

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

DWAYNE GOLDEN, JATIN PATEL,
MARQUIS DEMARKING EGERTON a/k/a
MARDY EGER a/k/a MARDY EGERTON, and
GREGORY AGGESEN,

Defendants.

Case No. 22-cv-1252

ECF Case

**COMPLAINT FOR INJUNCTIVE
AND OTHER EQUITABLE RELIEF
AND FOR CIVIL MONETARY
PENALTIES UNDER THE
COMMODITY EXCHANGE ACT
AND COMMISSION REGULATIONS**

JURY TRIAL DEMANDED

I. INTRODUCTION

1. Between at least April 2017 and August 2017 (the “Relevant Period”), Defendants Dwayne Golden (“Golden”) and Jatin Patel (“Patel”), with the other Defendants and an Accomplice, operated manipulative and deceptive schemes in which they used websites to solicit investments of millions of dollars’ worth of Bitcoin whereby investors were promised guaranteed profits based on trading of Bitcoin, a virtual currency that is a commodity in interstate commerce, done by a team of professional traders or by recruiting additional customers into the purported investment opportunities. But the purported investment opportunities were in fact Ponzi schemes. Instead of trading customer investments, the operators of the schemes misappropriated many of the Bitcoin for themselves.

2. Between at least April 2017 through at least July 2017, Golden and Patel operated the website www.empowercoin.com (“Empowercoin”), which became www.ecoinplus.com (“Ecoinplus”) in May 2017, with Defendant Marquis Demarking Egerton (“Egerton”) (Golden, Patel, and Egerton are collectively referred to as the “Ecoinplus Defendants”). Between at least

May 2017 and August 2017, Golden and Patel operated the website www.jet-coin.com (“JetCoin”) with Defendant Gregory Aggesen (“Aggesen”) and the Accomplice (Golden, Patel, and Aggesen are collectively referred to as the “JetCoin Defendants”; all Defendants are collectively referred to as “Defendants”). The schemes operated by the Ecoinplus Defendants and the JetCoin Defendants were substantially similar, using websites to make false and misleading claims about guaranteed returns on customer Bitcoin investments to solicit—and allow the websites’ operators to misappropriate—those Bitcoin. As in all Ponzi schemes, Defendants’ payouts of supposed profits to customers in actuality consisted of other customers’ misappropriated funds.

3. The Ecoinplus Defendants fraudulently solicited potential customers by making false and misleading claims and omissions of material facts on the Empowercoin and Ecoinplus websites that customer Bitcoin would be invested by professional traders and would double in 50-90 days while accruing daily payments of at least 2% of the customer’s investment. The Ecoinplus Defendants also falsely claimed that potential customers could earn up to an additional 20 Bitcoin per day, for a daily distribution of up to 15-22% of the amount invested by new customer recruits, in what the Ecoinplus Defendants referred to as a “binary network.” These claims were false and misleading because the Ecoinplus Defendants did not employ traders and, in fact, did not trade Bitcoin; and because the guaranteed returns and commission payments were entirely fictitious because those amounts could only be paid to the extent that new customer investments were available to be redistributed to existing customers. Instead of having professional traders invest Bitcoin on their customers’ behalf, the Ecoinplus Defendants misappropriated to themselves more than 42% of the invested funds. The Empowercoin and

Ecoinplus websites have been offline since at least July 2017, and since that time the Ecoinplus Defendants have not returned any of their customers' investments of Bitcoin.

4. The JetCoin Defendants fraudulently solicited potential customers by making false and misleading claims and omissions of material facts on the JetCoin website that customer Bitcoin would be invested by experienced traders and would double in 40-50 days while accruing daily payments of up to 5% of the customer's investment. The JetCoin Defendants also falsely claimed that potential customers could make additional earnings of 9-25% daily of the amount invested by new customer recruits as part of its "binary commission" schedule. The JetCoin Defendants claimed, "Instead of a 97% failure rate, JetCoin has a 100% success rate!" These claims were false and misleading because the JetCoin Defendants did not employ traders and, in fact, did not trade Bitcoin; and because the guaranteed returns and commission payments were entirely fictitious because those amounts could only be paid to the extent that new customer investments were available to be redistributed to existing customers. Instead of having traders trade Bitcoin on their customers' behalf, the JetCoin Defendants and the Accomplice misappropriated to themselves more than 36% the invested Bitcoin. The JetCoin website has been offline since at least August 2017, and since that time the JetCoin Defendants have not have not returned any of their customers' investments of Bitcoin.

5. The Ecoinplus and JetCoin Defendants solicited and accepted virtual currencies in the form of Bitcoin from customers throughout the United States, including the Eastern District of New York, and foreign countries through their fraudulent solicitations. The Ecoinplus Defendants obtained approximately \$23.2 million from investors via their solicitations, of which they misappropriated at least \$9.865 million to themselves. The JetCoin Defendants obtained

approximately \$21.7 million from investors via their solicitations, of which they and the Accomplice misappropriated at least \$7.884 million to themselves.

6. Through this conduct, Defendants were engaged, are engaging, or are about to engage in manipulative and deceptive acts with respect to contracts of sale of a commodity in interstate commerce, in violation of Section 6(c)(1) of the Commodity Exchange Act (the “Act”), as amended, 7 U.S.C. § 9(1) (2018), and Regulation 180.1(a), 17 C.F.R. § 180.1(a)(1)-(3) (2020).

7. Accordingly, pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1 (2018), the Commission brings this action to enjoin such acts and practices and compel compliance with the Act. In addition, the Commission seeks civil monetary penalties and remedial ancillary relief, including, but not limited to, trading bans, restitution, disgorgement, rescission, pre- and post-judgment interest, and such other relief as the Court may deem necessary and appropriate.

8. Unless restrained and enjoined by this Court, Defendants are likely to continue to engage in the acts and practices alleged in this Complaint and similar acts and practices, as more fully described below.

II. JURISDICTION AND VENUE

9. **Jurisdiction.** This Court has jurisdiction of this action pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1 (2018), which authorizes the Commission to seek injunctive and other relief against any person whenever it shall appear to the Commission that such person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation, or order thereunder. This Court also has jurisdiction pursuant to 28 U.S.C. § 1331 (2018) (federal question jurisdiction) and 28 U.S.C. § 1345 (2018) (United States as plaintiff).

10. **Venue.** Venue properly lies with the Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2018), because Defendants are found in, inhabit, or transact business in this District, and because acts and practices in violation of the Act occurred, are occurring, or are about to occur, within this District.

III. THE PARTIES

11. Plaintiff **Commodity Futures Trading Commission** (“Commission” or “CFTC”) is an independent federal regulatory agency that is charged by Congress with the administration and enforcement of the Act and the Regulations. The Commission maintains its principal office at Three Lafayette Centre, 1155 21st Street, N.W. Washington, D.C. 20581. The Commission’s investigation of Defendants was conducted by staff of the Commission’s Division of Enforcement located in the Eastern Regional Office in New York, New York.

12. Defendant **Dwayne Golden** is a citizen of the United States and during the Relevant Period resided primarily in Florida. With Patel and Egerton, Golden operated Empowercoin and Ecoinplus. With Patel, Aggesen, and the Accomplice, Golden operated JetCoin. Golden has never been registered with the Commission in any capacity.

13. Defendant **Jatin Patel** is a citizen of India and during the Relevant Period resided primarily in the state of Maharashtra, India. With Golden and Egerton, Patel operated Empowercoin and Ecoinplus. With Golden, Aggesen, and the Accomplice, Patel operated JetCoin. Patel has never been registered with the Commission in any capacity.

14. Defendant **Marquis Demarking Egerton** a/k/a Mardy Egerton a/k/a Mardy Eger is a citizen of the United States and during the Relevant Period resided primarily in North Carolina. With Golden and Patel, Egerton operated Empowercoin and Ecoinplus. Egerton has never been registered with the Commission in any capacity.

15. Defendant **Gregory Aggesen** is a citizen of the United States and during the Relevant Period resided primarily in New York. With Golden, Patel, and the Accomplice, Aggesen operated JetCoin. Aggesen has never been registered with the Commission in any capacity.

IV. FACTS

16. A virtual currency is defined here as a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value, but does not have legal tender status in any jurisdiction. Bitcoin and other virtual currencies are distinct from “real” currencies, which are the coin and paper money of the United States or another country that are designated as legal tender, circulate, and are customarily used and accepted as a medium of exchange in the country of issuance.

The Ecoinplus Scheme

17. The Ecoinplus Defendants launched the Empowercoin website in or about April 2017. Golden was primarily responsible for the purported Bitcoin investment concept and guaranteed compensation strategy offered by Empowercoin, based on his previous experience working with and helping to build multi-level-marketing companies. Egerton registered that website through a registration company located in Arizona and assisted Golden in drafting its content. For example, on April 24, 2017, Egerton sent to Golden a draft of the content for empowercoin.com containing substantially all of the misrepresentations described below, in paragraph 18. Patel was primarily responsible for the software and coding necessary to launch and maintain the Empowercoin website, which in May 2017 changed to the Ecoinplus website (which Patel registered, launched, and maintained). (In May 2017, Empowercoin members were informed that an expanded version of the platform, with better and more automated support, would be launching as ecoinplus.com. That communication—which was drafted by, among

others, Golden, Patel, and Egerton, including via voice messages sent by Egerton to the others on May 22, 2017—stated, “Remember empowercoin.com will soon become ecoinplus.com, also empowercoinplus.com.” The websites, and the purported investment opportunity offered on the websites, were substantially the same, other than the name change.) Egerton, along with Golden and Patel, controlled the websites and the purported investment opportunity presented by, and were principals of, the Empowercoin/Ecoinplus scheme. Golden, Patel, and Egerton aided and abetted each other’s conduct in connection with the Empowercoin/Ecoinplus scheme.

18. The Ecoinplus Defendants, using the Empowercoin and Ecoinplus websites, and enlisting the help of promoters, made false and misleading representations to potential customers, including, among others, that:

- Customers would double their Bitcoin investments in 50 to 90 days, depending on which investment package they chose (“E1” through “E8”), with the exception of the plan involving the smallest investment (“E1”). Customers were given a choice of packages that were guaranteed to double ranging from the “E2 package” requiring a 0.1 BTC investment that would double in 90 days, to the “E8 package” requiring a 10 BTC investment that would double in 50 days.
- Daily Bitcoin payments of at least 2% of the invested amount would be deposited into customers’ registered wallets automatically. These guaranteed payouts were represented as a way to earn passive income through trading done by Empowercoin/Ecoinplus. Empowercoin/Ecoinplus was purportedly made up of “a worldwide team of high volume Bitcoin trading professionals” that needed “a larger amount of Bitcoin to achieve maximum profitability,” and that the entities wanted to divide the investing profits with customers who contributed to the entities’ ability to expand. The websites also explained that the purportedly profitable trading would exploit an arbitrage opportunity based on differing prices for Bitcoin on different exchanges.
- Customers could earn up to an additional 20 BTC, or an additional daily return of 15-22%, by recruiting new customers in the Empowercoin/Ecoinplus “binary network.” Binary compensation plans are commonly used commission structures in multi-level marketing, whereby customers are paid commissions based on the amounts invested by recruits that they have referred into the program. Customers place new recruits on one of two “legs” and typically receive commissions on the leg with less volume, encouraging them to bring in more recruits to place on that side of the commission structure.

19. These statements were false and misleading because Empowercoin and Ecoinplus were not made up of trading professionals and, in fact, the Ecoinplus Defendants did not trade Bitcoin; and because the guaranteed returns and commission payments were entirely fictitious (any daily or commission payments made to customers by the Ecoinplus Defendants were the product not of trading done by Empowercoin/Ecoinplus but instead Ponzi payments reflecting misappropriated Bitcoin from other customers).

20. The Ecoinplus Defendants made these and other false and misleading statements and omissions of material facts intentionally or recklessly. The Ecoinplus Defendants made these and other false and misleading statements and omissions of material facts to prospective customers directly on the websites that they operated and through promoters in person, by telephone, and online.

21. For example, on May 29, 2017, Golden sent a voice message, saying with respect to Empowercoin, that the scheme could not continue operating as it had because he had already “shifted a lot of the money into other programs” which meant that they could not continue to pay commissions as guaranteed. On the same date, Patel suggested in a voice message that the Ecoinplus Defendants only take money for themselves from newly invested Bitcoin as a way to keep the scheme going, noting that the Bitcoin in the system was the “lowest so far since we started” and that they had each made more than half a million dollars at that point. Also on May 29, 2017, Patel suggested to Golden that they and Egerton begin “paying” themselves their misappropriated shares of customer Bitcoin investments on “profit” rather than on “gross”—that is, to take their shares after making Ponzi payments to other customers instead of before doing so—in an effort to keep the operation running longer. Patel noted, “We made a lot of money the last few days, we can wait to take more money.” On June 1, 2017, Patel said in a voice message,

regarding how long Empowercoin and Ecoinplus could continue operating, “as long as members keep joining, this company will keep running.”

22. Via the foregoing false and misleading statements, including those identified in paragraph 18, the Ecoinplus Defendants solicited approximately \$23.2 million in Bitcoin (valued at the time of investment) from customers throughout the United States, including the Eastern District of New York, and foreign countries. Those Bitcoin were not traded. Instead, the investments were put into a digital wallet, over which Golden and Patel had primary control. Golden, Patel, and Egerton typically misappropriated to themselves 12.5% each of daily customer investments. For a period of time, at least some customers of Empowercoin/Ecoinplus received Bitcoin daily and/or commission payments into their own digital wallets, representing not the proceeds of investments supposedly made by the entities, but instead the redistribution of Bitcoin solicited and misappropriated by the Ecoinplus Defendants from other customers. For example, on or about June 8, 2017, one customer deposited 4 Bitcoin to an Ecoinplus wallet address. The next day, those 4 Bitcoin were transferred out of the Ecoinplus wallet address to several different wallet addresses, all in smaller, round increments. Many of the of the transfers were for 0.16 Bitcoin. Those transfers from the Ecoinplus wallet address represented Ponzi payments that were purportedly daily or binary commission payments but were in fact Bitcoin deposited by another customer. Without new investments being made, the entities could not avoid running out of money to make the promised payments to customers.

23. In order to provide purported customer service support for the Empowercoin and Ecoinplus websites, Egerton hired a firm operated and controlled by Golden. The Ecoinplus Defendants employed that firm—consisting of a group of individuals located in, among other places, Mexico—to respond on their behalf to certain customer complaints. None of the

communications in response to customer complaints corrected the misstatements that the Ecoinplus Defendants used to solicit their customers. Customer complaints grew more frequent after the Ecoinplus Defendants discontinued making the guaranteed daily investment and commission payments to customers. In addition, certain customer complaints and concerns were emailed directly to Egerton, who typically forwarded those complaints and concerns to Golden.

24. The Ecoinplus Defendants took efforts not to be associated with the websites for fear of customer backlash. In a voice message to Patel on May 10, 2017, Golden complained that his name was associated with Empowercoin’s domain registration and that Empowercoin members were saying that he owned the company; he told Patel that the website was “supposed to be registered outside the country”; and he urged Patel to “undo” the registration, saying he hoped it was an accident that his name was associated with the registration. In a message to Egerton on May 16, 2017, an employee of Golden’s firm noted that she would be setting up “an anonymous Gmail” to handle customer emails through a virtual private network so that “it’ll be untraceable to us.” In a voice message to Golden on May 25, 2017, the same employee noted that the team responding to customer emails had been instructed not to communicate any information about the ownership of Ecoinplus and that all the individuals operating the company needed to maintain their anonymity. In a voice message on June 13, 2017, Golden encouraged Patel to make sure to “keep your distance” from being associated with Empowercoin/Ecoinplus.

25. In a voice message to Golden on May 16, 2017, Egerton said that certain “leaders”—people responsible for bringing in large numbers of new customers—were not receiving the daily and commission payments promised to them. He urged that Golden and Patel fix the issue by paying those individuals what they were owed “so they can keep building,” i.e., bringing in new customer investments.

26. The Ecoinplus Defendants shut down the Ecoinplus website in or about July 2017 and stopped responding to customer complaint inquiries. After that point, customers had no access to the accounts purportedly holding their investments, and no refunds were provided to customers.

27. Of the Bitcoin received through the Empowercoin and Ecoinplus websites, approximately \$9.865 million worth of Bitcoin was misappropriated by the Ecoinplus Defendants. Golden misappropriated approximately \$1.279 million worth of Bitcoin. Patel misappropriated approximately \$7.235 million worth of Bitcoin. Egerton misappropriated approximately \$1.217 million worth of Bitcoin.

The JetCoin Scheme

28. The JetCoin Defendants, along with the Accomplice, launched the website JetCoin in or about May 2017. Golden was primarily responsible for the idea behind the JetCoin website. Patel was primarily responsible for the software and coding necessary to launch and maintain the website. The Accomplice registered the JetCoin website through a registration company located in Arizona, to an address in Arkansas. The Accomplice modeled the content of JetCoin on the Empowercoin website as well as another website offering a similar purported Bitcoin investment opportunity. For example, the Accomplice emailed a summary of the claims made on the Empowercoin website to Aggesen on May 28, 2017. (Golden and Patel, however, took efforts to keep Egerton unaware of their involvement in JetCoin and, vice versa, to keep Aggesen and the Accomplice unaware of their involvement in Empowercoin/Ecoinplus. Golden said in a voice message to Patel on May 24, 2017 that he did not want to create an “imbalance” between the two entities because “we’re making good money from both” and referred to the two entities as “rival enemies” in a voice message to Patel on May 26, 2017.) Aggesen advertised

the website to experienced multi-level marketing promoters, who in turn could recruit new customers into the program. Aggesen and the Accomplice, along with Golden and Patel, controlled the website and the purported investment opportunity presented by, and were principals of, the JetCoin scheme. Golden, Patel, and Aggesen, and aided and abetted each other's conduct, and the conduct of the Accomplice, in connection with the JetCoin scheme.

29. The JetCoin Defendants and the Accomplice, using the JetCoin website, and enlisting the help of promoters, made false and misleading representations to potential customers, including, among others, that:

- “JetCoin has a 100% success rate!”
- Customers would double their Bitcoin investments in 40 to 50 days, reflecting passive income, depending on which investment package they chose (“JC1” through “JC8”) and with the exception of the plan involving the smallest investment (“JC1”).
- Customers would receive a daily payment of 4-5%, depending on which investment package they chose and with the exception of the plan involving the smallest investment (“JC1”). These guaranteed payouts were represented as a way to earn passive income through trading done by JetCoin. JetCoin purportedly used “the most robust system on the market,” had “the top trading team in the industry” and “the sharpest minds in the industry.” JetCoin solicited customers to “allow our professional traders do [*sic*] the work for you” by “tak[ing] advantage of the markets” and exploiting “the gap” or “the spread” in the price of Bitcoin.
- Customers would qualify for “binary commissions” by making sales, or soliciting new customers to JetCoin, ranging from 9% for “JC1” to 25% for “JC8.” As with Empowercoin/Ecoinplus, those commissions were to be paid based on the volume of the customer's recruit investments, depending on where the recruit was placed in the customer's binary commission structure.

30. These statements were false and misleading because the JetCoin Defendants and the Accomplice did not employ or otherwise use the services of any traders and, in fact, did not trade Bitcoin; and because the guaranteed returns and commission payments were entirely fictitious (any daily or commission payments made to customers by the JetCoin Defendants and

the Accomplice were the product not of trading done by JetCoin but instead Ponzi payments reflecting misappropriated Bitcoin from other customers).

31. The JetCoin Defendants and the Accomplice made these and other false and misleading statements and omissions of material facts intentionally or recklessly. The JetCoin Defendants and the Accomplice made these and other false and misleading statements and omissions of material facts to prospective customers directly on the websites that they operated and through promoters who operated in person, by telephone, and online.

32. For example, in a message on June 1, 2017, Golden said that he loved JetCoin but knew it had “a termination date,” that it would not work long term, and that it was built for “quick money.” In a voice message on June 30, 2017, Aggesen told the Accomplice that the biggest mistake in operating JetCoin was that they did not “stick with the story” that “there was trading going on.” He noted that both men knew the purported trading “wouldn’t support any system anyway over a long period of time” and compared it to a different, earlier scheme that he called a “Ponzi.” In a voice message to Aggesen on July 1, 2017, the Accomplice said, with respect to “people who want to sit by and earn money without doing anything,” that “no one believes in that crap,” meaning that the passive guaranteed payouts should have been obviously fictitious to potential customers. Likewise, in another voice message, Aggesen said to the Accomplice, “This whole thing about coming in and putting your money into something and making money for nothing, that’s such a joke. I didn’t have time to think about the whole concept here, the thing went so quick, with or without trading.” In a message on July 2, 2017, the Accomplice told Aggesen that JetCoin required new customer investments in order “to stay alive,” and that if the site did not receive 250 Bitcoin each day, it would collapse or require the operators to pay out of their own pockets.

33. Via the foregoing false and misleading statements, including those identified in paragraph 29, the JetCoin Defendants and the Accomplice solicited approximately \$21.7 million in Bitcoin (valued at the time of investment) from customers throughout the United States, including the Eastern District of New York, and foreign countries. Those Bitcoin were not traded. Instead, the investments were put into a digital wallet, over which Golden and Patel had control. Golden and Patel typically misappropriated to themselves 25% of daily customer investments off the top, as compensation from Aggesen and the Accomplice for the software and support necessary to operate the JetCoin website. For a period of time, customers of JetCoin received payments into their own digital wallets, representing not the proceeds of investments supposedly made by JetCoin, but instead the redistribution of other purported investments solicited and misappropriated by the JetCoin Defendants. Aggesen and the Accomplice typically misappropriated to themselves the Bitcoin remaining after Golden and Patel took their cut and made daily Ponzi payments. Without new investments being made, the JetCoin could not avoid running out of money to make payments to customers.

34. In order to provide purported customer service support for the JetCoin website, the JetCoin Defendants and the Accomplice engaged the same firm operated and controlled by Golden used by the Ecoinplus Defendants. The JetCoin Defendants and the Accomplice employed that firm—consisting of a group of individuals located in, among other places, Mexico—to respond on their behalf to customer complaints.

35. Beginning in or about June 2017, the JetCoin Defendants and the Accomplice established a purported help desk for JetCoin customers, using two Gmail email addresses (the “JetCoin Emails”), one of which was also Patel’s personal email address. In June, July, and August 2017, JetCoin customers made hundreds of complaints to the JetCoin Defendants,

including certain customer emails that accused the JetCoin Defendants of running a Ponzi scheme. Responses to those complaints were sent from the JetCoin Emails. None of the communications in response to customer complaints corrected the misstatements that the JetCoin Defendants and the Accomplice used to solicit their customers. Instead, as described below, the emails promised fixes and changes that were never made, in an attempt to convince customers that JetCoin was not a Ponzi scheme. During this time period, Aggesen and the Accomplice exchanged dozens of voice messages discussing how best to communicate to customers and what, if any, changes could be made to salvage the JetCoin program, but they required Patel's programming knowledge to make any fixes to the website.

36. In early June 2017, the JetCoin website began experiencing issues. Specifically, customers noticed discrepancies in their accounts, including the fact that the daily investment payments and the commission payments that they had been promised had stopped. In response to dozens if not hundreds of such inquiries, the JetCoin Emails responded to inform customers that the entity was working to resolve certain IT issues and that the payments would be restarted in the very near future. Certain of the customer complaints were forwarded to the JetCoin Emails through Aggesen. For example, on June 3, 2017, one JetCoin promoter ("Promoter-1") emailed Aggesen a complaint about a technical issue he received from a customer. Aggesen then forwarded the complaint to one of the JetCoin Emails. Another customer sent a complaint about a technical issue directly to Aggesen on June 5, 2017, and Aggesen again forwarded the complaint to one of the JetCoin Emails. In a voice message to Golden on June 13, 2017, Patel predicted that the next day or the day after would be the last day JetCoin would be able to make the guaranteed daily and commission payments to customers.

37. On June 16, 2017, Promoter-1 compiled three lists, each containing the usernames of dozens of JetCoin customers who were not receiving the guaranteed payments or were experiencing other issues with the website. Promoter-1 emailed those lists to both Aggesen and one of the JetCoin Emails. Separately, on the same day, the JetCoin Emails sent dozens of communications in response to customer complaints and concerns, stating, “We are aware of the percentage issue [i.e., regarding the timing of payments] in the Dashboard. We are working on them and it will all be resolved by Monday.”

38. The promised payments were not restarted. Instead, the JetCoin Defendants and the Accomplice announced through the JetCoin Emails that they had made a series of purported changes to the payment structure that were supposedly designed to make the investment opportunity better able to survive for the long-term.

39. In or about June 2017, the guaranteed daily payment was reduced from 4-5% to 3.3%. Then, on or about June 23, 2017, the JetCoin Emails began to announce to customers that the daily guaranteed payments would be dropping again, from 3.3% to 1.1%, but that customers could qualify for the higher 3.3% return by recruiting 20 Bitcoin’ worth of new personal sales volume from new customers. The announcements assured customers that they would continue to earn daily payments of 1.1% as passive income, i.e., without the need to recruit any new or additional customers. Further, “binary” commission earnings were lowered to 5-18%. Those emails did not disclose to customers that the previous, higher guaranteed payments were fictitious and were the product not of trading done by JetCoin but instead Ponzi payments reflecting misappropriated Bitcoin from other customers.

40. Even after this announcement, the JetCoin Defendants and the Accomplice did not resume making the promised payments. Many customers began to request that their initial

investments of Bitcoin be refunded to them, with or without the profits that they had been guaranteed. Via the JetCoin Emails, the JetCoin Defendants and the Accomplice consistently communicated to existing customers that no refunds would be issued.

41. By approximately the end of June 2017, the JetCoin website was taken off line. In early July 2017, the JetCoin Defendants and the Accomplice informed customers via emails from the JetCoin Emails that “JetCoin 2.0” would be launching shortly thereafter. Among other changes, JetCoin 2.0 would pay “binary commissions” only on new investment volume brought in by customers after the launch of JetCoin 2.0. Accordingly, in order for customers to receive any “binary commissions,” they would need to recruit new investors into JetCoin. In response, a number of customer complaints accused JetCoin of being a Ponzi scheme. Emails to customers from the JetCoin Emails, however, continued to falsely claim that the reduced guaranteed payments would be resuming imminently. For example, on June 24, 2017, a customer asked when payments would resume, and one of the JetCoin Emails responded, “Payouts will begin on Sunday,” i.e., the next day. The customer responded two days later to complain that he still had not received any guaranteed payments. The JetCoin Email responded that “our programming team is still working on the updates to our system,” and promised, “We haven’t just disappeared like those before us.” In a voice message to the Accomplice on June 30, 2017, Aggesen proposed certain steps they could take to give customers “hope that their money wasn’t stolen and they weren’t scammed,” including making the smaller 1.1% payments. In a voice message to Aggesen the same day, the Accomplice said he thought paying the 1.1% was “throwing that money away.” In another message to Aggesen on July 2, 2017, the Accomplice discussed the fact that 90 Bitcoin were still “sitting there” in the JetCoin wallet and said that giving any of those funds back to customers would be “stupid” because it would not be sufficient to keep the

JetCoin scheme operational. The same day, in a message to Patel, the Accomplice said that JetCoin would need to take in 250 Bitcoin a day, without taking funds from the “pockets” of the JetCoin Defendants, “just to be able to stay alive.”

42. The JetCoin Defendants and the Accomplice took efforts not to be associated with the websites for fear of customer backlash. For example, after a voice message on June 30, 2017, in which Aggesen complained about “getting beat up” by JetCoin customers, the Accomplice proposed on July 1, 2017 that he and Aggesen tell customers that they were introduced to JetCoin by Patel and that they did not know who the owners were. Meanwhile, on June 30, 2017, Promoter-1 emailed to one of the JetCoin Emails and to Aggesen a request that he be removed “from the system effective immediately” and that any JetCoin records associated with him be deleted.

43. The JetCoin Defendants and the Accomplice permanently shut down the JetCoin website in or about August 2017 and stopped responding to customer complaint inquiries. After that point, customers had no access to the accounts purportedly holding their investments, and no refunds were provided to customers.

44. In late August 2017, the JetCoin Defendants and the Accomplice (using the JetCoin Emails) announced to customers that a purportedly new company (“My Digital BTC”) with purportedly new management would be taking over the JetCoin operations. My Digital BTC promised daily returns and commission payments similar to those promised by JetCoin. By mid-September, My Digital BTC had shut down as well. Although the JetCoin Defendants and the Accomplice promised, in emails sent from the JetCoin Emails, that customer Bitcoin would be returned (less any daily or commission payments already paid) on August 29, 2017, those refunds did not take place.

45. On or about June 5, 2018, Aggesen received a subpoena from the Federal Trade Commission (“FTC”) in connection with an investigation concerning at least one promoter of JetCoin. Golden advised Aggesen to delete his files related to JetCoin. To that end, Golden introduced Aggesen to a man that Golden represented would be able to clean Aggesen’s computer before Aggesen submitted the computer to the FTC. Aggesen spoke frequently with the Accomplice to solicit the Accomplice’s advice on how to respond to the subpoena. The Accomplice consistently advised Aggesen to delete any documents related to JetCoin, including communications that took place via Skype and WhatsApp, and provided Aggesen with instructions on how to do so, at one point explaining that Aggesen should search “jet” in his emails and delete all the results. The Accomplice also told Aggesen on several occasions that, in his view, Aggesen should either light his computer on fire or throw it in a lake. In the end, Aggesen worked with the man referred by Golden, deleted the contents of his computer, and submitted the cleaned computer to the FTC on or about June 27, 2018.

46. Of the Bitcoin received through the JetCoin website, at least approximately \$7.884 million worth of Bitcoin was misappropriated by the JetCoin Defendants and the Accomplice. Golden misappropriated approximately \$1.128 million. Patel misappropriated approximately \$4.896 million worth of Bitcoin. Aggesen misappropriated approximately \$1.351 million worth of Bitcoin. The Accomplice misappropriated approximately \$509,000 worth of Bitcoin.

V. VIOLATIONS OF THE COMMODITY EXCHANGE ACT AND REGULATIONS

Count I—Use of a Manipulative or Deceptive Device or Contrivance

**Violations of Section 6(c)(1) of the Act and
Regulation 180.1(a) by the Ecoinplus Defendants**

47. Paragraphs 1 through 46 are re-alleged and incorporated herein by reference.

48. 7 U.S.C. § 9(1) makes it unlawful “for any person, directly or indirectly, to use or employ, or attempt to use or employ, in connection with any . . . contract of sale of any commodity in interstate commerce . . . any manipulative or deceptive device or contrivance, in contravention of such rules and regulations as the Commission shall promulgate.”

49. 17 C.F.R. § 180.1(a) makes it “unlawful for any person, directly or indirectly, in connection with any . . . contract of sale of any commodity in interstate commerce . . . to intentionally or recklessly: (1) use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud; (2) make, or attempt to make, any untrue or misleading statement of a material fact or to omit to state a material fact necessary in order to make the statements made not untrue or misleading; [or] (3) engage, or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon any person.”

50. Bitcoin is a “commodity” under Section 1a(9) of the Act, 7 U.S.C. § 1a(9) (2018), and contracts for its sale are subject to the prohibitions of Section 6(c)(1) of the Act and Regulation 180.1(a).

51. From at least April 2017 through July 2017, as described above, the Ecoinplus Defendants violated Section 6(c)(1) of the Act and Regulation 180.1(a) by, among other things, in connection with contracts of sale of commodities in interstate commerce,

- a. making or attempting to make untrue or misleading statements of material fact or omitting to state or attempting to omit material facts necessary in order to make statements made not untrue or misleading, such as representing on the Empowercoin and Ecoinplus websites that customer Bitcoin would be invested, that those investments would be made by professional traders, that customer

Bitcoin would double within 50-90 days, and that customers would receive guaranteed daily and commission payments, and sending emails to customers that did not correct or disclose those misstatements; and

- b. misappropriating customer Bitcoin that the Ecoinplus Defendants represented would be used to, and that customers deposited for the purpose of, trading that would exploit arbitrage opportunities based on differing prices for Bitcoin on different exchanges, whereas those Bitcoin were used for the benefit of others than the depositing customers and without the authorization of, or disclosure to, such customers, including by making Ponzi payments to other customers.

52. By the foregoing conduct, the Ecoinplus Defendants directly or indirectly used or employed or attempted to use or employ a manipulative or deceptive device or contrivance or manipulative device, scheme, or artifice to defraud customers of Empowercoin and Ecoinplus, and the Ecoinplus Defendants engaged in such conduct intentionally or recklessly.

53. By the foregoing conduct, the Ecoinplus Defendants, directly or indirectly used or employed or attempted to use or employ a manipulative or deceptive device or contrivance or omitted to state material facts necessary in order to make their statements to customers of Empowercoin and Ecoinplus not untrue or misleading, and the Ecoinplus Defendants engaged in such conduct intentionally or recklessly.

54. By the foregoing conduct, the Ecoinplus Defendants directly or indirectly used or employed or attempted to use or employ a manipulative or deceptive device or contrivance or engaged or attempted to engage in an act, practice, or course of business which operated or would operate as a fraud or deceit on customers of Empowercoin and Ecoinplus, and the Ecoinplus Defendants engaged in such conduct intentionally or recklessly.

55. Section 13(a) of the Act provides that “[a]ny person who commits, or who willfully aids, abets, counsels, commands, induces, or procures the commission of, a violation of any of the provisions of this [Act or Regulations] or who acts in combination or concert with any other person in any such violation, or who willfully causes an act to be done or omitted which if directly performed or omitted by him or another would be a violation of the provisions of this chapter or any of such rules, regulations, or orders may be held responsible for such violation as a principal.” 7 U.S.C. § 13c(a).

56. Pursuant to Section 13(a) of the Act, each of the Ecoinplus Defendants is liable for the others’ violations, and the Accomplice’s violations, of 7 U.S.C. § 1 and 17 C.F.R. 180.1(a).

57. Each and every overt action in furtherance of the use or attempted use of a manipulative or deceptive device or contrivance is alleged herein as a separate and distinct violation of 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a).

Count II—Use of a Manipulative or Deceptive Device or Contrivance

**Violations of Section 6(c)(1) of the Act and
Regulation 180.1(a) by the JetCoin Defendants**

58. Paragraphs 1 through 57 are re-alleged and incorporated herein by reference.

59. From at least May 2017 through August 2017, as described above, the JetCoin Defendants violated Section 6(c)(1) of the Act and Regulation 180.1(a) by, among other things, in connection with contracts of sale of commodities in interstate commerce,

- a. making or attempting to make untrue or misleading statements of material fact or omitting to state or attempting to omit material facts necessary in order to make statements made not untrue or misleading, such as representing on the JetCoin website that customer investments of Bitcoin were guaranteed to succeed, that the

Bitcoin would be invested and would double in 40-50 days, that the Bitcoin would be invested by professional traders, and that customers would receive guaranteed daily and commission payments, and sending emails to customers that did not correct or disclose those misstatements; and

- b. misappropriating customer Bitcoin that the JetCoin Defendants represented would be used to, and that customers deposited for the purpose of, trading that would exploit market opportunities related to Bitcoin prices and the spread in the price of Bitcoin, whereas those Bitcoin were used for the benefit of others than the depositing customers and without the authorization of, or disclosure to, such customers, including by making Ponzi payments to other customers.

60. By the foregoing conduct, the JetCoin Defendants directly or indirectly used or employed or attempted to use or employ a manipulative or deceptive device or contrivance or manipulative device, scheme, or artifice to defraud customers of JetCoin, and the JetCoin Defendants engaged in such conduct intentionally or recklessly.

61. By the foregoing conduct, the JetCoin Defendants, directly or indirectly used or employed or attempted to use or employ a manipulative or deceptive device or contrivance or omitted to state material facts necessary in order to make their statements to customers of JetCoin not untrue or misleading, and the JetCoin Defendants engaged in such conduct intentionally or recklessly.

62. By the foregoing conduct, the JetCoin Defendants directly or indirectly used or employed or attempted to use or employ a manipulative or deceptive device or contrivance or engaged or attempted to engage in an act, practice, or course of business which operated or

would operate as a fraud or deceit on customers of JetCoin, and the JetCoin Defendants engaged in such conduct intentionally or recklessly.

63. Section 13(a) of the Act provides that “[a]ny person who commits, or who willfully aids, abets, counsels, commands, induces, or procures the commission of, a violation of any of the provisions of this [Act or Regulations] or who acts in combination or concert with any other person in any such violation, or who willfully causes an act to be done or omitted which if directly performed or omitted by him or another would be a violation of the provisions of this chapter or any of such rules, regulations, or orders may be held responsible for such violation as a principal.” 7 U.S.C. § 13c(a).

64. Pursuant to Section 13(a) of the Act, each of the JetCoin Defendants is liable for the others’ violations of 7 U.S.C. § 1 and 17 C.F.R. 180.1(a).

65. Each and every overt action in furtherance of the use or attempted use of a manipulative or deceptive device or contrivance is alleged herein as a separate and distinct violation of 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a).

VI. RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1, and pursuant to its own equitable powers, enter:

- a. An order finding that Defendants violated Section 6(c)(1) of the Act, 7 U.S.C. § 9(1), and Regulation 180.1(a), 17 C.F.R. § 180.1(a) (2021);
- b. An order of permanent injunction enjoining each Defendant and any other person or entity associated with them, including but not limited to affiliates, agents, servants, employees, assigns, attorneys, and all persons in active concert with them, who receive actual notice of such order by personal service or otherwise,

from engaging in the conduct described above in conduct in violation of Section 6(c)(1) of the Act, or Regulation 180.1(a);

- c. An order of permanent injunction restraining and enjoining each Defendant and their affiliates, agents, employees, successors, assigns, attorneys, and all persons in active concert with them, from directly or indirectly:
- i. Trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40));
 - ii. Entering into any transactions involving “commodity interests” (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2021)), for their own personal account(s) or for any account in which Defendants have a direct or indirect interest;
 - iii. Having any commodity interests traded on Defendants’ behalf;
 - iv. Controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity interests;
 - v. Soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;
 - vi. Applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2021); and/or

- g. An order directing Defendants, as well as any successors thereof, to rescind, pursuant to such procedure as the Court may order, all contracts and agreements, whether express or implied, entered into between, with, or among Defendants and any customer or investor whose funds were received by Defendants as a result of the acts and practices which constituted violations of the Act and the Regulations, as described herein;
- h. An order directing that Defendants, and any successors thereof, make an accounting to the Court of all of their assets and liabilities, together with all funds they received from and paid to investors and other persons in connection with commodity transactions and all disbursements for any purpose whatsoever of funds received from commodity transactions, including salaries, commissions, interest, fees, loans, and other disbursement of money or property of any kind from at least January 2014 to the date of such accounting;
- i. An order requiring Defendants and any successors thereof to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2); and
- j. An order providing such other and further relief as the Court deems proper.

* * *

Dated: March 8, 2022

**COMMODITY FUTURES TRADING
COMMISSION**

Manal M. Sultan
Deputy Director
Commodity Futures Trading Commission
Division of Enforcement

By: /s/ Devin Cain
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