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(C) Miami-Dade Circuit courthouse. Photo: Raychel Lean/ALM.

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> Representative of Disruption in Cryptocurrency **Industry, Class Action Attorney Says** The main selling point of Empires X was a trading bot that utilized an algorithm that promised investors it would deliver

> Florida Ponzi Scheme

a 1% return on investment each day, according to the complaint. June 14, 2022 at 03:08 PM 4 minute read

Class Actions Michael A. Mora →

community, swindling millions of dollars from these victims, primarily from their life savings.

each day.

What You Need to Know

 The class action complaint comes as an attorney said new legislation in the cryptocurrency industry could inhibit similar legal action.

• Empires X touted itself as a web-based platform that has an

algorithm that could deliver a 1 percent return on invested assets

Cryptocurrency scams have preyed on the South Florida Spanish

- A Coral Gables attorney has filed a class action complaint centered around what he says is a "well-orchestrated cryptocurrency Ponzi scheme" that's exemplary of the scams running rampant in South Florida.
- The class action lawsuit, filed in Miami-Dade Circuit Court, claims the scheme cost vulnerable victims tens of millions of dollars. Plaintiffs attorney Adam Moskowitz, managing partner of the

last week what was widely dubbed as the most highly anticipated legislation in the history of the cryptocurrency industry.

accountable.

And that filing comes as politicians released

X Corp. and those who operated its web-based platform, Emerson Pires, Flavio Goncalves and Joshua Nicholas.

Moskowitz Law Firm, said the suit is against defendants Empires

Adam Moskowitz of the Moskowitz Law Firm in Coral Gables. manufacturers."

the operation. But that master trader was not a former Goldman Sachs alum

be securities, but, instead, the cryptocurrency lobby is trying to make them commodities, like pork bellies and orange juice. People in the public need to understand this, so it is not secretly done like the opioid The main selling point of Empires X was a trading bot that utilized an algorithm promising investors it would deliver a 1% return on investment each day, according to the complaint. The corporation also touted a "master trader" that was the brains of

Moskowitz predicted that the Responsible

legal action from holding wrongdoers

"If you classify cryptocurrency not as

securities, you are gutting the power of

federal and state regulators from having any

power," Moskowitz said. "They are meant to

Financial Innovation Act would inhibit future

To invest, Expires X instructed its users to transfer their funds into a Coinbase Inc. account, which the corporation controlled. Coinbase holds itself as a digital currency wallet and secure online platform in which merchants and consumers transact digital

The QR code and line of

alphanumeric text above it

are the "public key" for one

of the Coinbase accounts

that Empires X utilized to

hold plaintiffs' and class

members' Bitcoin funds.

(Credit: Court documents)

corporation sold a sunny future in which it

projected "monthly growth" of 30% and

expectations of 6000% total growth by

But its evolving excuses and increasing

restrictions sought to prevent account

Miami-Dade Circuit Judge Alan Fine.

holders from withdrawing their investments.

registered with the Securities and Exchange Commission, and

neither was Empires X, according to the lawsuit. The corporation

counsel alleged in the complaint. Coinbase, which is not a defendant at this stage of the litigation, did not respond to a request seeking comment. Ultimately, Empires X shut down, leaving many in South Florida, particularly the Spanish community, empty-handed. Now, plaintiff counsel has moved for the emergency appointment of a receiver and injunction relief, in the case that will go before

Read the complaint:

one count of breach of fiduciary duty and one count of conversion against Empires X and separately against Pires, Goncalves and Nicholas. Moskowitz said that like many of these surging cryptocurrency scams in South Florida, those behind the Empires X alleged

"You really feel for these people," Moskowitz said, adding that a

court-appointed receiver could investigate business records to

backtrack the swindled cryptocurrency and "follow the money"

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to recover the lost capital of those victimized by this alleged

Moskowitz, who is joined by David Nuñez of Meyer & Nuñez and

Herman J. Russomanno of Russomanno and Borrello, sued for

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currencies. And to drive growth in the platform, Empires

allegedly falsely claimed to be registered with the Commodity Futures Trading Commission, the Federal Reserve System and other regulatory organizations like the Financial Industry

Regulatory Authority. X ran a referral program similar to a traditional multilevel marketing scheme. The

Still, Coinbase allowed Expires X to liquidate assets through its exchange, violating banking laws, plaintiff

2023.

Ponzi scheme are on the run with their victim's money, leaving many without their life's savings and a sense of embarrassment

for being duped.

Ponzi scheme.

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