Judge Cecilia Maria Altonaga of the U.S. District Court for the Southern District of Florida. (Credit: J. Albert Diaz/ALM)

NEWS

Mark Cuban-Linked Crypto Platform Hit With First Nationwide Class Action Lawsuit in Miami Federal Court

The South Florida attorneys alleged that the Voyager Digital companies inflicted over $1 billion in damages as a result of the company's false common representations to its customers on its publicly traded cryptocurrency platform.

December 29, 2021 at 01:32 PM

4 minute read

Class Actions

Michael A. Mora

What You Need to Know

- Voyager Digital and its subsidiary operate a publicly-traded cryptocurrency platform.
- The South Florida attorneys alleged the defendants made false common representations to drive growth and revenue.
- Plaintiff attorneys intend to form a nationwide class and a Florida class.

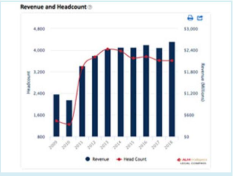
Coral Gables attorneys have hit a publicly traded cryptocurrency platform with a class action lawsuit in a federal court in Miami, in which one of their experts alleged common damages exceeding $1 billion.

Stuart Z. Grossman and Rachel Wagner Furst — partners at Grossman Roth Yaffa Cohen — and Adam M. Moskowitz, managing partner at the Moskowitz Law Firm, represent the plaintiff, Mark Cassidy.

They alleged that Voyager Digital Ltd. and its subsidiary, Voyager Digital LLC, made false common representations similar to those that evolved from the tactics of brokerage houses decades ago.

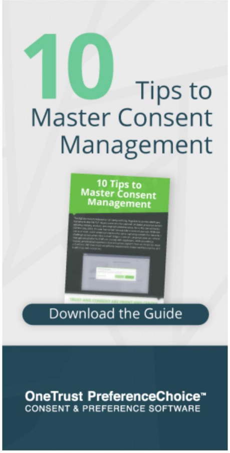
As a result, those alleged false representations, such as the claim that the defendants' cryptocurrency platform is "100% commission-free" and that customers will receive the best possible price on their crypto trades, have enabled the companies to create billions of dollars in new revenue from inexperienced investors, like Cassidy, the complaint argued.

"Our main goal is to allow common investors a fighting chance, so if Voyager simply agrees to all of our proposed injunctive relief within 75 days, we will not seek any fees or costs from our extensive investigation," Moskowitz stated in an email.



He added: "It is a shame that national business icons, such as Mark Cuban, have decided to buy the Kool-Aid and join these efforts to take advantage of the common investor's lure of cryptocurrency."

Cuban did not respond to a request seeking comment.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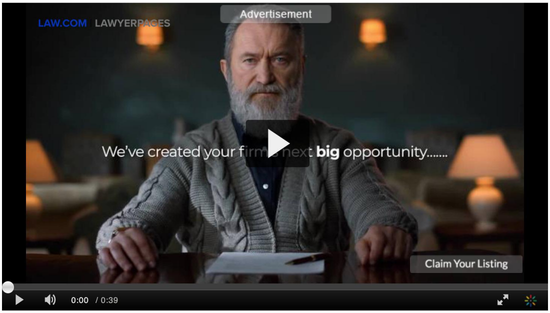

However, Michael Legg, chief communications officer for Voyager, argued the action is "absolutely spurious and without any merit," and said, "We look forward to dealing with this matter through the appropriate legal channels."

Voyager, founded in 2018, garnered national attention this year when it went public on the Toronto Stock Exchange. The company has also inked a deal with the National Women's Soccer League to become its official cryptocurrency, and extended its deal with NASCAR driver Landon Cassil.

In the complaint, plaintiff alleged Voyager did not disclose that it intentionally set the price on its platform high enough to collect "exorbitant hidden commissions" on each cryptocurrency trade that likely cost more than their competitors.

L-R: Rachel Wagner Furst & Stuart Z. Grossman of Grossman Roth Yaffa Cohen, and Adam M. Moskowitz of Moskowitz Law Firm.

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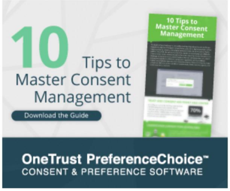

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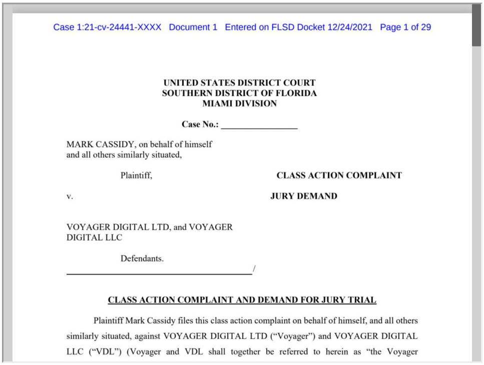
Plaintiffs counsel also cited a Dallas Mavericks press conference in which Mark Cuban, the NBA franchise owner and a significant financial investor in Voyager, allegedly targeted unsophisticated investors “with false and misleading promises of reaping large profits in the cryptocurrency market.”

“You know, there’s a lot of hype, there’s a lot of discussion, but most people don’t understand the fundamentals behind it. We’re going to try to bring that level of education to our fans and to our joint customers,” Cuban said at the time. “It’s a way to earn high returns while also getting skin in the game.”

Now, the class action will go before U.S. District Chief Judge Cecilia M. Altonaga, who sits in the Southern District of Florida.

Read the complaint:



Case 1:21-cv-24441-XXXX Document 1 Entered on FLSD Docket 12/24/2021 Page 1 of 29

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

Case No.: _______________

MARK CASSIDY, on behalf of himself
and all others similarly situated,

Plaintiff,

CLASS ACTION COMPLAINT

v.

JURY DEMAND

VOYAGER DIGITAL LTD, and VOYAGER
DIGITAL LLC

Defendants.
_____________________________________/

CLASS ACTION COMPLAINT AND DEMAND FOR JURY TRIAL

Plaintiff Mark Cassidy files this class action complaint on behalf of himself, and all others similarly situated, against VOYAGER DIGITAL LTD (“Voyager”) and VOYAGER DIGITAL LLC (“VDL”) (Voyager and VDL shall together be referred to herein as “the Voyager

And plaintiffs counsel intends to represent a nationwide class and a separate Florida class consisting of people who used the trading platform to place cryptocurrency investment orders.

In the former, they alleged that Voyager violated the New Jersey Consumer Fraud Act and is liable for unjust enrichment. For the Sunshine State class, plaintiffs counsel accused the defendants of violating the Florida Deceptive and Unfair Trade Practices Act.

Plaintiffs counsel estimated the class would be in the “thousands, if not millions,” pending access to the defendants’ corporate records, according to the complaint.

For instance, plaintiffs counsel cited figures in which the company in January, February and March onboarded, respectively, 65,000, 70,000 and 95,000 new funded accounts of $170 million, $400 million and $650 million.

And plaintiffs counsel alleged in the complaint that they “will prove the Voyager platform is a house of cards, built on false promises and factually impossible representations that were specifically designed to take advantage of the cryptocurrency craze, to the direct detriment of any ordinary investor.”

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