



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

GIBF GP, Inc. d/b/a BITCOIN  
LATINUM and DONALD BASILE,

Plaintiffs,

v.

CYRUS FARIVAR

Defendant.

C.A. No. \_\_\_\_\_

**COMPLAINT**

GIBF GP, Inc. d/b/a Bitcoin Latinum ("Latinum") and Donald Basile ("Basile") (collectively referred to as "Plaintiffs"), by and through undersigned counsel, as and for their complaint against Cyrus Farivar ("Farivar" or "Defendant"), alleges as follows:

**NATURE OF THE ACTION**

1. Plaintiff Latinum is the distributor of Bitcoin Latinum Tokens ("Tokens" or "Bitcoin Latinum"), which are "next-generation Bitcoin blockchain-based token[s], capable of massive transaction volume, digital asset management, cybersecurity, and transaction capacity."

2. On November 30, 2022, Forbes.com published an article written by Defendant Farivar entitled "A Cryptocurrency Named After The Fictional Money In

Star Trek Is ‘Worthless’ And ‘A Scam,’ New LawsUIT Alleges” (the “Article”). The Article is attached as Exhibit A.

3. The Article contains statements and assertions of fact which are knowingly false and which constitute imputations of a crime and/or a specific misdoing affecting Plaintiff Latinum’s and Plaintiff Basile’s business, trade or profession.

4. The article discusses a meritless lawsuit filed against Plaintiff Latinum and Plaintiff Basile in the United States District Court for the Central District of California by Arshad Assofi (“Assofi”), an investor in Tokens. See *Assofi v. Basile*, Case No. 2:22-cv-8313-GW-E (C. D. Cal.).

5. The Article contains statements which insinuate and lead the reader to believe that Assofi’s allegations against Plaintiff Latinum and Plaintiff Basile are factual and correct, and which statements are not couched as the opinion of the author, but rather, are presented as fact, and therefore do not fall under any applicable privilege.

6. The statements contained in the Article are libelous *per se* because they are affirmative imputations that Plaintiff Latinum and Plaintiff Basile have committed a crime under federal deceptive trade practices and/or fraud laws, which imputation directly affects Plaintiff Latinum’s and Plaintiff Basile’s business, trade or profession.

7. Plaintiff Latinum and Plaintiff Basile are entitled to an Order compelling Defendant to remove the Article from any website or other publication through which the Article may currently be accessed, and compelling Defendant to issue a retraction and correction of the Article.

### **THE PARTIES**

8. Plaintiff Latinum is a corporation duly organized and existing under the laws of the State of Delaware, with a registered agent located at 1209 North Orange Street, Corporation Trust Center, Wilmington, County of New Castle, DE.

9. Plaintiff Basile is an individual who is a citizen of the state of California. Plaintiff Basile is the founder and CEO of Plaintiff Latinum.

10. Defendant Farivar is an individual who is a citizen of the State of California. Defendant Farivar is the author of the Article described below.

### **JURISDICTION**

11. This Court has subject matter jurisdiction under 10 Del. C. § 341.

12. Personal jurisdiction over Defendant Farivar is proper pursuant to 10 Del. C. § 3104(c)(1) and (4) because, among other things, Defendant Farivar caused tortious injury in the State by an act or omission outside the State and regularly does or solicits business, engages in other persistent courses of conduct in the State, and derives substantial revenue from services, or things used or consumed in the State.

## **FACTUAL BACKGROUND**

### **A. Bitcoin Latinum.**

13. Bitcoin Latinum was conceived by its founder, Plaintiff Basile, in 2019 as the next generation of cryptocurrency.

14. Bitcoin Latinum was designed to make Bitcoin a more energy efficient, bank-less, and peer-to-peer electronic cash system. Based on the source code, protocol, and algorithm of Bitcoin, Bitcoin Latinum is an open architecture cryptocurrency technology capable of handling large transaction volumes, cybersecurity, and digital asset management. The goal of Bitcoin Latinum was and is to enhance the Bitcoin code to operate with higher security, increased transactional speed, higher reliability, and lower transaction cost.

15. In addition, Bitcoin Latinum takes a groundbreaking green initiative to achieve a net-zero carbon footprint by deploying a Power-friendly Proof of State (“PoS”) consensus algorithm. It is in accordance with the project’s commitment to sustainable environmental practices and support of the Crypto Climate Accord.

16. Furthermore, Bitcoin Latinum creates a decentralized financial network for efficient and secure digital asset transactions for media, gaming, cloud computing, and telecommunications.

17. Bitcoin Latinum uses an advanced version of PoS mechanism to counter the inherent problems of Proof of Work (“PoW”) based networks. PoS mining will enable Bitcoin Latinum holders to earn rewards for holding their Tokens as collateral to state on the Bitcoin Latinum network. The mining incentives are proportional to the number of Tokens a staker holds.

18. Bitcoin Latinum offers a highly scalable network that supports millions of transactions per day to facilitate retail transactions. With the PoS consensus method, Bitcoin Latinum ensures the network facilitates more transactions per minute at lower transaction fees.

19. Bitcoin Latinum is designed to be asset-backed, meaning that its potential asset backing is held in a fund model so that the base asset value increases over time. Bitcoin Latinum accelerates this asset-backed funds growth by depositing 80% of all transaction fees back in to the asset fund. As more and more people and businesses trust and use Bitcoin Latinum, the asset-backed fund continues to grow, further securing the Tokens’ value.

20. Under any successful model, Bitcoin Latinum’s success turns on its reliability, security, and its trustworthiness in the marketplace. Bitcoin Latinum’s reputation is paramount in this regard.

**B. Latinum’s efforts to raise funding for Bitcoin Latinum.**

21. In September and October of 2021, Latinum offered to certain accredited investors the option to pre-purchase Tokens at a pre-determined price (the “SAFT Offering”). The SAFT Offering was available through Latinum’s website which would then direct the potential investor to confirm that the investor was accredited and that the investor signed and delivered a Simple Agreement for Future Tokens (“SAFT”).

22. In order to pre-purchase the Tokens, the accredited investor had to affirm that:

Investor is: (i) an “accredited Investor” as such term is defined in Rule 501(a) of Regulation D under the Securities Act; or (ii) not a U.S. person within the meaning of Rule 902 of Regulation S under the Securities Act. The Investor has been advised that this SAFT is a security that has not been registered under the Securities Act, or any state securities laws and, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available. The Investor is purchasing this security instrument for his, her or its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. The Investor has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment without impairing the Investor’s financial condition, and is able to bear the economic risk of such investment for an indefinite period of time. The Investor further represents that he, she or it has been provided the opportunity to ask the Company questions, and where applicable, has received answers from the Company, regarding the SAFT Offering and this SAFT

23. Although investors had the right to pre-purchase the Tokens, the Tokens would not be released by Latinum to individual investors until certain

milestones were reached and Latinum, in its sole discretion, chose to release the Tokens.

24. As of the date of the filing of this complaint, Latinum has not reached the required milestones and has not released any of the pre-purchased Tokens to any individual investors.

**C. The Assofi lawsuit.**

25. On November 14, 2022, Assofi filed a complaint against Plaintiffs in the United States District Court for the Central District of California. See *Assofi v. Basile*, Case No. 2:22-cv-8313-GW-E (C. D. Cal.).

26. Assofi was an investor in the SAFT Offering — Assofi made a series of five (5) investments in the pre-purchase of Tokens, each memorialized by a separate SAFT.

27. In executing the SAFTs, investors such as Assofi agreed to exchange the payment of money for “the right to receive tokens to be issued in the future via a Bitcoin Blockchain Hard Fork, which will generate a new set of cryptographic tokens . . . .”

28. Assofi, apparently wanting to back out of the SAFTs that he executed, filed his Complaint on November 14, 2022 (the “Assofi Complaint”).

29. The Asofi Complaint makes baseless and patently false accusations regarding supposed representations made by Plaintiff Basile to entice Assofi to invest in the SAFT Offering.

30. The Assofi Complaint, and in turn the Article, falsely claims that Plaintiff Basile met with Assofi in June of 2021 and made representations to Assofi to the effect that Bitcoin Latinum was a project that received \$20 million from the producers of Star Trek. The Article also quotes the Assofi Complaint and refers to Bitcoin Latinum as “worthless” and a “scam.”

31. On November 29, 2022, Plaintiffs filed a Motion to Dismiss the Assofi Complaint for failure to state a claim upon which relief can be granted. At the same time Plaintiffs prepared and served a Motion for Sanctions on Assofi and his counsel pursuant to Fed.R.Civ.P. 11.

32. On December 16, 2022, rather than responding to Plaintiffs’ Motion to Dismiss, Assofi re-filed the Assofi Complaint in substantially the same form as the original Assofi Complaint (the “Assofi Amended Complaint”).

33. On December 22, 2022, Plaintiffs filed a Motion to Dismiss the Assofi Amended Complaint for failure to state a claim upon which relief can be granted.

34. As of the date of the filing of this complaint, Plaintiffs’ Motion to Dismiss the Assofi Amended Complaint is currently pending.

**D. The Article.**



35. On November 21, 2022 Forbes.com published the Article written by Defendant Farivar which is the subject of this complaint.

36. The Article contains numerous false and defamatory statements of fact about the Plaintiffs.

37. Specifically, following a discussion of how the producers of *Star Trek* were not aware of the Bitcoin Latinum Token, the article states: “[t]he world of cryptocurrency is awash with scammers and companies that don’t have actual products.”

38. This statement insinuates, and leads the reader to believe, that Plaintiffs do not have “actual products.” This insinuation is an affirmative imputation that Plaintiffs have committed a crime under federal deceptive trade practices and/or fraud laws. This statement is also an affirmative imputation that Plaintiffs will not provide a product or service to their customers. This imputation directly affects Plaintiffs’ business, trade or profession.

39. The Article also states: “[a]n investor in a scarcely-known cryptocurrency called Bitcoin Latinum — named for a type of money that exists only in the fictional Star Trek universe — says that he was defrauded out of more than \$15 million.” This statement is not true.

40. This statement and leads the reader to believe, that Latinum, or the Bitcoin Latinum Tokens, are not real, or that the Bitcoin Latinum Tokens are

“fictional” currency. This insinuation is an affirmative imputation that Plaintiffs have committed a crime under federal deceptive trade practices and/or fraud laws. This statement is also an affirmative imputation that Plaintiffs will not provide a product or service to their customers. This imputation directly affects Plaintiffs’ business, trade or profession.

### **FIRST CAUSE OF ACTION**

#### ***Libel per se***

41. Plaintiffs incorporate by reference all paragraphs above as if fully set forth herein.

42. Defendant made false and defamatory statements of fact about Plaintiffs Basile and Latinum, that implicated that Plaintiffs Basile and Latinum had committed fraud and committed other crimes, such as violations of Federal Securities statutes.

43. The false and defamatory statements of fact about Plaintiffs Basile and Latinum referenced above were published in writing for the general public to consume.

44. The false and defamatory statements indicate that Plaintiffs were engaged in criminal activity or that their behavior was incompatible with the proper conduct of their business, trade or profession.

45. The statements made by Defendant charged the Plaintiffs with a serious crime and tended to injure the Plaintiffs in their trade, business or profession.

46. Defendant knew or should have known that the statements were actually false.

47. As a direct result of the false and defamatory statements made by Defendant, Plaintiffs have been damaged in loss in value of the Tokens, and damages to their reputation and trade, in an amount well in excess of \$75,000.00.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs GIBF GP, Inc., d/b/a Bitcoin Latinum and Donald Basile demand judgment against Defendant Cyrus Farivar, compelling Defendant in equity to remove the Article from any website or other publication through which the Article may currently be accessed, compelling Defendant to issue a retraction and correction of the Article, for any and all actual damages, consequential damages, compensatory damages, and punitive damages in an amount to be determined at trial, as well as all attorney's fees and costs, and such other and further relief as the Court deems equitable and just.

COOPER LEVENSON, P.A.  
Attorneys for Plaintiffs GIBF GP, Inc., d/b/a  
Bitcoin Latinum and Donald Basile

Dated: February 7, 2024

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# EXHIBIT

# A

INNOVATION EDITORS' PICK

# A Cryptocurrency Named After The Fictional Money In Star Trek Is 'Worthless' And 'A Scam,' New Lawsuit Alleges

**Cyrus Farivar** Forbes Staff  
*Senior Writer, Tech & Innovation*

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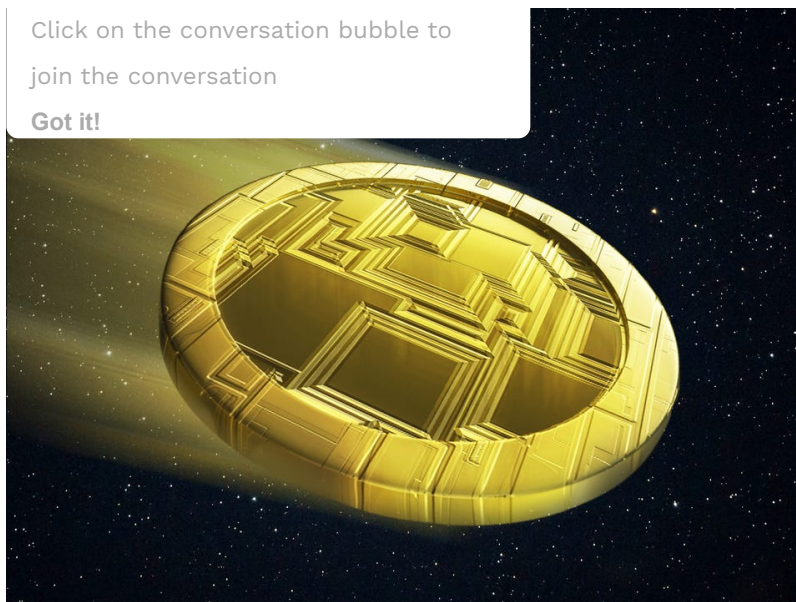


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## **The complaint says the Bitcoin Latinum founder lured an investor in with the promise that the producers of *Star Trek* had already invested \$20 million.**

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An investor in a scarcely-known cryptocurrency called Bitcoin Latinum — named for a type of money that exists only in the fictional *Star Trek* universe — says that he was defrauded out of more than \$15 million.

A lawyer for the investor, Arshad Assofi, wrote in a new lawsuit submitted earlier this month that the cryptocurrency, which **claimed** to be “greener” and “faster” than conventional bitcoins, is “worthless” and a “scam.” The attorney also **stated** in his complaint that Assofi was told by Bitcoin Latinum’s founder, Don Basile, that the project had received “\$20 million from the producers of *Star Trek*,” among other alleged investors that did not exist.

Paramount, the production company behind the famed science fiction series and its numerous spinoffs, denied any connection to the cryptocurrency.

“No one is familiar with this claim or with this ‘Bitcoin Latinum,’” emailed Jennifer Verti, a Paramount spokesperson. “This is not something that *Star Trek* is officially involved in at all.”

Meanwhile, Carlos Nevarez, the director of marketing for Bitcoin Latinum, told *Forbes* by phone that Basile never asserted an investment from *Star Trek* producers. Nevarez added that Assofi’s allegations of fraud are “completely false.”

“As far as I know, [Assofi] bought coins and the coins lost value,” he said.

Eugene Rome, Assofi’s attorney, declined *Forbes*’ request for comment.

The world of cryptocurrency is [awash](#) with scammers and companies that don’t have actual products. In 2021, Gary Gensler, the head of the Securities and Exchange Commission, [said](#) that the crypto world is “rife with fraud, scams, and abuse.”

Bitcoin Latinum has been [endorsed](#) by Phil Hellmuth, a well-known professional poker player. He has been [photographed](#) numerous times at poker tables wearing Bitcoin Latinum-embazoned baseball caps. Consequently, the

cryptocurrency has garnered some attention in the professional poker community.

Basile previously served as CEO for two tech startups — Violin Memory and Fusion-IO — over a decade ago. More recently, Basile founded [Roman DBDR](#), a SPAC based in Las Vegas, among other ventures.

Bitcoin Latinum and Basile were previously sued twice earlier this year by two groups of other separate aggrieved investors who also claimed similar securities fraud in cases filed in federal courts in [Michigan](#) and northern California.

While the northern California lawsuit has since been withdrawn, the Michigan case remains ongoing. Attorneys for Bitcoin Latinum wrote in a [court filing](#) last month in the Michigan case that the company did not violate any securities law and “denied that the Plaintiffs have been damaged by any conduct of the Defendant.”

In an undated statement on its website that appears to have been written in early 2022, Bitcoin Latinum called these [lawsuits](#) “frivolous.” In new court papers [submitted](#) Tuesday, Bitcoin Latinum’s attorneys indicated that they would file a motion to dismiss the case brought by Assofi.

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