPRESENTATIONS**

347. In the midst of a global pandemic and widespread economic downturn, Musk’s misleading endorsement of Dogecoin, his knowingly false public statements that Dogecoin would empower the people, and the foreseeable resulting media frenzy this activity whipped up, created a kinetic energy around Dogecoin that proved irresistible to unsophisticated investors.

348. At the time they invested in Dogecoin, all four Plaintiffs knew of Elon Musk and regarded him as an expert in business and technology.

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<sup>66</sup> See <https://foundation.dogecoin.com/posts/2021/08/announcement-re-establishing-the-dogecoin-foundation/>

<sup>67</sup> See <https://web.archive.org/web/20210818072754/https://foundation.dogecoin.com/posts/2021/08/announcement-re-establishing-the-dogecoin-foundation/>

<sup>68</sup> See <https://web.archive.org/web/20210818120756/https://foundation.dogecoin.com/about/>

349. At the time they invested in Dogecoin, all four Plaintiffs had become aware of Dogecoin through Musk's misstatements endorsing Dogecoin on Twitter, and through news coverage of these misstatements.

350. Aforesaid misstatements include Musk's averments that Dogecoin was going, "to the Moon," that he would utilize and promote Dogecoin through his companies, that Dogecoin would empower "the people," that Dogecoin had long-term utility, that it was viable as currency, and that it would continue increasing in value indefinitely.

351. At the time they invested in Dogecoin, all four Plaintiffs were aware of the surge in Dogecoin's trading price caused by Musk's endorsement.

352. At the time he invested in Dogecoin, Plaintiff Colby Gorog was a college student recently discharged honorably from the United States Army. Mr. Gorog invested in Dogecoin numerous times in April and May 2021, in direct response to Musk's endorsement and misrepresentations and their instantaneous effect on the market, including Musk's tweets stating that Dogecoin was going, "to the Moon." When Musk's statements were revealed to be false and Dogecoin's value declined, Mr. Gorog lost money totaling approximately \$30,000.

353. At the time he invested in Dogecoin, Plaintiff Joshua Flint was an aerospace industry technician undergoing a devastating and costly divorce and recovering from multiple surgeries due to injuries sustained on the job. Mr. Flint began investing in Dogecoin in February 2021, in direct response to Elon Musk's Dogecoin tweets during the first half of that month, and continued investing in Dogecoin thereafter, each time in direct response to Elon Musk's endorsement and misrepresentations. Musk's endorsement of this investment gave Mr. Flint false hope in an otherwise dark time in his life. When Musk's statements were revealed to be false and Dogecoin's value declined, Mr. Flint lost money totaling approximately \$30,000.

354. At the time he invested in Dogecoin, Plaintiff Louis Robinson was retired and recovering from cancer. Mr. Robinson began investing in Dogecoin in January 2021 and continued doing so thereafter, each time in direct response to Elon Musk's endorsement and misrepresentations, including about Dogecoin's value. When Musk's statements were revealed to be false and Dogecoin's value declined, Mr. Robinson lost money totaling approximately \$17,000.

355. At the time he invested in Dogecoin, Plaintiff Michael Lerro was working in hospital administration. Mr. Lerro began investing in Dogecoin in direct response to Musk's endorsement during the first half of 2021 and continued investing in Dogecoin thereafter, each time in direct response to Musk's misrepresentations, including Musk's averments that he would utilize Dogecoin in his companies. When Musk's statements were revealed to be false and Dogecoin's value declined, Mr. Gorog lost money totaling approximately \$150,000.

### **ENUMERATED CAUSES OF ACTION**

AS A RESULT OF THEIR LOSSES caused directly and proximately by Defendants' fraudulent acts and omissions, Plaintiffs Colby Gorog, Joshua Flint, Louis Robinson and Michael Lerro, on behalf of themselves and all others similarly situated, hereby plead the following causes of action against Defendants Elon Musk and Tesla, Inc., WHOM THEY SEEK TO HOLD LIABLE.

### **COUNT I** **Securities Fraud Misrepresentations & Market Manipulation** **Contra 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5** **Defendant Musk**

356. Plaintiffs incorporate by reference all preceding paragraphs.

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



358. Defendant Elon Musk, by the use of means and instrumentalities of interstate commerce in connection with the purchase and sale of Dogecoin digital securities, engaged in acts, practices, and a course of business which operates as a fraud and deceit upon Plaintiffs and the Class.

359. Defendant Musk engaged in market activity aimed at deceiving Plaintiffs and the Class as to how other market participants, namely himself and Tesla, Inc., have valued Dogecoin digital securities, and said activity was furthered by Defendant Musk's use of the means and instrumentalities of interstate commerce, and by use of the facilities of national securities exchanges.

360. Plaintiffs, in reasonable reliance on an assumption of an efficient market free of manipulation, lost money investing in Dogecoin digital securities as a direct and proximate result of Defendant Musk's market manipulation.

361. Defendant Elon Musk, by the use of means and instrumentalities of interstate commerce, made untrue statements of material fact to Plaintiffs and the Class in connection with the purchase and sale of Dogecoin digital securities, and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

362. Aforesaid material misstatements and omissions were made knowingly by Defendant Musk.

363. Plaintiffs and the Class reasonably relied on Defendant Musk's material misrepresentations to their detriment, causing them to lose money purchasing and selling Dogecoin digital securities domestically when Musk's misrepresentations were revealed to be false, causing them to lose billions of dollars in the aggregate.

364. As a direct and proximate result of Defendant Elon Musk's fraudulent scheme, material misstatements and omissions, and fraudulent acts and practices, in violation of 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5 promulgated thereunder, Plaintiffs and the Class suffered economic loss and damages in connection with the purchase and sale of Dogecoin securities during the class period, and are entitled to compensatory damages, punitive damages, pre- and post-judgment interest, attorneys' fees and all costs of bringing this action, and such other and further relief as the Court deems just and equitable.

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

365. Plaintiffs incorporate by reference all preceding paragraphs.

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

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

368. At all times relevant to this action, the Dogecoin Foundation, Inc., together with the Dogecoin core development team, constituted a de facto corporation, and Defendant Musk is estopped from denying that at all times relevant to this action his relationship to that corporation was effectively and de facto that of a corporate insider.

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

370. Defendant Musk incurred a duty of trust and confidence to Dogecoin investors.

371. At all times relevant to this action Defendant Musk was a controlling person of Defendant Tesla, Inc.

372. Defendant Musk, for personal benefit, in violation of his fiduciary duty, communicated material, non-public information of a sort that can ordinarily be capitalized upon to gain no-risk profits through the purchase or sale of securities, to Defendant Tesla, Inc.

373. At the time he communicated it, Defendant Musk knew that aforesaid nonpublic information was material for securities trading purposes, that to disclose it to Tesla, Inc., would violate his fiduciary duty to Dogecoin investors, and that it would result in the trading of Dogecoin by Tesla, Inc., concurrent with Plaintiffs and the Class.

374. Tesla, Inc., acting under Musk's control, did purchase and sell Dogecoin, contemporaneous with Plaintiffs and the Class, on the basis of aforesaid material, non-public information, while knowing that it was furnished by Musk in violation of his fiduciary duty to Dogecoin investors.

375. Defendant Musk individually, and acting through Defendant Tesla, Inc., purchased and sold Dogecoin, contemporaneous with Plaintiffs and the Class, on the basis of aforesaid material, non-public information about Dogecoin, in knowing violation of his fiduciary duty to Dogecoin investors including Plaintiffs and the Class.

376. As a direct and proximate result of Defendants Elon Musk's and Tesla, Inc.'s Dogecoin insider trades in violation of 15 U.S.C. §§ 78j(b) and 78t-1, and C.F.R. § 240.10b-5(a) and (c), Plaintiffs and the Class suffered economic loss and damages in connection with the

purchase and sale of Dogecoin securities during the class period, and are entitled to compensatory damages, punitive damages, pre- and post-judgment interest, attorneys' fees and all costs of bringing this action, and such other and further relief as the Court deems just and equitable.

**COUNT III**  
**Common Law Fraud**  
**Defendant Musk**

377. Plaintiffs incorporate by reference all preceding paragraphs.

378. Defendant Musk intentionally and recklessly made material misstatements and omissions of material fact (hereinafter collectively, "misrepresentations") to Dogecoin investors including Plaintiffs and the Class.

379. Defendant Musk, for personal benefit including financial benefit, made aforesaid misrepresentations to induce Plaintiffs and the Class to purchase and hold Dogecoin.

380. Plaintiffs and the Class reasonably relied on Defendant's aforesaid misrepresentations to purchase and hold Dogecoin.

381. Plaintiffs and the Class lost money when Defendant Musk's aforesaid misrepresentations turned out to be false.

382. As a direct and proximate result of Defendant Elon Musk's fraud, Plaintiffs and the Class suffered economic loss and damages, and are entitled to compensatory damages, punitive damages, pre- and post-judgment interest, attorneys' fees and all costs of bringing this action, and such other and further relief as the Court deems just and equitable.

**COUNT IV**  
**Unjust Enrichment**  
**Defendants Musk and Tesla, Inc.**

383. Plaintiffs incorporate by reference all preceding paragraphs.

384. As a direct and proximate result of Defendant Elon Musk's material misstatements and omissions, Defendants Musk and Tesla, Inc. were enriched at the expense of Plaintiffs and the Class.

385. As a direct and proximate result of Defendant Musk's breach of fiduciary duty to Dogecoin investors, Defendants Musk and Tesla, Inc. were enriched at the expense of Plaintiffs and the Class.

386. As a direct and proximate result of Defendant Musk's Dogecoin insider trades, Defendant Musk was enriched at the expense of Plaintiffs and the Class.

387. As a direct and proximate result of Defendant Tesla, Inc.'s Dogecoin insider trades in collusions with Defendant Musk, Defendant Tesla, Inc., was enriched at the expense of Plaintiffs and the Class.

388. As a direct and proximate result of Defendant Tesla, Inc.'s Dogecoin insider trades, Defendant Musk as a controlling person of Defendant Tesla, Inc., was enriched at the expense of Plaintiffs and the Class.

389. It is against equity and good conscience to permit Defendants Elon Musk and Tesla, Inc. to retain the benefits they have realized at the expense of Plaintiffs and the Class.

390. As a direct and proximate result of Defendant Elon Musk's and Defendant Tesla, Inc.'s unjust enrichment at their expense, Plaintiffs and the Class suffered economic loss and damages, and are entitled to compensatory damages, punitive damages as provided by applicable law, pre- and post-judgment interest, attorneys' fees and all costs of bringing this action, and such other and further relief as the Court deems just and equitable.

**PRAYER FOR RELIEF**

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

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

Respectfully Submitted,

Dated: September 6, 2023

By: /s/ Evan Spencer  
Evan Spencer  
Evan Spencer Law, PLLC  
305 Broadway, 7<sup>th</sup> Floor  
New York, NY 10007  
Tel. 917.547.466  
Evan@EvanSpencerLaw.com  
EvanSpencerLaw.com

*Lead Attorney for Plaintiffs and the Class*

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 6th day of September 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, Esq.