

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

LOGAN PAUL,

Plaintiff,

v.

STEPHEN FINDEISEN AND
COFFEE BREAK PRODUCTIONS, LLC
d/b/a COFFEEZILLA,

Defendants.

Civil Action No.: 5:24-cv-00717

**DEFENDANTS' MOTION FOR LEAVE
TO DESIGNATE RESPONSIBLE THIRD PARTIES**

TO THE HONORABLE COURT:

Defendants file this Motion for Leave to Designate Responsible Third Parties and would respectfully show:

I. INTRODUCTION

A. Background

Stephen Findeisen is an online journalist who investigates “scams, fraudsters, and fake gurus that prey on desperate people with deceptive advertising.” Coffeezilla publishes his work on his YouTube channel, Coffeezilla. Coffeezilla has received accolades from traditional media outlets such as The New Yorker, the Washington Post, and CNN for being a powerful independent news source. See Exhibit A, Rachel Monroe, *Coffeezilla, the Youtuber Exposing Crypto Scams*, THE NEW YORKER (May 14, 2022) <https://www.newyorker.com/news/letter-from-the-southwest/coffeezilla-the-youtuber-exposing-crypto-scams> (last visited Sept. 8, 2025).

Logan Paul is a YouTube celebrity and WWE wrestler. As Paul acknowledges, his career has not been “entirely free from controversy.” ECF No. 1, Complaint ¶ 25. Among other things, in 2017 Paul became “the most hated person in the world” after he published a video on YouTube of the body of a suicide victim Paul found while in a Japanese forest. *Id.* at ¶¶ 29, 34. As a result of this and other odd missteps (including Paul’s release of a video of him tasing dead rats), Paul’s “brand and reputation” was in “tatters.” *Id.* ¶ 28. Indeed, Paul admits the scandal made “international headlines” and caused Paul’s YouTube viewers and subscribers to “plummet.” *Id.* Examples of media coverage from this time frame include:



See Exhibit B, Richard Lawson, *Why Logan Paul Should Really Worry Us*, VANITY FAIR (Jan. 2, 2018), <https://www.vanityfair.com/style/2018/01/logan-paul-youtube-apology?srsId=AfmBOoqpx75cnmIa9zQ3dEezbLBps6juu-tJ5RQcdlTvs0aDUM7Kh7Ov> (last visited Sept. 8, 2025).



See Exhibit C, *YouTube drops ads from Logan Paul channels*, BBC (Feb. 9, 2018), <https://www.bbc.com/news/technology-43001913> (last visited Sept. 8, 2025); see also Exhibit D, *Logan Paul: Outrage over YouTuber’s Japan dead man video*, BBC (Jan. 2, 2018), <https://www.bbc.com/news/world-asia-42538495> (last visited Sept. 8, 2025); Exhibit E,

Harriet Agerholm, *Logan Paul condemned for tasing dead rats in new YouTube video*, INDEPENDENT (Feb. 8, 2018) <https://www.the-independent.com/news/world/americas/logan-paul-youtube-dead-rats-taser-gun-video-youtuber-suicide-forest-body-a8200216.html> (last visited Sept. 8, 2025); Exhibit F, Alex Hern, *YouTube penalizes Logan Paul for dead rat taser video*, THE GUARDIAN, <https://www.theguardian.com/technology/2018/feb/09/youtube-logan-paul-dead-rat-taser-video-google> (last visited Sept. 8, 2025); Exhibit G, Vanessa Romo, *YouTube Pulls Ads from Vlogger Logan Paul After He Uses Taser On Dead Rats*, NPR (Feb. 9, 2018) <https://www.npr.org/sections/thetwo-way/2018/02/09/584548255/youtube-pulls-ads-from-vlogger-logan-paul-for-tasing-dead-rats> (last visited Nov. 4, 2024); Exhibit H, Tara Law, *YouTube Star Logan Paul Sparks Controversy for Saying He Wants to ‘Go Gay’ for a Month*, TIME (Jan. 13, 2019) <https://time.com/5501582/logan-paul-go-gay-homophobia/> (last visited Nov. 4, 2024).

B. Media scrutiny on Paul’s involvement in crypto “pump and dumps”

In 2021, Paul became involved in the cryptocurrency market, using his celebrity and fame to market various non-fungible tokens (NFTs). This subjected Paul to more scrutiny from domestic and international news outlets because Paul failed to disclose his financial interests in the projects. Again, media around the world covered Paul’s “shameless profiting” from crypto projects without disclosing his financial interests:



See Exhibit I, David Yaffe-Ballany, *How Influencers Hype Crypto, Without Disclosing Their Financial Ties*, THE NEW YORK TIMES (Updated May 28, 2022) <https://www.nytimes.com/2022/05/27/technology/crypto-influencers.html> (last visited Sept. 8, 2025).



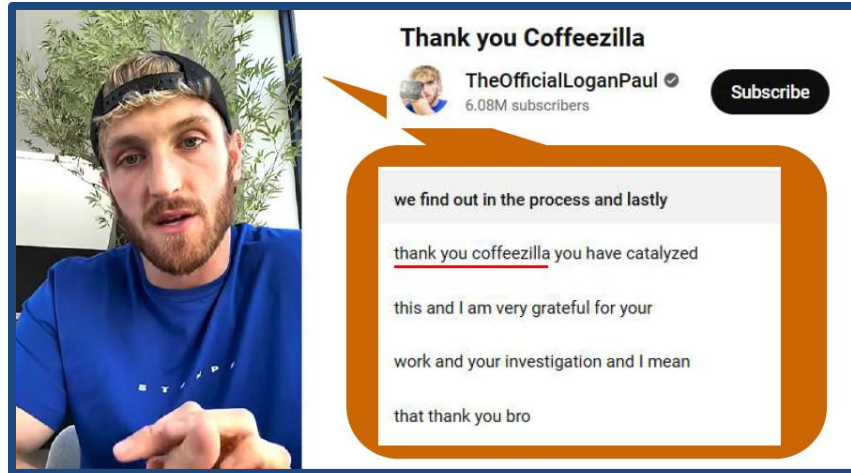
See Exhibit J, Alex Tsiaoussidis, *Logan Paul accused of participating in multiple crypto ‘pump and dump’ schemes*, DEXERTO (May 15, 2022) <https://www.dexerto.com/entertainment/logan-paul-accused-multiple-crypto-pump-and-dump-schemes-1824125/> (last visited Sept. 8, 2025); see also Exhibit K, Joe Tidy, *YouTube star Logan Paul apologises for CryptoZoo project failure*, BBC (Jan. 9, 2023) <https://www.bbc.com/news/technology-64210289> (last visited Sept. 8, 2025); Exhibit L, Samuel Wan, *Logan Paul called out for promoting alleged crypto scam Dink Doink*, CRYPTO SLATE (July 12, 2021) <https://cryptoslate.com/logan-paul-called-out-for-promoting-alleged-crypto-scam-dink-doink/> (last visited Sept. 8, 2025); Exhibit M, Oluwapelumi Adejumo, *Zachxbt alleges Logan Paul is behind multiple “pump and dump” schemes*, CRYPTO SLATE (updated May 15, 2022) <https://cryptoslate.com/zachxbt-alleges-logan-paul-is-behind-multiple-crypto-pump-and-dump-schemes/> (last visited Sept. 8, 2025); Exhibit N, Vignesh Karunanidhi, *Logan Paul Alleged of Multiple Pump and Dump Schemes by Zachxbt*, WATCHER.GURU (May 16, 2022) <https://watcher.guru/news/logan-paul-alleged-of-multiple-pump-and-dump-schemes-by-zachxbt> (last visited Sept. 8, 2025).

C. Paul starts his own crypto project and media scrutiny continues

Despite the controversy, Paul decided to develop his own NFT and cryptocurrency game called “CryptoZoo.” ECF No. 1 at ¶ 38. As this Court is by now aware, CryptoZoo was a total failure.

Paul’s complaint suggests that Findeisen was the only journalist reporting on the disaster that was CryptoZoo, but this is far from reality. After Findeisen’s three-part series in December 2022,¹ Paul publicly thanked Findeisen for bringing the fraud to light:

¹ Although Paul alleges this 2022 video series caused “immense harm to Paul,” ECF No. 1 at ¶ 159, Paul did not sue Findeisen over that series.



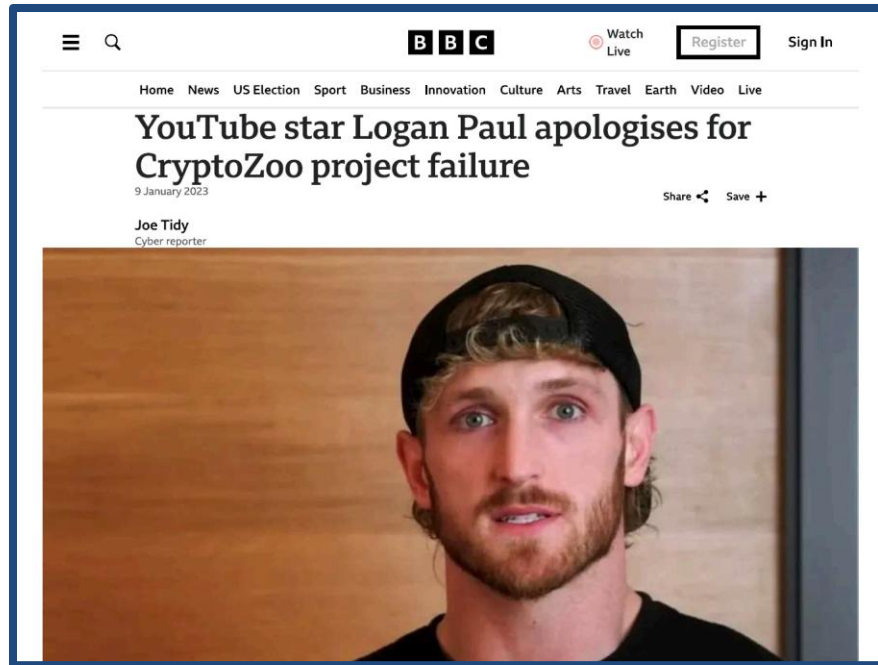
See TheOfficialLoganPaul, *Thank you Coffeezilla*, (Jan. 13, 2023)

<https://www.youtube.com/watch?v=hAiggQvFc20> (last visited Sept. 8, 2025).

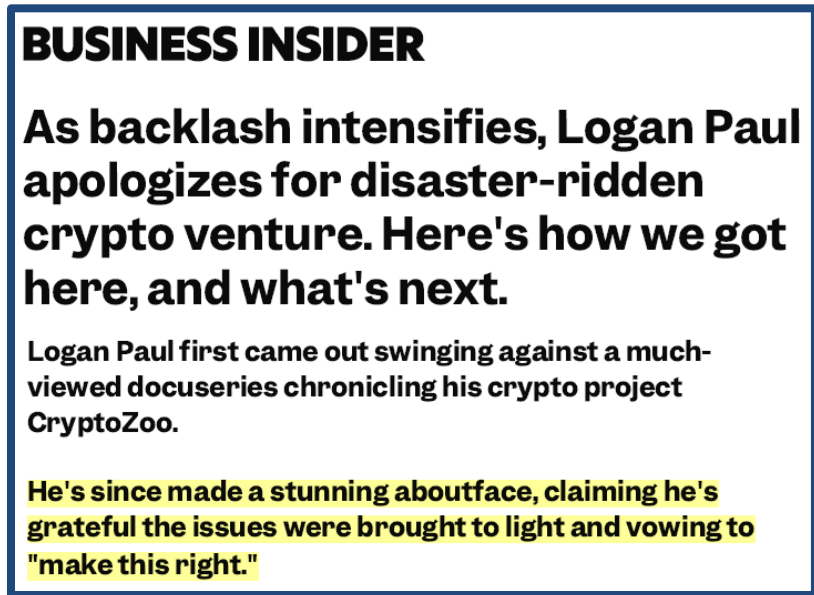


See Exhibit O, statement from L. Paul on Discord (emphasis added).

Almost immediately, traditional news outlets started covering the CryptoZoo scandal, beginning with Paul's apology to Findeisen and his seeming endorsement of Coffeezilla's reporting on CryptoZoo:



See Ex. K.



See Exhibit P, Geoff Weiss, *As backlash intensifies, Logan Paul apologizes for disaster-ridden crypto venture. Here's how we got here, and what's next.*, BUSINESS INSIDER (Jan. 10, 2023) <https://www.businessinsider.com/logan-paul-cryptozoo-scam-backlash-coffeezilla-explained-2023-1> (last visited Sept. 8, 2025) (emphasis added); see also Exhibit Q, Andrew R.

Chow, *How Logan Paul's Crypto Empire Fell Apart*, TIME (Feb. 3, 2023) <https://time.com/6252093/logan-paul-cryptozoo-liquid-marketplace/> (last visited Sept. 8, 2025); Exhibit R, Amanda Silberling, *YouTube Logan Paul's CryptoZoo NFT project is a total mess*, TECHCRUNCH (Jan. 6, 2023) <https://techcrunch.com/2023/01/06/youtuber-logan-pauls-cryptozoo-nft-project-is-a-total-mess/> (last visited Sept. 8, 2025); Exhibit S, Zoe Haylock, *Logan Paul SBF'd Up*, VULTURE (Jan. 6, 2023) <https://www.vulture.com/2023/01/logan-paul-cryptozoo-scam-coffeezilla-allegations-explained.html> (last visited Nov. 4, 2024).

Later, in June of 2023 and January 2024, Findeisen continued to report on Paul and specifically Paul's (unfulfilled) promise to refund CryptoZoo investors. But Findeisen was not alone, large media outlets also continued to cover the CryptoZoo story:



See Exhibit T, CT Jones, *Logan Paul's Biggest Controversies: A Timeline*, ROLLING STONE (July 10, 2023) <https://www.rollingstone.com/culture/culture-news/logan-paul-controversies-timeline-1234785537/> (last visited Sept. 8, 2025) (emphasis added).

THE ECONOMIC TIMES

Logan Paul faces backlash as CryptoZoo victims allegedly offered 10% compensation

See Exhibit U, *Logan Paul faces backlash as CryptoZoo victims allegedly offered 10% compensation*,

THE ECONOMIC TIMES (updated Oct. 9, 2023)

<https://economictimes.indiatimes.com/news/international/us/logan-paul-faces-backlash-as-cryptozoo-victims-allegedly-offered-10-compensation/articleshow/104291774.cms> (last visited Sept. 8, 2025).

Earlier this year, Paul announced **a partial compensation scheme for disappointed investors**. He promised to refund people who had bought the NFT eggs, but only if they agreed not sue him for anything relating to CryptoZoo.

See Exhibit V, Jamie Tahsin, *Logan Paul accused of misleading fans over crypto investments*, BBC (Nov. 20, 2024) <https://www.bbc.co.uk/news/articles/cze386d3enpo> (last visited Sept. 8, 2025) (emphasis added).



See Exhibit W, Joe Tidy & Imran Rahman-Jones, *Logan Paul offers partial refund for failed CryptoZoo game*, BBC (Jan. 5, 2024) <https://www.bbc.com/news/technology-67891239> (last visited Nov. 4, 2024); see also Exhibit X, Tre’Vaughn Howard, *Logan Paul Ignored Partners’*

Fraud in Crypto Game, Investor Says, BLOOMBERG (July 16, 2024) <https://www.bloomberglaw.com/litigation/logan-paul-ignored-partners-fraud-in-crypto-game-investor-says> (last visited Nov. 4, 2024); see also Exhibit Y, Paige Bruton, *A brief history of Logan Paul's controversies and legal disputes*, BUSINESS INSIDER (Aug. 9, 2024) <https://www.businessinsider.com/logan-paul-lawsuits-prime-cryptozoo-controversies-timeline-2024-8> (last visited Sept. 8, 2025).

D. Paul's role in CryptoZoo leads to criminal investigations and a class action lawsuit

The media were not the only ones suspicious of Paul and his CryptoZoo project. In early 2023, the Department of Justice and the United States Securities and Exchange Commission opened formal investigations into Paul and his various cryptocurrency projects, including CryptoZoo and others. See Exhibit Z, Grand Jury Subpoena; Exhibit AA, Amended Search Warrant; Exhibit BB, SEC Letter and Subpoena. A grand jury was impaneled, a search warrant for Paul's electronic devices was issued, and Paul testified in the SEC investigation. See *id.* At about the same time, investors in the failed CryptoZoo project brought a class action lawsuit against Paul and others, including Ibanez and Greenbaum, styled *Don Holland v. CryptoZoo Inc., et al.*, No. 1:23-CV-110 (W.D. Tex., Austin Division), which the press also covered:

Litigation
July 16, 2024, 12:55 PM CDT

Logan Paul Ignored Partners' Fraud in Crypto Game, Investor Says

By Tre'Vaughn Howard

See Ex. X; see also Exhibit CC, George Glover, *Logan Paul is being sued for promoting a failed crypto game that asked people to buy NFTs but never launched*, BUSINESS INSIDER (Feb. 3, 2023), <https://markets.businessinsider.com/news/currencies/crypto-logan-paul-sued-allegations-cryptozoo-nft-game-rug-pull-2023-2> (last visited Sept. 8, 2025).

E. Paul blames his management team for his reputational injury

As the pressure was mounting against him, Paul began distancing himself from CryptoZoo and putting them blame on Eddie Ibanez and Jake Greenbaum, the management team Paul hand selected. In the class action lawsuit, Paul asserted cross claims against both Ibanez and Greenbaum for their alleged role in the CryptoZoo scam. See Exhibit DD. Specifically, Paul alleged the success of the CryptoZoo project “would define his reputation in the crypto space and more generally bear on his hard-earned reputation as a successful content creator and influencer.” *Id.* at ¶ 3. Paul’s alleged damages stem from his trust of Ibanez and Greenbaum who caused Paul “significant reputational harm” and expenses:

Mr. Paul has lost hundreds of thousands of dollars due to the duplicity and deceit of those he trusted.

109. Mr. Paul brings these crossclaims to hold Defendants Jake Greenbaum and Eddie

Ibanez responsible for the harm he has been caused by their misconduct, which includes significant reputational harm and out-of-pocket expenses relating to the project.

Id. ¶¶ 108-09, 116, 123.

Indeed, in this suit against Coffeezilla, Paul blames Ibanez and Greenbaum for CryptoZoo’s failure:

**Greenbaum and Ibanez Sabotage and Undermine the CryptoZoo Project,
Ultimately Leading to Its Failure**

Token or NFT or made any profit whatsoever from the game. To the contrary, Paul lost hundreds of thousands of dollars because of Ibanez and Greenbaum's incompetence and deception.

ECF No. 1 at ¶¶ 47–56.

F. The media and Paul's management team are responsible for some, if not all, of Paul's claimed reputational harm

In June 2024, Paul strategically filed this lawsuit with the twin goals of (i) obtaining discovery to defend himself in the pending criminal and civil proceedings (indeed, Paul's first focus in this case was obtaining Findeisen's communications with the Government and with the lawyers in the class action lawsuit) and (ii) punishing Coffeezilla for exposing Paul's cryptocurrency scam (as Paul confirmed in text messages with his friends) back in December 2022. *See* ECF Nos. 82-4, 82-5, 82-6. Although Paul claims Coffeezilla's statements in June 2023 and January 2024 caused injury to Paul's reputation, the jury should be able to attribute the portion of any alleged reputational harm that was caused by Coffeezilla and that portion that was caused by the other, larger media outlets also covering the CryptoZoo scandal. Likewise, and particularly because Paul is asking another jury to hold Greenbaum and Ibanez responsible for Paul's reputational injury in the class action, the jury here should also be able to apportion responsibility to Ibanez and Greenbaum. *See* Ex. DD at ¶¶ 116, 123.

Accordingly, Coffeezilla now timely files this motion seeking leave to designate (i) Ibanez and Greenbaum and (ii) certain media outlets as "responsible third parties" under Chapter 33 of the Texas Civil Practices & Remedies code so the jury can determine what

percentage of Paul’s alleged reputational injury was caused by their actions as opposed to Coffeezilla’s.²

II. ARGUMENTS & AUTHORITIES

Texas law allows for designation of responsible third parties under Chapter 33 of the Texas Civil Practices & Remedies code, and it applies in federal court. Indeed, it is well established that Chapter 33 “applies to all torts governed by Texas law, including those tried in federal courts.” *Sullivan v. City of Round Rock*, No. A-14-CV-349-AWA, 2017 WL 3015423, at *2 (W.D. Tex. July 14, 2017) (quoting *Nunez v. City of Corpus Christi*, 2013 WL 164045, at *1 (S.D. Tex. Jan. 14, 2013); *see also Ramos v. Beltran*, No. 5:15-CV-1042-RP, 2016 WL 8234983, at *1 (W.D. Tex. Dec. 20, 2016) (“Federal district courts sitting in Texas have repeatedly held that § 33.004 of the Texas Civil Practice and Remedies Code is substantive law.”)).

Chapter 33 permits defendants “to designate a responsible third party by filing a motion for leave to designate that person as a responsible third party.” Tex. Civ. Prac. & Rem. Code § 33.004(a). A “Responsible third party” is defined as:

any person who is alleged to have caused or contributed to causing in any way the harm for which recovery of damages is sought, whether by negligent act or omission, by any defective or unreasonably dangerous product, by other conduct or activity that violates an applicable legal standard, or by any combination of these.

Tex. Civ. Prac. & Rem. Code § 33.011(6).

² Even after this suit was filed against Coffeezilla, Paul has taken actions which further his own reputational damage and demonstrate his apathy for CryptoZoo’s failure by sending a “lookalike to answer questions about crypto allegations.” *See Exhibit EE*, Alex Ritman, *Logan Paul Sends Lookalike to Answer Questions About Crypto Accusations in BBC Doc*, BBC (Nov. 20, 2024) <https://variety.com/2024/tv/global/logan-paul-lookalike-bbc-crypto-accusations-1236215326/> (last visited Sept. 7, 2025).

Assigning proportionate responsibility under Chapter 33 of the Texas Civil Practices and Remedies Code is appropriate for claims of defamation where more than one person is responsible for harm resulting from the defamatory statement (even where the defamation alleged is *per se*). *See, e.g., Durant v. Anderson*, No. 02-14-00283, 2020 WL 1295058, at *35, n. 57 (Tex. App.—Ft. Worth, Mar. 19, 2020) (affirming jury’s proportionate responsibility to one defendant at 85%, two defendants at 5% each, and five defendants at 1% each).

As explained above, to the extent Paul suffered any damages (which is denied), media organizations (BBC, CNN, Time, New York Times, Bloomberg Law, Business Insider, Economic Times, Rolling Stone, Vulture, Dextero, and TechCrunch) as well as Ibanez and Greenbaum are responsible third parties as defined in the Texas Civil Practice and Remedies Code §§ 33.004 and 33.011. For these reasons, Coffeezilla respectfully requests that the Court grant this motion and permit the designation of responsible third parties.

III. PRAYER

WHEREFORE, Coffeezilla respectfully prays that the Court grant this motion and permit the designation of the responsible third parties identified herein under Chapter 33 of the Texas Civil Practices and Remedies Code, and for all other such relief to which Coffeezilla is entitled.

Dated: September 8, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on September 8, 2025, the foregoing document was electronically filed with the Clerk of the Court using the CM/ECF system and all counsel of record will receive an electronic copy via the Court's CM/ECF system.

/s/Rachel Garza
Rachel Garza