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Superior Court of California,
County of Orange
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Clerk of the Superior Court
By Isia Vazquez, Deputy Clerk

Attorneys for: Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR COUNTY OF ORANGE, CENTRAL JUSTICE CENTER**

JOSEPHINE D. TORRES, an individual,
ESTATE OF FREDDIE G. TORRES by and
through Administrator, CHERRY BUYUK, and
DECEDENT, FREDDIE G. TORRES, through
and by CHERRY BUYUK, The Administrator
of his Estate, individually and as The
Administrator of ESTATE OF FREDDIE G.
TORRES, GHASSAN AND CHERRY
BUYUK, Individuals, EDNA M. SOTELO,
Individuals, RODOLFO and EVELYN
LECITIVO, Individuals, SOFIA AVILA, an
Individual, ARTURO R. FARIN, an Individual,
ARJUN and MANJU DEVOKOTA,
individuals, DANTE and MERLYN R.
SANSANO, Individuals, ARSENIO and
MARILLOU SORIANO, Individuals, MARY
JEAN LAMPSON, an Individual, JOSEPHINE
F. ALCAYDE, an Individual, FORTUNATO
and FE A. SAGRA, Individuals, ROSALINDA
POLIDO, an Individual, CARLOS MAYOR, an
Individual,

Plaintiffs,

vs.

EMILIANO S. RYN Also Known As EMIL
RYN, an Individual, ANGELICA RYN Also
Known As ANGEL RYN Also Known As

CASE NO.: 30-2018-01037409-CU-FR-CJC
Judge James J. Di Cesare

COMPLAINT FOR:

1. Breach of Contract and Implied
Good Faith and Fair Dealing;
2. Fraud;
3. Breach of Fiduciary Duty;
4. Negligence;
5. Intentional and Negligent
Infliction of Emotional Distress
6. Obtaining Money and Title to
BTC and Tokens Under ICO by
False Pretenses – Violation of Pen.
Code § 496
7. Conversion
8. Defamation – Slander, Libel,
Slender Per Se and False Light
9. Violation of State and Federal
Securities Laws-Unregistered
Offer and Sale of Securities in
Violation of Cal. Corp. Code §§
25500, et. seq
10. Declaratory Relief

Assigned Judge:

Complaint Filed on

1 ANGELICA BERGONIO RYN Also Known,)
2 As ANGELICA B. RYN, an Individual, JASON)
3 RYN, an Individual, TERESITA RYN, an)
4 Individual, MELCHOR A. DELEON, JR. an)
5 Individual, Individually and Collectively Doing)
6 Business As GEXCRYPTO, Also Known As)
7 GEX, Also Known As GEXCRYPTO, CORP,)
8 Also Known AS GEXCRYPTO GLOBAL)
9 TRADING CORP, an unknown entity,)
10 GEXCRYPTO, Also Known As GEX, Also)
11 Known As GEXCRYPTO, CORP, Also Known)
12 AS GEXCRYPTO GLOBAL TRADING)
13 CORP, an unknown entity, GEXCRIYPTO, an)
14 unknown entity, GEX, an unknown entity,)
15 GEXCRYPTO, CORP, an unknown entity,)
16 GEXCRYPTO GLOBAL TRADING CORP, an)
17 unknown entity, AND DOES 1 Through 200,)
18 Inclusive,)

19 Defendants.)

20 Plaintiffs, JOSEPHINE D. TORRES, an individual, ESTATE OF FREDDIE G. TORRES,
21 CHERRY BUYUK, and DECEDENT, FREDDIE G. TORRES, by and through CHERRY
22 BUYUK, The Administrator of his Estate, individually and as The Administrator of ESTATE OF
23 FREDDIE G. TORRES, GHASSAN AND CHERRY BUYUK, Individuals, EDNA M. SOTELO,
24 Individuals, RODOLFO and EVELYN LECITIVO, Individuals, SOFIA AVILA, an Individual,
25 ARTURO R. FARIN, an Individual, ARJUN and MANJU DEVOKOTA, individuals, DANTE and
26 MERLYN R. SANSANO, Individuals, ARSENIO and MARILOU SORIANO, Individuals, MARY
27 JEAN LAMPSON, an Individual, JOSEPHINE F. ALCAYDE, an Individual, FORTUNATO and
28 FE A. SAGRA, Individuals, ROSALINDA POLIDO, an Individual, CARLOS MAYOR, an
Individual, (“Plaintiffs”) allege:

GENERAL ALLEGATIONS

1 1. Plaintiff, **JOSEPHINE D. TORRES**, Individually, (hereinafter referred to as
2 **"Plaintiff"** or **"J-Torres"** or **"J-Torres Investor"**) is now, and at all relevant times herein entrusted
3 investment and retainment funds to Defendants in Orange County, California and resides in Walnut,
4 California.

5 2. Plaintiffs, **ESTATE OF FREDDIE G. TORRES by and through Administrator,**
6 **CHERRY BUYUK, and DECEDENT, FREDDIE G. TORRES, through and by CHERRY**
7 **BUYUK, The Administrator of his Estate, individually and as The Administrator of ESTATE**
8 **OF FREDDIE G. TORRES**, (hereinafter referred to as **"Plaintiffs"** or **"F-Torres"** or **"F-Torres**
9 **Investor"**) are now, and at all relevant times herein entrusted investment and retainment funds to
10 Defendants in Orange County, California and resides in Walnut, California.

11 3. Plaintiffs, **G Hassan and Cherry Buyuk**, Individually, (hereinafter referred
12 to as **"Plaintiffs"** or **"Buyuk"** or **"Buyuk Investors"**) are now, and at all relevant times herein
13 entrusted investment and retainment funds to Defendants in Orange County, California and reside in
14 Walnut, California.

15 4. Plaintiffs, **EDNA M. SOTELO**, Individually, (hereinafter referred to as **"Plaintiff"**
16 or **"Sotelo"** or **"Sotelo Investor"**) is now, and at all relevant times herein entrusted investment and
17 retainment funds to Defendants in Orange County, California and reside in Los Angeles, California.

18 5. Plaintiffs, **RODOLFO and EVELYN LECITIVO**, Individually, (hereinafter
19 referred to as **"Plaintiffs"** or **"Lecitivo"** or **"Lecitivo Investors"**) are now, and at all relevant times
20 herein entrusted investment and retainment funds to Defendants in Orange County, California and
21 reside in La Puente, California.

22 6. Plaintiff, **SOFIA AVILA**, Individually, (hereinafter referred to as **"Plaintiff"** or
23 **"Avila"** or **"Avila Investor"**) is now, and at all relevant times herein entrusted investment and
24 retainment funds to Defendants in Orange County, California and resides in Covina, California.

25 7. Plaintiff, **ARTURO R. FARIN**, Individually, (hereinafter referred to as **"Plaintiff"**
26 or **"Farin"** or **"Farin Investor"**) is now, and at all relevant times herein entrusted investment and
27 retainment funds to Defendants in Orange County, California and resides in Ontario, California.

28 8. Plaintiffs, **ARJUN and MANJU DEVOKOTA**, Individually, (hereinafter referred

1 to as “**Plaintiffs**” or “**Devokota**” or “**Devokota Investors**”) are now, and at all relevant times
2 herein entrusted investment and retainment funds to Defendants in Orange County, California and
3 reside in West Covina, California.

4 9. Plaintiffs, **DANTE and MERLYN R. SANSANO**, Individually, (hereinafter
5 referred to as “**Plaintiffs**” or “**Sansano**” or “**Sansano Investors**”) are now, and at all relevant times
6 herein entrusted investment and retainment funds to Defendants in Orange County, California and
7 reside in Fairfield, California.

8 10. Plaintiffs, **ARSENIO and MARILOU SORIANO**, Individually, (hereinafter
9 referred to as “**Plaintiffs**” or “**Soriano**” or “**Soriano Investors**”) are now, and at all relevant times
10 herein entrusted investment and retainment funds to Defendants in Orange County, California and
11 reside in Suisun City, California.

12 11. Plaintiff, **MARY JEAN LAMPSON**, Individually, (hereinafter referred to as
13 “**Plaintiff**” or “**Lampson**” or “**Lampson Investor**”) is now, and at all relevant times herein
14 entrusted investment and retainment funds to Defendants in Orange County, California and resides
15 in El Paso, Texas.

16 12. Plaintiff, **JOSEPHINE F. ALCAYDE**, Individually, (hereinafter referred to as
17 “**Plaintiff**” or “**Alcayde**” or “**Alcayde Investor**”) is now, and at all relevant times herein entrusted
18 investment and retainment funds to Defendants in Orange County, California and resides in Laguna
19 Niguel, California.

20 13. Plaintiffs, **FORTUNATO and FE A. SAGRA**, Individually, (hereinafter referred to
21 as “**Plaintiffs**” or “**Sagra**” or “**Sagra Investors**”) are now, and at all relevant times herein entrusted
22 investment and retainment funds to Defendants in Orange County, California and reside in Laguna
23 Niguel, California.

24 14. Plaintiff, **ROSALINDA POLIDO**, Individually, (hereinafter referred to as
25 “**Plaintiff**” or “**Polido**” or “**Polido Investor**”) is now, and at all relevant times herein entrusted
26 investment and retainment funds to Defendants in Orange County, California and resides in
27 Whittier, California.

28 15. Plaintiff, **CARLOS MAYOR**, Individually, (hereinafter referred to as “**Plaintiff**” or

1 **"Mayor" or "Mayor Investor")** is now, and at all relevant times herein entrusted investment and
2 retainment funds to Defendants in Orange County, California and resides in San Gabriel, California.

3 16. Defendant, **EMILIANO S. RYN Also Known As EMIL RYN, an Individual,**
4 (hereinafter **"Defendant" or "Emil Ryn" or "Investment and Retirement Advisors" or**
5 **"GexCrypto" or "GEX")** is and at all times mentioned here an unknown entity doing business in
6 city of Irvine, County of Orange, State of California. Defendant, Emil Ryn did and does business as
7 GEXCRYPTO, Also Known As GEX, Also Known As GEXCRYPTO, CORP, Also Known AS
8 GEXCRYPTO GLOBAL TRADING CORP, an unknown entity, GEXCRYPTO, Also Known As
9 GEX, Also Known As GEXCRYPTO, CORP, Also Known AS GEXCRYPTO GLOBAL
10 TRADING CORP, an unknown entity.

11 17. Defendant, **ANGELICA RYN Also Known As ANGEL RYN Also Known As**
12 **ANGELICA BERGONIO RYN Also Known, As ANGELICA B. RYN,** an Individual,
13 (hereinafter **"Defendant" or "Angel Ryn" or "Investment and Retirement Advisors" or**
14 **"GexCrypto" or "GEX")** is and at all times mentioned here an unknown entity doing business in
15 city of Irvine, County of Orange, State of California. Defendant, Angel Ryn did and does business
16 as GEXCRYPTO, Also Known As GEX, Also Known As GEXCRYPTO, CORP, Also Known AS
17 GEXCRYPTO GLOBAL TRADING CORP, an unknown entity, GEXCRYPTO, Also Known As
18 GEX, Also Known As GEXCRYPTO, CORP, Also Known AS GEXCRYPTO GLOBAL
19 TRADING CORP, an unknown entity.

20 18. Defendant, **JASON RYN,** an Individual, (hereinafter **"Defendant" or "Jason Ryn"**
21 **or "Investment and Retirement Advisors" or "GexCrypto" or "GEX")** is and at all times
22 mentioned here an unknown entity doing business in city of Irvine, County of Orange, State of
23 California. Defendant, Jason Ryn did and does business as GEXCRYPTO, Also Known As GEX,
24 Also Known As GEXCRYPTO, CORP, Also Known AS GEXCRYPTO GLOBAL TRADING
25 CORP, an unknown entity, GEXCRYPTO, Also Known As GEX, Also Known As GEXCRYPTO,
26 CORP, Also Known AS GEXCRYPTO GLOBAL TRADING CORP, an unknown entity.

27 19. Defendant, **TERESITA RYN,** an Individual, (hereinafter **"Defendant" or "Teresita**
28 **Ryn" or "Investment and Retirement Advisors" or "GexCrypto" or "GEX")** is and at all times

mentioned here an unknown entity doing business in city of Irvine, County of Orange, State of California. Defendant, Teresita Ryn did and does business as GEXCRYPTO, Also Known As GEX, Also Known As GEXCRYPTO, CORP, Also Known AS GEXCRYPTO GLOBAL TRADING CORP, an unknown entity, GEXCRYPTO, Also Known As GEX, Also Known As GEXCRYPTO, CORP, Also Known AS GEXCRYPTO GLOBAL TRADING CORP, an unknown entity.

20. Defendant, **MELCHOR A. DELEON, JR.**, an Individual, (hereinafter “**Defendant**” or “**Melchor Deleon**” or “**Investment and Retirement Advisors**” or “**GexCrypto**” or “**GEX**”) is and at all times mentioned here an unknown entity doing business in city of Irvine, County of Orange, State of California. Defendant, Melchor Deleon did and does business as GEXCRYPTO, Also Known As GEX, Also Known As GEXCRYPTO, CORP, Also Known AS GEXCRYPTO GLOBAL TRADING CORP, an unknown entity, GEXCRYPTO, Also Known As GEX, Also Known As GEXCRYPTO, CORP, Also Known AS GEXCRYPTO GLOBAL TRADING CORP, an unknown entity.

21. Defendant, **GEXCRYPTO, Also Known As GEX, Also Known As GEXCRYPTO, CORP, Also Known AS GEXCRYPTO GLOBAL TRADING CORP, an unknown entity, GEXCRYPTO, Also Known As GEX, Also Known As GEXCRYPTO, CORP, Also Known AS GEXCRYPTO GLOBAL TRADING CORP, an unknown entity,** (hereinafter “**Defendant**” or “**Investment and Retirement Advisors**” or “**GexCrypto**” or “**GEX**”) is and at all times mentioned here an unknown entity doing business in city of Irvine, County of Orange, State of California. Defendant, GEX did and does business as GEXCRYPTO, Also Known As GEX, Also Known As GEXCRYPTO, CORP, Also Known AS GEXCRYPTO GLOBAL TRADING CORP, an unknown entity, GEXCRYPTO, Also Known As GEX, Also Known As GEXCRYPTO, CORP, Also Known AS GEXCRYPTO GLOBAL TRADING CORP, an unknown entity.

22. Defendant, **GEXCRYPTO**, (hereinafter “**Defendant**” or “**Investment and Retirement Advisors**” or “**GexCrypto**” or “**GEX**”) is and at all times mentioned here an unknown entity doing business in city of Irvine, County of Orange, State of California.

23. Defendant, **GEX**, (hereinafter “**Defendant**” or “**Investment and Retirement Advisors**” or “**GexCrypto**” or “**GEX**”) is and at all times mentioned here an unknown entity doing business in city of Irvine, County of Orange, State of California.

24. Defendant, **GEXCRYPTO GLOBAL TRADING CORP**, (hereinafter “**Defendant**” or “**Investment and Retirement Advisors**” or “**GexCrypto Trading**” or “**GEX**”) is and at all times mentioned here an unknown entity doing business in city of Irvine, County of Orange, State of California.

25. Defendant, **GEXCRYPTO CORP**, (hereinafter “**Defendant**” or “**Investment and Retirement Advisors**” or “**GexCrypto**” or “**GEX**”) is and at all times mentioned here an unknown entity doing business in city of Irvine, County of Orange, State of California.

26. Defendants, Emil Ryn, Angel Ryn, Jason Ryn, Teresita Ryn, Melchor Deleon, GexCrypto, GEX, Investment and Retirement Advisors, GexCrypto Trading, are collectively referred to as (“**GEX Defendants**”).

27. Plaintiffs do not know the true names and capacities whether corporate, partnership, associate, individual or otherwise of defendants sued herein as Does 1 through 200, Inclusive, under the provisions of section 474 of the California Code of Civil Procedure. Plaintiffs are informed and believe and, on that basis, allege that defendants DOES 1 through 200, Inclusive, are in some manner responsible for the acts, occurrences and transactions set forth herein, and are legally liable to Plaintiffs. Plaintiffs will seek leave to amend this first amended complaint to set forth the true names and capacities of said fictitiously named defendants together with appropriate charging allegations when ascertained.

28. Plaintiffs are informed and believe and, on that basis, allege that at all times mentioned herein each defendant whether actually or fictitiously named herein, was the principal, agent (actual or ostensible) or employee of each other defendant and in acting as such principal or within the course and scope of such employment or agency, took some part in the acts and omissions hereinafter set forth by reason of which each defendant is liable to Plaintiff for the relief prayed for herein.

1 **A. BACKGROUND ON CRYPTOCURRENCIES AND BLOCKCHAINS**

2
3 29. Bitcoin is a type of “cryptocurrency” – also commonly referred to as “digital
4 currency” or “virtual currency.” The Financial Action Task Force, an inter-governmental agency
5 that promotes laws combating anti-money laundering, and in which the United States is a member,
6 describes cryptocurrency as a “digital representation of value that can be digitally traded and
7 functions as (1) a medium of exchange; and/or (2) a unit of account; and/or (3) a store of value, but
8 does not have legal tender status . . . in any jurisdiction.” Importantly, cryptocurrencies do not have
9 legal tender status like fiat currencies (e.g., U.S. dollar and the Euro). The most widely used
10 cryptocurrencies are Bitcoin (“**BTC**”) and Ethereum (“**ETH**”).

11 30. A “blockchain” is essentially a digitized, decentralized, public ledger that
12 cryptographically records, preserves and presents information. The general idea is that each “block”
13 contains information, such as details on transactions that are made. After a “block” is created (with
14 cryptography so as to verify its contents), the information inside of it cannot be changed. The
15 “block” then becomes part of the “blockchain” and an encrypted version of the information
16 contained therein becomes publicly available along with all the previous “blocks” in the chain.
17 After this process is complete, then another block is created with additional information and so on
18 and so forth.

19 31. To date, most “blockchains” are used to record transactions involving digital
20 currencies (e.g., BTC and ETH). However, a “blockchain” could be used to record all types of
21 information. For example, a blockchain could be used for deed recordation/transfers or even
22 transfers of stock certificates.

23
24 **B. BACKGROUND ON COIN MINING**

25
26 32. Coin mining is a process by which transactions are verified and added to certain
27 public ledgers known as “blockchains,” and also one method through which certain new digital
28 currencies are released.

1 33. Anyone with access to the internet and requisite hardware can participate in mining.
2 The mining process involves compiling blocks and trying to solve a computationally difficult
3 puzzle. Typically, the miner who first solves the puzzle gets to place the next block on the
4 blockchain and claim a reward. The rewards, which incentivize mining, are typically both the
5 transaction fees associated with the transactions compiled in the block as well as newly released
6 digital currency that the participant has chosen to mine.

7 34. With most digital currencies a miner chooses to mine, there is a finite amount of that
8 particular digital currency that can ever exist. Despite this, coin miners are capable of reaping
9 significant profit depending on the hardware and equipment they use to mine such digital
10 currencies. This is because better hardware and equipment increases the likelihood that a miner will
11 be the first to solve the computationally difficult puzzle and obtain the reward.

12 35. Additionally, because operating high-end hardware and equipment for long periods
13 of time requires the expenditure of a significant amount of electricity, its profitability is largely
14 dependent on the cost of electricity where the mining operation is located.

15 16 **C. INITIAL COIN OFFERING**

17
18 36. An Initial Coin Offering (“**ICO**”) is a capital raising event in which an entity offers
19 investors a unique “coin” or “token” in exchange for consideration of actual fiat currency---or most
20 commonly in the form of established virtual currency (BTC or ETH). These tokens are then issued
21 on a blockchain that are then listed on an online platform for trading. These online platforms are
22 referred to and called Virtual Currency Exchange where they are tradable for other virtual currency
23 or fiat currency.

24 37. To participate in an ICO, investors are required to transfer virtual currencies to
25 issuer’s address online wallet, other account or deliver cash fiat currency to the issuer. During the
26 ICO or after its competition, the issuer will distribute its unique “token” or “coin” to the participants
27 unique address on the blockchain. ICO is similar to Initial Public Offering (“**IPO**”). The holders of
28 these tokens are entitled to certain rights and privileges related to the venture underlying the ICO,

1 such as profits, ownership rights, shares of assets, use of certain services offered by issuer, voting
2 rights, and/or any combination of rights and privileges thereto.

3 38. All ICO similar to IPO must be registered under the State of California and Federal
4 Securities laws with the agency responsible to supervise, manage, license, and control the
5 individuals and entities who are undertaking the ICO. Without registering and obtaining
6 appropriate license from Federal and the State of California governmental agencies, the issuer of
7 ICO, cannot raise capital, receive money, manage money, solicit money from potential investors,
8 provide advise with regard to the securities, organize meetings for the purpose of selling, obtaining
9 and/or transferring any securities.

10 39. In late 2017, without any license and/or registration of the securities, GEX
11 Defendants, initiated their ICO under the project named "The GEXCRYPTO Public Token Sale
12 Project," as described herein.

13
14 **D. THE GEXCRYPTO PUBLIC TOKEN SALE PROJECT OR GREAT GEXCRYPTO**
15 **PROJECT**

16
17 40. In or about early 2017, Defendants and each of them with Defendant, Emil Ryn
18 appointing himself as the head and Chief Executive Officer, founded GEXCrypto, which was a
19 megawatt scale trading platform with combination of BTC mining center and purportedly "one of
20 the largest single-operator mines in California."

21 41. In approximately March 2017, Emil Ryn and other defendants rebranded
22 GEXCrypto as a trading platform coupled with coin mining, a blockchain hosting and servicing
23 center for mining hardware. At the time Emil Ryn and other Defendants rebranded GEXCrypto to
24 GEXCrypto Global Trading Corp, and began GEX Public Token Sale, with targeted sale of
25 December 25, 2017. Emil Ryn and other defendants had completed the construction of mining
26 facilities originally designed by GEXCrypto, with ever changing ability to function and mine coins.
27 Their technical ability, functionality and speed by which the mining can proceed, changed
28 frequently.

1 42. Defendants and each of them knew that neither GEX Defendants nor its rebranded
2 platform, had the ability, means, or technical knowledge to operate and/or manage any mining
3 facility of any kind or type whatsoever.

4 43. The GEXCrypto Public Token Project never materialized nor was there any
5 expectations of it to become a reality or a viable project to repay any money to any of the Plaintiffs.

6
7 **ACTS OF DEFENDANTS**
8

9 44. In late-2017, Defendant, EMIL RYN introduced Plaintiffs to Defendants
10 GEX and ANGEL RYN at a meeting organized by the GEX Defendants.

11 45. The meeting -- held at one of Plaintiffs' residence in Orange County,
12 California -- served as an opportunity for the GEX Defendants to introduce
13 themselves to Plaintiffs (and other investors) and to induce Plaintiffs (and other
14 investors) into investing in a purported high-yield, low-risk cryptocurrency
15 investment program (the "Bitcoin Wealth Management program and The
16 GEXCRYPTO Public Token Sale Project " and "The GEXCRYPTO Public Token
17 Sale Project").

18 46. According to the GEX Defendants' sales pitch, investors (like Plaintiffs)
19 would deliver to the GEX Defendants cryptocurrency and fiat currency as an
20 investment, and the GEX Defendants would return to the investors double the amount
21 of their invested funds. GEX Defendants guaranteed that each investor shall receive
22 monthly income that would be better than any other investment vehicle and ensure
23 each investor to have a guaranteed monthly retirement income.

24 47. Within one month. For example, if an investor were to deliver to the
25 GEX Defendants cryptocurrency or fiat currency valued at \$100,000.00, that investor
26 would receive a \$200,000.00 payout -- in the form of either cryptocurrency or fiat
27 currency -- one month after investing.

28 48. As part of their inducement to investors (including Plaintiffs) -- both at

1 the initial in-person meeting and in subsequent communications-- the GEX
2 Defendants represented the following, *inter alia*:

3 (a) the Bitcoin Wealth Management program and The GEXCRYPTO Public
4 Token Sale Project would provide investors very high yields with little-to-no-risk;

5 (b) the Bitcoin Wealth Management program and The GEXCRYPTO Public
6 Token Sale Project would provide each investor a return on his/her capital investment
7 in a very short amount of time;

8 (c) Defendants, GEX Defendants were experienced investors and Investment
9 and Retirement Advisors who had unique insight into cryptocurrency markets that
10 allowed them to produce huge returns on investments;

11 (d) Defendants, GEX Defendants had deposited and invested their own money
12 that is in excess of Eighty Thousand (80,000) bitcoins into a secure cryptocurrency
13 wallet, at Defendants, GEXCrypto for the benefit of Plaintiffs; and the assets held in
14 that wallet could serve as security to ensure that investors' funds were not dissipated
15 without the investors receiving a return on their investments. If, for some reason, an
16 investor did not receive his/her anticipated return on investment in a timely manner,
17 the investor could make a demand upon Defendants that they pull assets from that
18 wallet to fully compensate the investor in accordance with the terms of the
19 investment program;

20 (e) Defendant, EMAIL RYN was an experienced and trustworthy advisor and a
21 fellow countryman (from Philippines) had unrestricted access to the bitcoin reserve
22 funded by GEX Defendants;

23 (f) Defendants ANGEL RYN and EMIL RYN jointly served as the escrow
24 agent to safeguard investors' deposited assets;

25 (g) If any of the Plaintiffs make a demand for return of their investment or
26 was/were either unable or unwilling to continue with the investment program
27 Defendant, GEX promised ---upon demand by any investors – GEX Defendants
28

1 would provide the investor the appropriate funds from the GEX-funded bitcoin
2 reserve; and

3 (h) Each investor receives guaranteed monthly income that can be used to
4 supplement their retirement pension or social security retirement funds;

5 49. Defendant, EMIL RYN and ANGEL RYN even set forth in text
6 messages to the investors and reassured them their investment is safe and they have
7 immediate access to their investment and they can cash out at time they so choose.

8 50. Moreover, at the initial in-person sales pitch and in subsequent
9 communications, Defendant, EMIL RYN specifically made the following
10 representations to induce investments from the gathered guests:

11 (a) Investors in the Bitcoin Wealth Management program and The
12 GEXCRYPTO Public Token Sale Project were guaranteed to receive the promoted
13 return on their investments;

14 (b) The Bitcoin Wealth Management program and The GEXCRYPTO
15 Public Token Sale Project was fail-proof;

16 (c) Defendant, EMIL RYN and Defendant, ANGEL RYN were partners in
17 this investment venture;

18 (d) Defendant, EMIL RYN and Defendant ANGEL RYN traveled on
19 private jets across the country speaking with, and signing up, investors to participate
20 in the Bitcoin Wealth Management program and The GEXCRYPTO Public Token
21 Sale Project;

22 (e) Defendant EMIL RYN is a genius investor who has earned millions of
23 dollars using his investment strategies, especially with long term income to even
24 replace the need for ordinally retirement funds and social security retirement funds;

25 (f) Defendant, EMIL RYN had himself invested in the Bitcoin Wealth
26 Management program and The GEXCRYPTO Public Token Sale Project, and his
27 investment in the program had made him and his family wealthy;

28

(g) Though investment funds would ultimately go to the same place for the same purpose, investors could deliver their investments in the Bitcoin Wealth Management program and The GEXCRYPTO Public Token Sale Project to either Defendant, EMIL RYN or to Defendant ANGEL RYN;

(h) Defendant EMIL RYN, who speaks fluent Filipino language (as did many of the potential investors invited to the in-person sales pitch), could be trusted; and

(i) If the gathered guests were to invest in in the Bitcoin Wealth Management program and The GEXCRYPTO Public Token Sale Project, Defendant, EMIL RYN would remain involved and oversee the investments.

51. In reliance of GEX Defendants' representations, guarantees and assurances, Plaintiffs, transferred to GEX Defendants' control, in cash and Bitcoin as follows:

Plaintiffs	Cryptocurrency Invested	Cash Invested	Current¹ Valuation of Assets Invested in (USD) [Approx.]
Ghassan and Cherry Buyuk	1.7105 BTC	\$13,000.00	\$45,157.40
Josephine D Torres and Decedent Freddie G. Torres	0.987264 BTC Plus Approx. 4600 BTC Mined Plus 1000 BTC for ICO Conversion	\$356,000.00	\$105,654,560.60
Rodolfo and Evelyn Lecitivo	0.1643 BTC	\$1,500.00	\$53,088.84
Arturo R. Farin	1.73 BTC	\$10,000.00	\$42,524.00

¹ Market Value of BTC as of December 15, 2017 that was trading at approximately \$18,800 USD per BTC.

Plaintiffs	Cryptocurrency Invested	Cash Invested	Current ¹ Valuation of Assets Invested in (USD) [Approx.]
Dante and Merlyn R. Sansano	0.23382 BTC + Approx. 1,750 BTC Mined. Plus 500 BTC for ICO Conversion	\$113,170.00	\$42,417,565.82
Mary Jean Lampson	3.12 BTC + Approx. 4,275 BTC Mined Plus 1000 BTC for ICO Conversion	\$118,731.93	\$99,347,387.93
Fortunato and Fe A. Sagra	0.141 BTC Plus 500 BTC for ICO Conversion	\$51,000.00	\$9,451,000.14
Carlos Mayor	1.02740 BTC	\$7,500.00	\$26,815.12
Edna M. Sotelo	2.01362 BTC	\$21,000.00	\$58,856.06
Sofia Avila	0.1618 BTC	\$1,000.00	\$4,042.07
Arjun and Manju Devokota	Approx. 1,625 BTC Mined Plus 350 BTC for ICO Conversion	\$60,000.00	\$37,190,000.00

Plaintiffs	Cryptocurrency Invested	Cash Invested	Current ¹ Valuation of Assets Invested in (USD) [Approx.]
Arsenio and Marilou Soriano	Approx. 2,625 BTC Mined Plus 1000 BTC for ICO Conversion	\$107,000.00	\$68,257,000.00
Josephine F. Alcayde	0.282 BTC	\$2,000.00	\$7,301.60
Rosalinda Polido	0.3488 BTC	\$2,592.44	\$9,149.88
TOTAL	19,236.920504 BTC	\$864,494.37 Cash USD	\$362,364,649.46

52. Except for \$2,500.00 one-time payment, NO portion of Plaintiffs' investments in the amount of \$362,364,649.46 has ever been repaid by Defendants and each of them.

53. Likewise, from about July 1, 2017, until about September of 2018, in reliance of GEX Defendants' representations, guarantees and assurances, Plaintiffs, transferred to GEX Defendants' control, suitcases of cash fiat currency, in USD and electronic Bitcoin to GEX Defendants in person.

DEFENDANTS' FRAUD AND BREACH OF THEIR OBLIGATIONS

54. All factual representations made by and on behalf of the GEX Defendants to induce Plaintiffs to invest their funds were materially false, deceptive, misleading.

55. The GEX Defendants, were providing investment advice and unregistered securities

1 without any license and/or any authorization under any State and/or Federal Laws.

2 56. Moreover, the GEX Defendants' representations that Plaintiffs'
3 investments would provide them high returns with little or no risk were in fact false.

4 57. Plaintiffs discovered subsequent to their investments that the GEX
5 Defendants did not follow the investment strategies represented to Plaintiffs prior to
6 their investments.

7 58. Plaintiffs further discovered subsequent to their investments that the
8 GEX Defendants' promises of such high yields in such a short amount of time and
9 monthly payments for the earnings were untrue and were likely only possible if the
10 GEX Defendants were actually running a Ponzi scheme.

11 59. Neither Defendant EMIL RYN nor ANGEL RYN ever deposited any
12 bitcoin into a secure cryptocurrency wallet; that representation was made to falsely
13 give Plaintiffs a sense of security and induce them into believing that a secondary
14 source of funding existed to collateralize their investments.

15 60. Additionally, Plaintiffs learned subsequent to their investments that
16 Defendants EMIL RYN and ANGEL RYN that they have all necessary licenses to
17 provide Plaintiffs with investment advice and undertook ICO that was subject to
18 registration as securities under the Federal and State of California laws, falsely
19 informing Plaintiffs that GEX Defendants have all necessary credentials and they are
20 trustworthy legitimate business, where in fact, GEX Defendants were operating a
21 Ponzi scheme.

22 61. As a result of Defendants' misrepresentations, falsehood, deception, and
23 mishandling of Plaintiffs funds, Plaintiffs have incurred nothing but a loss of their
24 principal with no returns whatsoever.

25
26 **PLAINTIFFS' REPEATED DEMANDS FOR REFUND OF THEIR INVESTMENTS OR REPAYMENT**
27 **OF THEIR FUNDS, BTC, ICO EARNED TOKEN ENTRUSTED WITH GEX DEFENDANTS HAVE BEEN**
28 **TO NO AVAIL**

62. Plaintiffs have made repeated demands upon GEX Defendants to return to them their invested funds, BTC, and earned ICO tokens.

63. Despite Plaintiffs' repeated demands for a refund of their funds, BTC, and earned ICO tokens, GEX Defendants have failed and refused to rescind Plaintiffs' investments and refund to Plaintiffs the funds, BTC, and earned ICO tokens, Plaintiffs delivered to Defendants and earned.

64. As a result of the foregoing, Plaintiffs have been damaged in an amount that will be proven at trial.

65. Plaintiffs have duly performed all of their duties and obligations; and any conditions precedent to Plaintiffs bringing this action have occurred, have been performed, or else have been excused or waived.

FIRST CAUSE OF ACTION

(Breach of Contract and Breach of Implied Warranty of Good Faith and Fair Dealings)

(Against All Defendants)

66. Plaintiffs hereby incorporate by reference herein each and every allegation set forth in paragraphs 1 through 65 inclusive, as though fully set forth herein.

67. From early 2017 until about September of 2017, Plaintiffs and GEX Defendants entered into an agreement for investment advice, search, locating, purchasing, maintaining, managing, and cash, buying and selling BTC and Tokens, increase Plaintiffs' liquidity and assets for the purpose of increasing their retirement income. Plaintiffs paid the total sum of \$864,494.37 in fiat currency in USD, 19,236.920504 in BTC, earn tokens from represented ICO, with the total combined value of \$362,364,649.46.

68. GEX Defendants promised that each Plaintiffs would receive monthly income that would be equal to double of their respective investments.

69. Among others, parties agreed that neither party would take any and all steps

1 necessary for Plaintiffs to use the maximum benefits under each Cryptocurrency investments for the
2 purpose of increasing and enhancing their monthly retirement payments.

3 70. Plaintiffs performed all conditions precedent and their obligations under the terms
4 and conditions of the parties' agreement.

5 71. From about July of 2017, until present, GEX Defendants have breached their
6 agreement and have provided, incorrect, false and misleading investment advice, taken steps to
7 ensure Plaintiffs receive NO money of any kind or type whatsoever. In fact, Plaintiffs discovered
8 that GEX Defendants were in fact operating a Ponzi scheme, where there is NO viable business
9 activity. GEX Defendants and each of them, obtain money from one investor and give small
10 amount of the money received the second investor, until there is new money paid by yet another
11 investor.

12 72. GEX Defendants and each of them owed a duty to refrain from doing anything
13 which would render performance of the contract impossible by any act of his own, and also the duty
14 to do everything that the contract presupposes that each party will do to accomplish its purpose.

15 73. GEX Defendants owed a duty to refrain from concealing the truth about their lack of
16 license by any governmental agency to provide investment advice, sell securities, offer ICO, receive
17 large sums of cash, BTC, and tokens without license, or any authority to manage or operate any
18 investment funds of any type or form whatsoever, for any investors.

19 74. Defendants breached their duty of good faith and fair dealing by willfully taking
20 Plaintiffs' money, BTC and earned tokens under false pretenses and without the necessary licenses
21 and without Plaintiffs, knowledge, consent, and/or authorization and purposefully providing wrong
22 investment advice for the sole purpose of enriching themselves, and others.

23 75. Remedies at law are inadequate as the BTC and tokens in blockchains relating to
24 investment and retirement funds, as they are unique and irreplaceable, which would require the
25 issuance of a restraining order, preliminary and permanent injunctions to prevent the loss of unique
26 and irreplaceable Retirement Funds, BTC, and earned tokens, which include but not limited to
27 declaratory relief. Plaintiffs has yet to know the extent and actionability of the preliminary and
28 permanent injunctions, and restraining order.

SECOND CAUSE OF ACTION

(Fraud and Concealment)

(Against All Defendants)

8 77. Plaintiffs hereby incorporate by reference herein each and every allegation set forth
9 in paragraphs 1 through 76 inclusive, as though fully set forth herein.

78. From about middle of 2017, until present, Defendants, concealed the true facts, about their celebrate scheme to induce Plaintiffs to invest in useless and worthless Ponzi scheme without business purpose.

79. From about middle of 2017, until present Plaintiffs relied upon facts (lack of presence of truthful information), and Plaintiffs' reliance was justifiable as she was ignorant of the true facts as concealed by GEX Defendants.

80. From about middle of 2017, until present, Defendants knew the true facts, and GEX Defendants, knew that Plaintiff would justifiably rely on their concealment of true facts.

81. In or about August of 2018, and then again in September of 2018, Plaintiffs discovered the true facts and the extent of which GEN Defendants have been misleading them.

20 82. Had Plaintiffs known the true facts, she would have never invested any money in a
21 worthless, fraudulent Ponzi scheme.

22 83. Remedies at law are inadequate as the BTC and tokens in blockchains relating to
23 investment and retirement funds, as they are unique and irreplaceable, which would require the
24 issuance of a restraining order, preliminary and permanent injunctions to prevent the loss of unique
25 and irreplaceable Retirement Funds, BTC, and earned tokens, which include but not limited to
26 declaratory relief. Plaintiffs has yet to know the extent and actionability of the preliminary and
27 permanent injunctions, and restraining order.

28 84. As the direct and approximate cause of Defendants actions and omissions, Plaintiffs

1 have sustained damages in excess of \$400,000,000.00 or according to proof at trial.

2 85. At all times mentioned, the wrongful acts, conduct and omissions of the GEX
3 Defendants were willful, wanton, malicious, oppressive, and fraudulent and were done with the
4 intent and design to injure Plaintiffs. Plaintiffs therefore, are entitled to punitive and exemplary
5 damages against GEX Defendants in an amount subject to proof at time of trial and sufficient to
6 punish and make an example of GEX Defendants pursuant to California Civil Code Section 3294.

7 WHEREFORE, Plaintiffs pray for judgment as hereafter set forth.

8
9 **THIRD CAUSE OF ACTION**

10 **(Breach of Fiduciary Duty)**

11 **(Against All Defendants)**

12 86. Plaintiffs hereby incorporate by reference herein each and every allegation set forth
13 in paragraphs 1 through 85 inclusive, as though fully set forth herein.

14 87. From early to mid-2017, GEX Defendants were fiduciaries to Plaintiffs, in that they
15 undertook, to provide true, correct, reasonable and profitable investment advice as a licensed
16 investment advisor would have, and expressly agreed to increase Plaintiffs' investment and double
17 individual Plaintiffs' monthly income to enhance and increase their monthly retirement income.

18 88. Defendants and each of them owed a duty to refrain from doing anything which
19 would render performance of the contract impossible by any act of his own, and also the duty to do
20 everything that the contract presupposes that each party will do to accomplish its purpose.

21 89. Defendants owed a duty to refrain from claiming ownership rights to the title of the
22 Plaintiffs' money, fiat currency, BTC and earned token.

23 90. Defendants and each of them owed a duty of loyalty and duty to refrain from taking
24 any action that would cause any financial losses or harm to Plaintiffs.

25 91. In addition, GEX Defendants owed a duty to Plaintiffs to refrain from doing
26 anything which would render performance of their contract impossible by any act of his own, and
27 also the duty to do everything that the contract presupposes that each party will do to accomplish its
28 purpose.

92. Defendants owed a duty to refrain from claiming ownership rights to the title of Plaintiffs' money, fiat currency, BTC and earned token.

93. From early to mid-2017, until presents, Defendants have breached their fiduciary duty, duty of loyalty by engaging in self-dealing, causing significant financial losses to Plaintiffs, and transferring the titles of the investment money, fiat currency, BTC and earned tokens without their consent, authorization or knowledge.

94. Remedies at law are inadequate as the BTC and tokens in blockchains relating to investment and retirement funds, as they are unique and irreplaceable, which would require the issuance of a restraining order, preliminary and permanent injunctions to prevent the loss of unique and irreplaceable Retirement Funds, BTC, and earned tokens, which include but not limited to declaratory relief. Plaintiffs has yet to know the extent and actionability of the preliminary and permanent injunctions, and restraining order.

95. As the direct and approximate cause of Defendants actions and omissions, Plaintiffs have sustained damages in excess of \$400,000,000.00 or according to proof at trial.

96. At all times mentioned, the wrongful acts, conduct and omissions of the GEX Defendants were willful, wanton, malicious, oppressive, and fraudulent and were done with the intent and design to injure Plaintiffs. Plaintiffs therefore, are entitled to punitive and exemplary damages against GEX Defendants in an amount subject to proof at time of trial and sufficient to punish and make an example of GEX Defendants pursuant to California Civil Code Section 3294.

WHEREFORE, Plaintiffs pray for judgment as hereafter set forth.

FOURTH CAUSE OF ACTION

(Negligence)

(Against All Defendants)

97. Plaintiffs hereby incorporate by reference herein each and every allegation set forth in paragraphs 1 through 96 inclusive, as though fully set forth herein.

98. From early to mid-2017, GEX Defendants were fiduciaries to Plaintiffs, in that they undertook, to provide true, correct, reasonable and profitable investment advice, and expressly

1 agreed to be the trustee of advice for retirements of Plaintiffs by taking Plaintiffs' money, fiat
2 currency, BTC and earned token and doubling their investment for their individual retirement.

3 99. GEX Defendants owed a duty of care to provide sound investment advice to
4 Plaintiffs, be truthful and provide all facts to Plaintiffs, that GEX Defendants were going to double
5 Plaintiffs' investment on monthly basis, increase their monthly income for retirement and more than
6 doubles their overall investment by investing in Cryptocurrency and ICO, conduct due diligence
7 with regard to each the for the purpose of increasing and enhancing their monthly retirement
8 payments on behalf of Plaintiffs, refrain from making any claim to Plaintiffs' money, BTC, and
9 earned tokens, without Plaintiffs authorizations, knowledge, and/or consent, act as a reasonable
10 prudent licensed Investment and Retirement Advisors, and take any all steps necessary as a
11 fiduciary to protect and preserve Plaintiffs' interests and assets.

12 100. GEX Defendants and each of them owed a duty to refrain from doing anything
13 which would render performance of the contract impossible by any act of his own, and also the duty
14 to do everything that the contract presupposes that each party will do to accomplish its purpose.

15 101. GEX Defendants owed a duty to refrain from claiming ownership rights to the title
16 of the Plaintiffs' money, fiat currency, BTC and earned token.

17 102. GEX Defendants and each of them owed a duty of loyalty and duty to refrain from
18 taking any action that would cause any financial losses or harm to Plaintiffs.

19 103. GEX Defendants breached their duties owed to Plaintiffs by misrepresenting
20 material facts about their knowledge in purchasing, managing, and liquidating BTC, ICO, ICO's
21 securities, token earned from ICO, doubling Plaintiffs' investment on monthly basis, concealed the
22 true facts from Plaintiffs about vulnerability of the BTC, ICO, ICO securities, earned tokens and
23 using fiat currency USD for their own use and enjoyment. GEX Defendants, began purchasing
24 luxury vehicles (Ferrari, Maserati, and others), luxury Rolex Watches, Diamonds, Gold, Expenses
25 Real Estate, charger airplanes, and many more without Plaintiffs, knowledge, authorizations, and
26 consent, as well as concealing the fact that GEX Defendants intended to take Plaintiffs' money,
27 without any intention of providing the represented services, doubling their investment and/or in
28 advising and making Plaintiffs' assets productive.

104. Defendants owed a duty to refrain from claiming ownership rights to the title of Plaintiffs' money, BTC, and earned token.

105. From early to mid-2017, until presents, Defendants have breached their fiduciary duty, duty of loyalty by engaging in self-dealing, causing significant financial losses to Plaintiffs, and transferring the titles of Plaintiffs' money, BTC, and earned token without their consent, authorization or knowledge.

106. Remedies at law are inadequate as the BTC and tokens in blockchains relating to investment and retirement funds, as they are unique and irreplaceable, which would require the issuance of a restraining order, preliminary and permanent injunctions to prevent the loss of unique and irreplaceable Retirement Funds, BTC, and earned tokens, which include but not limited to declaratory relief. Plaintiffs has yet to know the extent and actionability of the preliminary and permanent injunctions, and restraining order.

107. As the direct and approximate cause of Defendants actions and omissions, Plaintiffs have sustained damages in excess of \$400,000,000.00 or according to proof at trial.

108. At all times mentioned, the wrongful acts, conduct and omissions of the GEX Defendants were willful, wanton, malicious, oppressive, and fraudulent and were done with the intent and design to injure Plaintiffs. Plaintiffs therefore, are entitled to punitive and exemplary damages against GEX Defendants in an amount subject to proof at time of trial and sufficient to punish and make an example of GEX Defendants pursuant to California Civil Code Section 3294.

WHEREFORE, Plaintiffs pray for judgment as hereafter set forth.

FIFTH CAUSE OF ACTION

(Intentional and Negligent Infliction of Emotional Distress)

(Against All Defendants)

109. Plaintiffs hereby incorporate by reference herein each and every allegation set forth in paragraphs 1 through 108 inclusive, as though fully set forth herein.

110. The conduct complained of hereinabove was within the community of Filipino for which the conduct especially hurtful and long-lasting with adverse connotation for generations to

1 follow that mat the were intentional and malicious and done for the purpose of causing Plaintiffs
2 and their family members to suffer humiliation, mental anguish, and emotional and physical
3 distress. GEX Defendants and each of their conduct, in confirming and ratifying the complained of
4 conduct, was done with the knowledge that individual Plaintiffs' emotional and physical distress
5 would thereby increase, and was done with a wanton and reckless disregard of the consequences to
6 each Plaintiffs.

7 111. From early to mid-2017, GEX Defendants were fiduciaries to each individual
8 Plaintiffs, in that they undertook, to provide true, correct, reasonable and profitable investment
9 advice, and expressly agreed to be the trustee of Plaintiffs' money, fiat currency, BTC and earned
10 token.

11 112. Defendants and each of them owed a duty to refrain from doing anything which
12 would render performance of the contract impossible by any act of his own, and also the duty to do
13 everything that the contract presupposes that each party will do to accomplish its purpose.

14 113. Defendants owed a duty to refrain from claiming ownership rights to the title of
15 Plaintiffs' money, fiat currency, BTC and earned token.

16 114. Defendants and each of them owed a duty of loyalty and duty to refrain from taking
17 any action that would cause any financial losses or harm to Plaintiffs.

18 115. In addition, GEX Defendants owed a duty to Plaintiffs to refrain from doing
19 anything which would render performance of their contract impossible by any act of his own, and
20 also the duty to do everything that the contract presupposes that each party will do to accomplish its
21 purpose.

22 116. Defendants owed a duty to refrain from claiming ownership rights to the title of
23 Plaintiffs' money, fiat currency, BTC and earned token.

24 117. From early to mid-2017, until presents, Defendants have breached their fiduciary
25 duty, duty of loyalty by engaging in self-dealing, causing significant financial losses to Plaintiffs,
26 and transferring the titles of the Retirement Funds, BTC, and earned tokens without their consent,
27 authorization or knowledge.

28 118. Remedies at law are inadequate as the BTC and tokens in blockchains relating to

1 investment and retirement funds, as they are unique and irreplaceable, which would require the
2 issuance of a restraining order, preliminary and permanent injunctions to prevent the loss of unique
3 and irreplaceable Retirement Funds, BTC, and earned tokens, which include but not limited to
4 declaratory relief. Plaintiffs has yet to know the extent and actionability of the preliminary and
5 permanent injunctions, and restraining order.

6 119. As the direct and approximate cause of Defendants actions and omissions, Plaintiffs
7 have sustained damages in excess of \$400,000,000.00 or according to proof at trial.

8 120. As a proximate result of Defendants and each of their, intentional infliction of
9 emotional distress as hereinabove alleged, Plaintiffs and each of them have been harmed in that
10 Plaintiffs have suffered humiliation, mental anguish, and emotional and physical distress, and has
11 been injured in mind and health. As a result, of said distress and consequent harm, Plaintiffs have
12 suffered such damages in an amount in accordance with proof at time of trial.

13 121. Defendants, and each of them, engaging in the conduct as hereinabove alleged, acted
14 fraudulently, maliciously, oppressively and with reckless disregard of Plaintiffs' rights, assets, well-
15 being and safety, and thereby entitling Plaintiffs to an award of punitive damages. Defendants, and
16 each of them, authorized, ratified, knew of the wrongful conduct complained of herein, but failed to
17 take immediate and appropriate corrective action to remedy the situation and thereby acted
18 fraudulently, maliciously, oppressively and with reckless disregard of Plaintiffs' rights and safety,
19 and thereby entitling each Plaintiff to an award of punitive damages.

20 122. At all times mentioned, the wrongful acts, conduct and omissions of the GEX
21 Defendants were willful, wanton, malicious, oppressive, and fraudulent and were done with the
22 intent and design to injure Plaintiffs. Plaintiffs therefore, are entitled to punitive and exemplary
23 damages against GEX Defendants in an amount subject to proof at time of trial and sufficient to
24 punish and make an example of GEX Defendants pursuant to California Civil Code Section 3294.

25 WHEREFORE, Plaintiffs pray for judgment as hereafter set forth.

26
27 **SIXTH CAUSE OF ACTION**

28 **(Obtaining Title To Money, BTC, and Earned Tokens By False Pretense –**

Violation Cal. Pen. Code § 496)

(Against All Defendants)

123. Plaintiffs hereby incorporate by reference herein each and every allegation set forth in paragraphs 1 through 122 inclusive, as though fully set forth herein.

124. From early to mid-2017, GEX Defendants were fiduciary to Plaintiffs, in that they undertook, to provide true, correct, reasonable and profitable investment advice, and expressly agreed to be the trustee of Plaintiffs' money, fiat currency, BTC and earned token.

125. Defendants intended to obtain money, BTC, and earned tokens from Plaintiffs without any intention of providing any services.

126. GEX Defendants and each of them owed a duty to refrain from doing anything which would render performance of the contract impossible by any act of his own, and also the duty to do everything that the contract presupposes that each party will do to accomplish its purpose.

127. GEX Defendants owed a duty to refrain from claiming ownership rights to the title of Plaintiffs' money, fiat currency, BTC and earned token.

128. GEX Defendants and each of them owed a duty of loyalty and duty to refrain from taking any action that would cause any financial losses or harm to Plaintiffs.

129. In addition, GEX Defendants owed a duty to individual Plaintiffs to refrain from doing anything which would render performance of their contract impossible by any act of his own, and also the duty to do everything that the contract presupposes that each party will do to accomplish its purpose.

130. GEX Defendants owed a duty to refrain from claiming ownership rights to the title of Plaintiffs' money, fiat currency, BTC and earned token.

131. From early to mid-2017, until presents, GEX Defendants have breached their fiduciary duty, duty of loyalty by engaging in self-dealing, causing significant financial losses to Plaintiffs, and transferring the titles of the Retirement Funds, BTC, and earned tokens without their consent, authorization or knowledge.

132. As a direct and proximate result of the foregoing conducts of GEX Defendants, wrongful conducts, breach of their duties, obligations and relationships owed to Plaintiffs, as a

1 consequence of which, Plaintiffs, have suffered and will suffer in the future, general and special
2 damages, the nature and extent of which will be proven at time of trial, but which are believed to be
3 in excess of \$400,000,000.00.00.

4 133. In addition to actual damages, each individual Plaintiff is entitled to three-time actual
5 damages in compensation for Plaintiffs criminal acts. Cal. Pen. Code § 496(c).

6 134. At all times mentioned the wrongful acts and omissions of Defendants were willful,
7 wanton, malicious, oppressive, and fraudulent and were done with the intent and design to injure
8 Plaintiffs. Plaintiffs therefore, are entitled to punitive and exemplary damages against Defendants
9 in an amount subject to proof at time of trial, pursuant to California Civil Code Section 3294.

10
11 **SEVENTH CAUSE OF ACTION**

12 **(Conversion)**

13 **(Against All Defendants)**

14 135. Plaintiffs hereby incorporate by reference herein each and every allegation set forth
15 in paragraphs 1 through 134 inclusive, as though fully set forth herein.

16 136. At all times mentioned here, Plaintiffs had sole ownership right and right to possess
17 Plaintiffs' money, fiat currency, BTC and earned tokens.

18 137. From about May of 2017, until present, Defendants and each of them has taken
19 possession Plaintiffs' money, fiat currency, BTC and earned tokens, refused to return them, and
20 Defendants and each of them uses them for their own use and enjoyment to the detriment of
21 Plaintiffs, without Plaintiffs consent and authorization.

22 138. Defendants and each of them has NO legal or equitable right to possession of
23 Plaintiffs' money, fiat currency, BTC and earned tokens.

24 139. Defendants and each of them has converted Plaintiffs' money, fiat currency, BTC
25 and earned tokens for their own use and enjoyment at the detriment of Plaintiffs.

26 140. As the direct and approximate cause of Defendants' actions and omissions, Plaintiffs
27 have sustained damages in excess of \$400,000,000.00 or according to proof at trial.

28 141. At all times mentioned, the wrongful acts, conduct and omissions of the Defendants,

1 and each of them was willful, wanton, malicious, oppressive, and fraudulent and were done with the
2 intent and design to injure Plaintiffs. Plaintiffs therefore, are entitled to punitive and exemplary
3 damages against Defendants, and each of them in an amount subject to proof at time of trial and
4 sufficient to punish and make an example of Defendants, and each of them pursuant to California
5 Civil Code Section 3294.

6 WHEREFORE, Plaintiffs pray for judgment as hereafter set forth.
7

8 EIGHTH CAUSE OF ACTION

9 (Defamation – Libel, Slander, Slander Per Se and False Light)

10 (Against Defendant, Angelica (Angel Ryn and Does 1-10 by Plaintiff, Lampson, Only)

11 142. Plaintiffs hereby incorporate by reference herein each and every allegation set forth
12 in paragraphs 1 through 141 inclusive, as though fully set forth herein.

13 143. At all times mentioned here, Plaintiff, Lampson, was and is married to her husband
14 and have children from their relationship.

15 144. Plaintiff, Lampson is informed and believes Defendants, and each of them, by the
16 herein-described acts, conspired to, and in fact, did negligently, recklessly, and intentionally caused
17 excessive and unsolicited internal and external publications of defamatory, false and unprivileged
18 statements concerning Plaintiff, Lampson, to her husband, family member, to third persons, and to
19 the community. These false and defamatory statements included express and implied: accusations
20 that Plaintiff, Lampson.

21 145. Defendants' false and unprivileged statements concerning Plaintiff, Lampson, to her
22 husband, family member, to third persons, and to the community, placed Plaintiff, Lampson in false
23 light.

24 146. Defendants' false and unprivileged statements concerning Plaintiff, Lampson,
25 included but not limited to the followings;

- 27 ➤ That Plaintiff, Lampson had oral sex with Defendant, Emil Ryn;
- 28 ➤ That Plaintiff, Lampson had oral sex with Defendant, Emil Ryn in a park;

- That Plaintiff, Lampson had sex with Defendant, Emil Ryn at one of investors' home;
- That Plaintiff Lampson had ongoing sexual relations with Emil Ryn while married to her husband;
- That plaintiff, Lampson routinely had sex with Emil Ryn in their living room;
- That plaintiff, Lampson frequently left her children at home to have sex with Emil Ryn;
- That plaintiff, Lampson, neglected her husband and children for the sole purpose of having oral sex with Defendant, Emil Ryn;
- That plaintiff, Lampson, routinely have sex with other men without her husband's knowledge;
- That Plaintiff, Lampson is dishonest;
- That Plaintiff, Lampson, routinely leaves her children at home unattended to meet with other men to have sex; and others.

147. While the precise dates of these publications are not known to Plaintiff, Lampson, she recently discovered (within approximately the last 90 days) and is informed and believes the publications may have started in late April 2018, for the improper purpose of retaliating against her for her above said complaints and reports about unlawful behaviors and practices, service, and conditions, which put Plaintiff, Lampson's safety, relationship, and health at risk, and were later published and foreseeably republished to first cause, and then justify, Plaintiff, Lampson's wrongful and illegal rejection of demand for refund of her investment from Defendants and each of them.

148. These publications were outrageous, negligent, reckless, intentional, and maliciously published and republished by Defendants, and each of them. Plaintiff, Lampson is informed and believes that the negligent, reckless, and intentional publications by Defendants, and each of them, were and continue to be, foreseeably published and republished by Defendants, their agents and employees, recipients, in the community. Plaintiff, Lampson hereby seeks damages for these publications and all foreseeable republications discovered up to the time of trial.

1 149. During the above-described time-frame, Defendants, and each of them, conspired to,
2 and in fact, did negligently, recklessly, and intentionally cause excessive and unsolicited publication
3 of defamation, of and concerning Plaintiff, Lampson, to her husband, family member, and third
4 persons, who had no need or desire to know. Those third person(s) to whom these Defendants
5 published this defamation are believed to include, but are not limited to, Plaintiff, Lampson's
6 husband, family member, other agents and employees of Defendants, and each of them, and the
7 community, all of whom are known to Defendants, and each of them, but unknown at this time to
8 Plaintiff, Lampson.

9 150. Defendants and each of them, knew or should have known that the false statements
10 concerning Plaintiff, Lampson, would cause irreparable harms to her familial relationship with her
11 husband and her children and caused sever and unimaginable emotional distress.

12 151. The defamatory publications consisted of oral and written, knowingly false and
13 unprivileged communications, tending directly to injure Plaintiff, Lampson and Plaintiff,
14 Lampson's personal relationship with her husband and children, business, and professional
15 reputation. These publications included the following false and defamatory statements (in violation
16 of Civil Code §§ 45 and 46(3)(5)) with the meaning and/or substance that Plaintiff, Lampson:
17 having sex with anyone, impugn on her character, her chastity, to pursue a faithless, unworthy, or
18 idolatrous desire, to corrupt by lewd intercourse, and eradicate her reputation of being a good
19 dedicated wife and mother of her children; that she was allegedly involved as sex worker; dishonest;
20 untrustworthy; a troublemaker; and does NOT deserve to have a family life with her husband and
21 children. These and similar statements published by Defendants, and each of them, expressly and
22 impliedly asserted that Plaintiff, Lampson was an incompetent, dishonest, and poor wife and
23 mother.

24 152. Plaintiff, Lampson is informed, believes and fears that these false and defamatory
25 per se statements will continue to be published by Defendants, and each of them, and will be
26 foreseeably republished by their recipients, all to the ongoing harm and injury to Plaintiff,
27 Lampson's business, professional, and personal reputations. Plaintiff, Lampson also seeks redress in
28

1 this action for all foreseeable republications, including her own compelled self-publication of these
2 defamatory statements.

3 153. The defamatory meaning of all of the above-described false and defamatory
4 statements and their reference to Plaintiff, Lampson, were understood by these above-referenced
5 third person recipients and other members of the community who are known to Defendants, and
6 each of them, but unknown to Plaintiff, Lampson at this time.

7 154. None of Defendants' defamatory publications against Plaintiff, Lampson referenced
8 above is true.

9 155. The above defamatory statements were understood as assertions of fact, and not as
10 opinion. Plaintiff, Lampson is informed and believes this defamation will continue to be
11 negligently, recklessly, and intentionally published and foreseeably republished by Defendants, and
12 each of them, and foreseeably republished by recipients of Cross-Defendant' publications, thereby
13 causing additional injury and damages for which Plaintiff, Lampson seeks redress by this action.

14 156. Each of these false defamatory per se publications (as set forth above) were
15 negligently, recklessly, and intentionally published in a manner equaling malice and abuse of any
16 alleged conditional privilege (which Plaintiff, Lampson denies existed), since the publications, and
17 each of them, were made with hatred, ill will, and an intent to vex, harass, annoy, and injure
18 Plaintiff, Lampson in order to justify the illegal and cruel actions of Defendants, and each of them,
19 to cause further damage to Plaintiff, Lampson's professional and personal reputation, to cause her to
20 be fired, to justify her firing, and to retaliate against Plaintiff, Lampson for prior ill will, rivalry, and
21 disputes in retaliation for her objections to unlawful behaviors and conducts for managing and
22 ruining a Ponzi scheme.

23 157. Each of these publications by Defendants, and each of them, were made with
24 knowledge that no investigation supported the unsubstantiated and obviously false statements. The
25 Defendants published these statements knowing them to be false, unsubstantiated by any reasonable
26 investigation and the product of hostile witnesses. These acts of publication were known by
27 Defendants, and each of them, to be negligent to such a degree as to be reckless. In fact, not only
28 did Defendants, and each of them, have no reasonable basis to believe these statements, but they

1 also had no belief in the truth of these statements, and in fact knew the statements to be false.
2 Defendants, and each of them, excessively, negligently, and recklessly published these statements to
3 individuals with no need to know, and who made no inquiry, and who had a mere general or idle
4 curiosity of this information.

5 158. The above complained-of publications by Defendants and each of them, was made
6 with hatred and ill will towards Plaintiff, Lampson and the design and intent to injure Plaintiff,
7 Lampson, Plaintiff, Lampson's good name, her reputation, character and familial relationship.
8 Defendants, and each of them, published these statements, not with an intent to protect any interest
9 intended to be protected by any privilege, but with negligence, recklessness and/or an intent to
10 injure Plaintiff, Lampson and destroy her reputation. Therefore, no privilege existed to protect any
11 of the Defendants from liability for any of these aforementioned publications or republications.

12 159. As a proximate result of the publication and republication of these defamatory
13 statements by Defendants, and each of them, Plaintiff, Lampson has suffered injury to her personal,
14 business and professional reputation including suffering embarrassment, humiliation, severe
15 emotional distress, shunning, anguish, fear, loss of reputation, loss of familial relationship, and
16 employability, and significant economic loss in the form of lost wages and future earnings, all to
17 Plaintiff, Lampson's economic, emotional, and general damage in an amount according to proof.

18 160. Plaintiff, Lampson and her husband, repeatedly attempted to have Defendants and
19 each of them to retract the false and defamatory statements to no avail.

20 161. Defendants, and each of them, committed the acts alleged herein recklessly,
21 maliciously, fraudulently, and oppressively, with the wrongful intention of injuring Plaintiff,
22 Lampson, for an improper and evil motive amounting to malice (as described above), and which
23 abused and/or prevented the existence of any conditional privilege, which in fact did not exist, and
24 with a reckless and conscious disregard of Plaintiff, Lampson's rights. All actions of Defendants,
25 and each of them, their agents and employees, herein alleged were known, ratified and approved by
26 the Defendants, and each of them. Plaintiff, Lampson thus is entitled to recover punitive and
27 exemplary damages from Defendants, and each of them, for these wanton, obnoxious, and
28

1 despicable acts in an amount based on the wealth and ability to pay according to proof at time of
2 trial.

3 WHEREFORE, Plaintiff, Lampson requests relief as hereinafter provided.

4
5 **NINTH CAUSE OF ACTION**

6 **(Violation of State and Federal Securities Laws-Unregistered Offer and Sale of**
7 **Securities in Violation of Cal. Corp. Code §§ 25500, et. seq.)**

8 **(Against All Defendants)**

9 162. Plaintiffs hereby incorporate by reference herein each and every allegation set forth
10 in paragraphs 1 through 161 inclusive, as though fully set forth herein.

11 163. The ICO UNDER THE PROJECT NAMED "THE GEXCRYPTO PUBLIC TOKEN
12 SALE PROJECT," called for an investment of money or assets by Plaintiffs -- specifically, the
13 bitcoin, Ether, and other assets of value transferred to GEX Defendants in exchange for the non-
14 functional GEX Coin and GEX Token issued by GEX Defendants.

15 164. The funds paid by Plaintiffs were polled by GEX Defendants in the project in an
16 effort by GEX Defendants to secure a profit for themselves and Plaintiffs. As a result, Plaintiffs --
17 as the investors - shared in the risks and benefits of the investment scheme

18 165. Plaintiffs relied upon, and were dependent upon, the expertise and efforts of GEX
19 Defendants for their investment returns.

20 166. Plaintiffs expected that they would receive profits from their investments 10 GEX
21 Defendants' efforts.

22 167. GEX Coin and GEX Token constitute investment contracts and are therefore subject
23 to the California Blue Sky Laws, including the registration requirements of Cal. Corp. Code §§
24 25500. Et. seq.

25 168. No registration statements have been filed with the Florida Office of Financial
26 Regulation or have been in effect with respect to any of the offerings alleged herein.

27 169. Similarly, no exemption from registration exists with respect to the ICO UNDER
28 THE PROJECT NAMED "THE GEXCRYPTO PUBLIC TOKEN SALE PROJECT,"

1 170. By reason of the foregoing, GEX Defendants have violated Cal. Corp. Code §§
2 25500. Et. seq.

3 171. GEX Defendants are subject to liability under Cal. Corp. Code §§ 25500. et. seq.
4 because he solicited and otherwise personally participated and aided the sale to Plaintiffs of the
5 GEX Defendants-issued cryptocurrency at issue herein.

6 172. As a direct and proximate result of GEX Defendants' unregistered sale of securities
7 Plaintiffs have suffered damages in connection with their respective purchases of GEX Coin, GEX
8 token, and BTC securities in the ICO UNDER THE PROJECT NAMED "THE GEXCRYPTO
9 PUBLIC TOKEN SALE PROJECT."

10
11 **TENTH CAUSE OF ACTION**

12 **(Declaratory Relief)**

13 **(Against All Defendants)**

14 173. Plaintiffs hereby incorporate by reference herein each and every allegation set forth
15 in paragraphs 1 through 172 inclusive, as though fully set forth herein.

16 174. The unlawful taking of Plaintiffs' money, fiat currency, BTC and earned token by
17 GEX Defendants that is the basis of their Ponzi scheme is unlawful and there is insufficient
18 remedies at law.

19 175. Plaintiffs seek an order to rescind each and every one of the false and fraudulent
20 contracts for double their investments by GEX Defendants and declaring the so-called investment
21 (Ponzi scheme) program maintained and operated by GEX Defendants, invalid and unlawful.

22 176. Plaintiffs also seek an order, declaring, that all title of all moneys, BTC, and earned
23 token that were obtained and/or received GEX Defendants were obtained and received by GEX
24 Defendants for the sole and exclusive benefit of individual Plaintiffs. GEX Defendants did NOT
25 have any interest of any kind or type whatsoever, in any of the properties, regardless of any attempt
26 to transfer in or out of his names the title to any and all money, assets, luxury vehicles, diamonds,
27 gold real properties, airplanes, fiat currency, BTC and earned token.

28 177. Plaintiffs also seek an order, decelerating that GEX Defendants were NOT

1 authorized to transfer any to any and all money, assets, luxury vehicles, diamonds, gold real
2 properties, airplanes, fiat currency, BTC and earned token out of GEX Defendants' names.

3
4
5 **PRAYERS**

6
7 WHEREFORE, Plaintiffs pray for judgment against Defendants, as follows:
8

9 **PURSUANT TO THE FIRST, SECOND, THIRD, FOURTH, FIFTH, SIXTH,**
10 **SEVENTH, NINTH AND TENTH CAUSES OF ACTION:**

11 I. For actual damages sustained that is in excess of \$400,000,000.00, or according to
12 proof at trial;

13 II. For incidental, and consequential damages sustained that is believed to be not less
14 than \$875,000,000;

15 III. For injunctive relief as specified herein;

16 IV. For any and all statutory damages;

17 V. For statutory damages and Civil Penalties;

18 VI. For statutory attorney's fees and legal expenses;

19 VII. For any and all statutory remedies pursuant to the violation of statutes as specified
20 herein;

21 VIII. For general damages;

22 IX. For lost earning and profit;

23 X. For special damages; for an Order for immediate access to all documents, digital
24 wallets, digital currency, electronic storage medium that must be completed, prepared, and/or
25 recorded served on any of the investment fiat currency, BTC and tokens, disgorgement of all
26 moneys received from any source;

27 XI. For preliminary and permanent injunctions to prevent GEX Defendants from taking
28 any action of any kind or type whatsoever to further Plaintiffs' loses of investments, fiat currency,

1 BTC and Tokens.

2 XII. For an order removing any cloud on the title of Plaintiffs' title of any of the
3 Plaintiffs' investments;

4 XIII. Order Defendants to execute any and all documents or digital wallets necessary to
5 transfer the title of all Plaintiffs' investments in any form, fiat currency, BTC, and/or tokens along
6 with their documents to Plaintiffs or Plaintiffs' designee;

7 XIV. For lost earning and profit;

8 XV. For Loss of use of money and investment opportunities;

9 XVI. For punitive, exemplary, and treble damages;

10 XVII. For Disgorging any and all profits, Defendants received from Plaintiffs' money, fiat
11 currency, BTC and earned token;

12 XVIII. Emotional Distress that is in excess of \$500,000,000 or according to proof at trial;

13 XIX. For three times actual damages that is in excess of \$1,200,000,000, as statutory
14 penalty as provided by Cal. Pen. Code § 496(c);

15 XX. For attorney's fees and costs of suit as provided Cal. Pen. Code § 496(c);

16 XXI. For pre-judgment interest at the rate of ten percent per annum from March 1, 2017;

17 XXII. For cost of suit incurred herein; and

18 XXIII. For such further and other relief as the court deems just and appropriate.

19
20 **PURSUANT TO THE EIGHTH CAUSE OF ACTION:**

21 XXIV. For actual damages sustained that is in excess of \$400,000.00, or according to proof
22 at trial;

23 XXV. For incidental, and consequential damages sustained that is believed to be not less
24 than \$150,000,000;

25 XXVI. For injunctive relief as specified herein;

26 XXVII. For any and all statutory damages;

27 XXVIII. For statutory damages and Civil Penalties;

28 XXIX. For statutory attorney's fees and legal expenses;

1 XXX. For any and all statutory remedies pursuant to the violation of statutes as specified
2 herein;

3 XXXI. For general and special damages;

4 XXXII. For lost earning and profit;

5 XXXIII. For Loss of Consortium and familial relationship;

6 XXXIV. For preliminary and permanent injunctions to prevent GEX Defendants from
7 taking any action of any kind or type whatsoever to further Plaintiffs' loses of investment real
8 properties.

9 XXXV. Emotional Distress that is in excess of \$500,000 or according to proof at trial;

10 XXXVI. Order Defendants to execute any and all documents necessary to transfer the
11 title of all investment real properties along with their documents, digital wallets, electronic storage
12 medium to Plaintiffs or Plaintiffs' designee;

13 XXXVII. For lost earning and profit;

14 XXXVIII. For Loss of use of money and investment opportunities;

15 XXXIX. For punitive, exemplary, and treble damages;

16 XL. For Disgorging any and all profits, Defendants received from Plaintiffs' money, fiat
17 currency, BTC and earned token;

18 XLI. For an order for Defendants and each of them to retract their false and defamatory
19 statements;

20 XLII. For pre-judgment interest at the rate of ten percent per annum from March 1, 2017;

21 XLIII. For any and all statutory remedies pursuant to the violation of statutes as specified
22 herein;

23
24 **PURSUANT TO ALL CAUSES OF ACTION:**

25 XLIV. Plaintiffs demand jury trial;

26 XLV. For cost of suit incurred herein;

27 XLVI. For such further and other relief as the court deems just and appropriate.
28

1 Respectfully Submitted.

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6 Dated this 23rd day of November 2018

LAW OFFICES OF ROGER E. NAGHASH

By: 

Roger E. Naghash, Esq.
Attorney for Plaintiffs,
**JOSEPHINE D. TORRES, ESTATE
OF FREDDIE G. TORRES,
CHERRY BUYUK, and
DECEDENT, FREDDIE G.
TORRES, through and by CHERRY
BUYUK, The Administrator of his
Estate, individually and as The
Administrator of ESTATE OF
FREDDIE G. TORRES, GHASSAN
AND CHERRY BUYUK, Individuals,
EDNA M. SOTELO, RODOLFO and
EVELYN LECITIVO, SOFIA
AVILA ARTURO R. FARIN,
ARJUN and MANJU DEVOKOTA,
DANTE and MERLYN R.
SANSANO, ARSENIO and
MARILOU SORIANO, MARY
JEAN LAMPSON, JOSEPHINE F.
ALCAYDE, FORTUNATO and FE
A. SAGRA, ROSALINDA POLIDO,
CARLOS MAYOR,**