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7 Attorneys for Plaintiff,
8 ADAM ALFIA

9
10 **UNITED STATES DISTRICT COURT**
11 **NORTHERN DISTRICT OF CALIFORNIA**

12
13 ADAM ALFIA, individually and on
14 behalf of other persons similarly
15 situated,

16 Plaintiffs,

17 vs.

18 COINBASE GLOBAL, INC.; and
19 DOES 1 through 50

20 Defendants.

) CASE NO.
)
) **CLASS ACTION**
) **COMPLAINT**
) **1. BREACH OF CONTRACT**
) **2. NEGLIGENCE**
) **3. FRAUD**
) **4. NEGLIGENT**
) **MISREPRESENTATION**
) **DEMAND FOR JURY TRIAL**
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26 Plaintiff, ADAM ALFIA (“Plaintiff”) on behalf of himself, and all others
27 similarly situated, complains and alleges as follows:
28

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1 **INTRODUCTION**

2 1. This is a consumer class action lawsuit pursuant to Fed. R. Civ. P. Rule
3
4 23, seeking damages for the data breach allowed Defendants.

5 **JURISDICTION AND VENUE**

6 2. This Court has jurisdiction over this action pursuant to diversity
7
8 jurisdiction under 28 U.S. Code §1332(a)(1). Plaintiff is a citizen of Texas.
9 Defendant, Coinbase Global, Inc., has its principal place of business in San
10 Francisco, California.

11 **PARTIES**

12
13 3. Plaintiff, Adam Alfia is an adult individual who resides in Dallas, Texas.
14 Within the statute of limitations for the claims made herein, Plaintiff experienced
15
16 damage as a result of Defendants conduct.

17 4. Plaintiff appears in this action on behalf of himself and on behalf of all
18
19 others similarly situated.

20 5. Plaintiff is informed and believes that Defendants, Coinbase Global, Inc.
21 and DOES 1 through 10 (hereinafter “Coinbase”) are a platform for consumers to
22
23 buy, sell and manage cryptocurrency.

24 6. Plaintiff is informed and believes that DOES 1 through 50 are
25
26 corporations, individuals, limited liability partnerships, limited liability companies,
27
28 general partnerships, sole proprietorships or are other business entities or
organizations of a nature not currently known to Plaintiff.

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1 7. Plaintiff is unaware of the true names of Defendants DOES 1 through
2 50. Plaintiff sues said Defendants by said fictitious name, and will amend this
3 complaint when the true names and capacities are ascertained or when such facts
4 pertaining to liability are ascertained, or as permitted by law or by the Court.
5 Plaintiff is informed and believe that each of the fictitiously named Defendants is in
6 some manner responsible for the events and allegations set forth in this Complaint.
7

8 8. Plaintiff is informed and believes, and based thereon alleges that at all
9 relevant times, each Defendant was an employer, was the principal, agent, partner,
10 joint venture, officer, director, controlling shareholder, subsidiary affiliate, parent
11 corporation, successor in interest and/or predecessor in interest of some or all of the
12 other Defendants, and was engaged with some or all of the other Defendants in a joint
13 enterprise for profit and bore such other relationships to some or all of the other
14 Defendants so as to be liable for their conduct with respect to the matters alleged in
15 this complaint. Plaintiff is further informed and believe and thereon allege that each
16 Defendant acted pursuant to and within the scope of the relationships alleged above,
17 and that at all relevant times, each Defendant knew or should have known about,
18 authorized, ratified, adopted, approved, controlled, aided and abetted the conduct of
19 all other Defendants. As used in this Complaint “Defendant” means “Defendants and
20 each of them,” and refers to the Defendants named in the particular cause of action
21 and DOES 1 through 50.
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1 9. At all times mentioned herein, each Defendant was the co-conspirator,
2 agent, servant, employee, and/or joint venture of each of the other Defendants and
3 was acting within the course and scope of said conspiracy, agency, employment,
4 and/or joint venture and with the permission and consent and knowledge of each of
5 the other Defendants.
6

7
8 **FACTS COMMON TO ALL CAUSES OF ACTION**

9 10. Coinbase stated in 2012 and is an online platform that allows consumers
10 all over the world the ability to able to securely send and receive Bitcoin. Currently,
11 Coinbase has expanded its platform for accessing the broader cryptoeconomy,
12 including Ethereum. On April 15, 2021, Coinbase went public.
13

14 11. Mr. Alfia used Coinbase as a way to buy, sell and manage his
15 cryptocurrency. He commonly traded Bitcoin, Ethereum and Dogecoin through
16 Coinbase.
17

18 12. On July 19, 2021, Mr. Alfia logged into his Coinbase account to find
19 that a purchase of \$50,000 of Ethereum had occurred. Mr. Alfia did not make this
20 purchase or consent to have any other person or entity make this purchase.
21

22 13. Thereafter, on the same day, Mr. Alfia logged into his Bank of America
23 banking account to investigate if the \$50,000 used to purchase Ethereum had actually
24 been deducted from his Bank of America banking account. He saw that it had. This
25 caused Mr. Alfia great stress and worry.
26
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1 14. Mr. Alfia lodged a complaint with Coinbase wherein he explained what
2 had occurred. In turn, Coinbase locked Mr. Alfia out of his account for
3 approximately two months. Mr. Alfia was not able to transact any of his
4 cryptocurrency during this period of time.
5

6 **CLASS DEFINITIONS AND CLASS ALLEGATIONS**
7

8 15. Plaintiff brings this action on behalf of himself and on behalf of all other
9 similarly situated persons as a class action pursuant to Fed. R. Civ. P. Rule 23. The
10 members of the Class are defined as follows:
11

12 All persons residing the United States and its Territories who, during the
13 period beginning four (4) years prior to the filing of this Complaint and
14 continuing through the date of resolution of this case, had a Coinbase
15 account that was breached by a source other than that Coinbase account
16 holder

17 16. This action has been brought and may be properly maintained as a class
18 action pursuant to the provisions of Fed. R. Civ. P. Rule 23 and other applicable law.

19 17. **Numerosity of the Classes:** Members of the class are so numerous that
20 their individual joinder is impracticable. Plaintiff estimate that there are no less than
21 1,000 persons in the identified class. The precise number of class members and their
22 addresses are unknown to Plaintiff. However, Plaintiff is informed and believes and
23 thereon alleges that the number can be obtained through Coinbase's records of
24 account holders. Class members may be notified of the pendency of this action by
25 conventional mail, electronic mail, the Internet, or published notice.
26
27

28 ///

1 18. **Existence of Predominance of Common Questions of Fact and Law:**

2 Common questions of law and fact exist as to all members of the class. These
3 questions predominate over any questions effecting only individual members of the
4 class. These common factual and legal questions include:

5
6 (a) Whether Coinbase allowed a source that was not the account holder
7 on the account to breach the account;

8
9 (b) Whether Coinbase was negligent in keeping its account holders
10 accounts safe from third party breaches;

11
12 (c) Whether Coinbase follows reasonable procedures to assure the
13 maximum possible security from data breaches;

14
15 (d) Whether Coinbase knew, or should have known, that its procedures
16 to safeguard data breaches were not reasonable procedures;

17
18 (g) Whether Coinbase raise any affirmative defenses that are
19 universal in application.

20 19. **Typicality:** Plaintiff’s claims are typical of the claims of the members
21 of the class, which all arise from the same operative facts and are based on the same
22 legal theories.

23
24 20. **Adequacy:** Plaintiff will adequately and fairly protect the interests of
25 the members each of the class. Plaintiff has no interest adverse to the interests of
26 absent class members. Plaintiff is represented by legal counsel who has substantial
27 class action experience in civil litigation.
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21. **Superiority:** A class action is superior to other available means for fair and efficient adjudication of the claims of the class and would be beneficial for the parties and the court. Class action treatment will allow a large number of similarly situated persons to prosecute their common claims in a single forum, simultaneously, efficiently, and without the unnecessary duplication of effort and expense that numerous individual actions would require. The monetary amounts due to many individual class members are likely to be relatively small, and the burden and expense of individual litigation would make it difficult or impossible for individual members of each class to seek and obtain relief. A class action will serve an important public interest by permitting such individuals to effectively pursue recovery of the sums owed to them. Further, class litigation prevents the potential for inconsistent or contradictory judgments raised by individual litigation.

FIRST CAUSE OF ACTION
BREACH OF CONTRACT
(By Plaintiff and the Class against all Defendants)

22. Plaintiff incorporates paragraphs 1 through 23 of this complaint as though fully alleged herein.

23. Plaintiff, and those similarly situated, entered into a written contract (with implied provisions) with Coinbase. The terms of the contract were found in the Sections 5, 10, and 11 of Coinbase’s Privacy Policy. Attached hereto and incorporated herein as **Exhibit “A”** is a true and correct copy of the Privacy Policy.

///

1 24. As more fully set forth in the paragraphs incorporated herein,
2 Defendants breached the contract by failing to properly secure Plaintiff's Coinbase
3 account allowing it to be pillaged an unauthorized individual or entity.
4

5 25. Plaintiff and the putative class has performed all covenants and
6 conditions required under the contract or have been excused from doing so due to
7 Defendant's breach.
8

9 26. As a proximate result of Defendant's breach, Plaintiff and the putative
10 class suffered economic loss.
11

12 **SECOND CAUSE OF ACTION**
13 **NEGLIGENCE**

14 **(By Plaintiff and the Class against all Defendants)**

15 27. Plaintiff incorporates paragraphs 1 through 26 of this complaint as
16 though fully alleged herein.

17 28. At all relevant times, Coinbase had a duty to Plaintiff and the putative
18 class wherein it would properly secure their private information and cryptocurrency
19 from unauthorized transactions and dissemination.
20

21 29. Coinbase failed to properly secure Plaintiff and the putative class's
22 private information and cryptocurrency from unauthorized transactions and
23 dissemination.
24

25 30. As a result of Defendant's conduct as alleged herein, Defendant
26 breached its duty to Plaintiff and the putative class, thus causing significant damage,
27 worry and stress.
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THIRD CAUSE OF ACTION
FRAUD
(By Plaintiff and the Class against all Defendants)

31. Plaintiff incorporates paragraphs 1 through 30 of this complaint as though fully alleged herein.

32. Coinbase represents that it “maintains appropriate physical, technical and administrative safeguards to protect the security and confidentiality of the personal information” of its account holders.

33. Coinbase knew that the above referenced representations were false at the time they were made and that the above misrepresentations would damage Plaintiff and the putative class.

34. Plaintiff and the putative class relied on these misrepresentations by continuing to transact their cryptocurrency through Coinbase. Plaintiff and the putative class were reasonable in their reliance. Plaintiff and the putative class’s reliance were ultimately detrimental.

35. As proximate result of Defendant’s conduct, Plaintiff suffered significant economic loss. Plaintiff is entitled to punitive damages in an amount that the trier of fact finds reasonable.

FOURTH CAUSE OF ACTION
NEGLIGENT MISREPRESENTATION
(By Plaintiff and the Class against all Defendants)

36. Plaintiff incorporates paragraphs 1 through 35 of this complaint as though fully alleged herein.

1 37. Plaintiff alleges, in the alternative, that the misrepresentations of
2 material facts set forth herein above by Coinbase were done negligently and
3 recklessly, proximately resulting in injuries and damages to Plaintiff and the putative
4 class herein, as more fully set forth above.
5

6 **PRAYER FOR RELIEF**
7

8 WHEREFORE, Plaintiff on behalf of himself and all others similarly situated,
9 pray for relief and judgment against Defendant as follows:
10

11
12 1. That this action be certified as a class action pursuant to Fed. R. Civ. P.
13 Rule 23;

14 2. That judgment be entered for Plaintiff and the class against Defendants
15 for damages;
16

17 3. That judgment be entered for Plaintiff and the class against Defendants
18 for punitive damages for committing fraud;
19

20 4. That the Court award prejudgment and post-judgment interest at the
21 maximum legal rate;

22 5. That the Court award attorneys' fees;

23 6. That the Court awarding cost of suit herein; and
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7. All such other and further relief as the Court deems just.

Date: November 8, 2021

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By: Evan Selik
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CHRISTINE ZAOUK
Attorneys for Plaintiff,
ADAM ALFIA

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DEMAND FOR JURY TRIAL

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2 Plaintiff demands a trial by jury for himself and the Class on all claims so
3 triable.
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6 Date: November 8, 2021

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8 By: *Evan Selik*
9 EVAN SELIK
10 CHRISTINE ZAOUK
11 Attorneys for Plaintiff,
12 ADAM ALFIA
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ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Crypto: Class Action Claims Coinbase Failed to Protect Against Unauthorized \\$50K Ethereum Purchase](#)
