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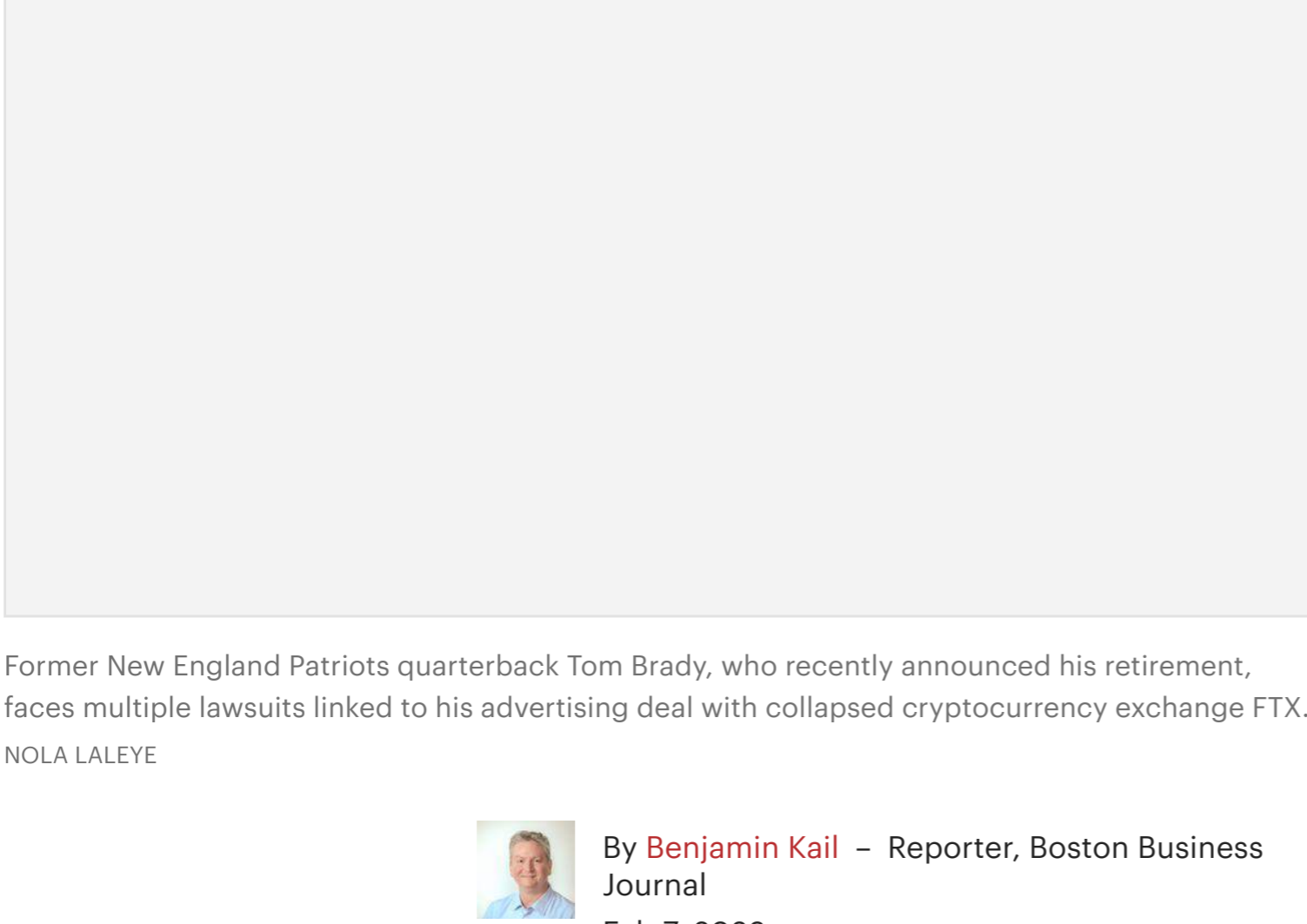
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Banking & Financial Services

Attorneys clash over FTX fallout lawsuits involving Tom Brady, David Ortiz

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Former New England Patriots quarterback Tom Brady, who recently announced his retirement, faces multiple lawsuits linked to his advertising deal with collapsed cryptocurrency exchange FTX. NOLA LALEY

By **Benjamin Kail** – Reporter, Boston Business Journal
Feb 7, 2023

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Plaintiffs in a Florida lawsuit linked to cryptocurrency exchange FTX's collapse say attorneys for celebrity defendants including **Tom Brady** and **David Ortiz** are trying to stall or kill the case by moving it to federal court.

The plaintiffs are FTX investors who allege they were effectively tricked into buying unregistered securities in violation of Florida law. Their attorneys say the legal teams for the former New England Patriots quarterback, former Red Sox slugger, "Shark Tank" investor **Kevin O'Leary** and others who starred in high-profile ads for FTX are using a "ploy ... to delay and/or crush any and all proceedings," according to a motion filed Monday shared with the Business Journal.

A host of celebrities who served as "brand ambassadors" and spokespeople for the bankrupt crypto exchange now face several lawsuits. Earlier this month, defendants pushed to remove the state class action suit, *Norris v. Brady*, to federal court, where another case naming the celebrities as defendants, *Garrison, et al. v. Samuel Bankman-Fried*, remains pending.

Adam Moskowitz, lead co-counsel for the plaintiffs in multiple cases, said in a statement to the Business Journal Tuesday that attorneys for Brady, O'Leary and Ortiz are trying to "run away from the current deadlines and requirements" by shifting the Florida lawsuit to federal court.

"Such type of judge shopping is typically not permitted," he added. "These famous and rich celebrities will stop at nothing to prevent and delay justice. We will not allow all of the FTX victims to be further harmed."

The plaintiffs' attorneys also noted that the state case already consolidated several individual complaints pending before a pair of judges in Florida courts.

Representatives for Brady, Ortiz and O'Leary could not immediately be reached for comment.

The celebrities have retained various law firms, with Brady, supermodel **Gisele Bündchen** and "Seinfeld" co-creator **Larry David** represented by Los Angeles-based law firm Latham & Watkins, the world's second-largest firm by revenue and 19th-largest in Massachusetts. Ortiz is represented by Miami-based Akerman LLP, and O'Leary has retained Florida-based Marcus Neiman Rashbaum & Pineiro LLP.

In their filing removing the state case to federal court, the defendants' attorneys argue that "federal courts have original jurisdiction over 'all civil proceedings ... arising in or related to cases' under the Bankruptcy Code," and that the plaintiffs' claims are directly tied to the FTX's bankruptcy proceedings.

The defendants' attorneys also argue that the investors' state law claims raised disputed federal issues, including U.S. Securities and Exchange Commission regulations around crypto and Federal Trade Commission rules on disclosures in advertisements.

The plaintiffs' attorneys on Tuesday asked the U.S. District Court, Southern District of Florida to hold a hearing on the issue, and to bring the case back to state court.

They argued the state lawsuit "expressly involves only Florida state causes of action, brought by individual plaintiffs (including Florida plaintiffs), against only Florida defendants, for their respective roles in the sale of FTX's yield-bearing accounts, which plaintiffs allege are all unregistered securities, sold in violation of Florida law."

In the federal suit filed in November, plaintiff Edwin Garrison of Oklahoma alleged he bought an unregistered security (in violation of Florida state statutes) from FTX "with a sufficient amount of crypto assets to earn interest on his holdings."

"The FTX entities and defendants made numerous misrepresentations and omissions to plaintiff and class members about the deceptive FTX platform in order to induce confidence and to drive consumers to invest in what was ultimately a Ponzi scheme, misleading customers and prospective customers with the false impression that any cryptocurrency assets held on the deceptive FTX platform were safe and were not being invested in unregistered securities," the federal complaint said.

Former FTX CEO **Sam Bankman-Fried** faces several charges after allegations of misusing customer funds, including wire fraud and conspiracy to commit money laundering.

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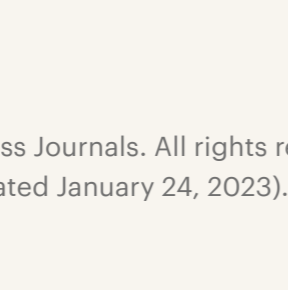
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