

Community Ratification of Movement DAO Lawsuit Against Individuals

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Type: Ratification

Thesis.

Authorized Members tankbottoms.eth and benreed.eth recently had a complaint (Case No. 23-cv-20727) ¹ filed against them by Ryan Breslow, Alex Fine, and Jon Gordon (“Plaintiffs”) ² in the Southern District Court of Florida. Plaintiffs were part of the founding team of the Movement DAO (“DAO”), and operated anonymously within the community.

Now the Authorized Members seek community ratification for the filing of counterclaims on behalf of the DAO against these three individuals, with the claims being (i) Breach of Contract, (ii) Tortious Interference with Contractual Relations, and (iii) Declaratory Relief. The court filing for these counterclaims are available here ³.

The lawsuit, while not against the DAO itself, seeks the entire treasury of the DAO, which is currently valued at over \$12m. Thus, while the Authorized Members are defending themselves personally, they are also defending the DAO, its treasury, and all community Members. Additionally, the Authorized Members are unable to propose settlement terms to the Plaintiffs as they seek the DAO’s entire treasury, any resolution of the lawsuit will likely include the DAO as a party to the settlement. Contributors to the Gnosis or individuals promised tokens by the DAO may also be impacted by the lawsuit and are encouraged to reach out to the Authorized Members or Dhillon Law Firm, their contact information is below.

Motivation.

Authorized Members **tankbottoms.eth** and **benreed.eth** want to be sure the community understands and ratifies the filing of these claims against Breslow, Fine, and Gordon, as the DAO allocates resources towards these claims and defends itself against allegations made by Breslow, Fine, and Gordon.

¹Verified Compliant, Case No. 1.23-cv-20727-RKA

²Jonathan Gordon operated within Discord as Fuego (@Fuego#4208), Ryan Breslow operated within Discord as theyanking (@theyanking#1111), and Alex Fine operated within Discord as mr_fine (@mr_fine#3937).

³MovementDAO and Mark Phillips’ Counterclaim, Case No. 1.23-cv-20727-RKA

As part of the initialization of governance for the DAO, the community agreed to the indemnification of its Authorized Members. This was in large part due to the lack of clear guidelines for DAOs, the potential for legal issues to arise with protocols built around cryptocurrency and tokens, and any representations made in GitBook or in Discord. The Authorized Members agree that the DAO has many other priorities that it could be allocating resources towards, but the Authorized Members believe that the DAO should defend itself against the claims brought by Breslow, Fine, and Gordon.

Additionally, at the onset of the lawsuit brought by plaintiffs, they sought and received a temporary restraining order (“TRO”) against the Authorized Members from using the DAO Gnosis. Two hearings have already taken place regarding the TRO, and another hearing has been scheduled for later in May 2023.

Specification.

1. The Authorized Members retained counsel in the Dhillon Law Firm for their defense to the claims filed against them.
2. The Authorized Members on behalf of the DAO have filed counterclaims against Breslow, Fine, and Gordon with Dhillon Law Firm as their counsel, who now have a sophisticated understanding of the events that took place and the issues at hand.
3. Now the Authorized Members want to give the community a chance to review these counterclaims and ratify the Authorized Members decision in filing them.

Rationale.

The Authorized Members want to operate with full transparency in regard to this lawsuit that is currently unfolding, and want to provide constant and clear updates to the community on the matter.

Risks.

1. The Authorized Members might not have the DAO’s best interest in mind.
2. Some Members might not agree with the counterclaims that were filed.
3. Some Members may feel that this is not a proper allocation of the DAO’s resources.
4. Contributions to the DAO may be impacted by the lawsuit.

Miscellaneous.

If anyone was impacted by the events that led to these claims or if anyone has additional information that may help the DAO in regard to these claims, please contact **benreed.eth** via Discord (@rice\$cracker#8682) or Dhillon Law Firm.

Snapshot Consensus by the DAO Members.

Whereas the DAO through its Members voted to adopt the following actions via Snapshot and resolves as follows:

RESOLVED: That the Movement community understands and ratifies the Authorized Members filing of the counterclaims listed above against Breslow, Fine, and Gordon, on behalf of Movement;

RESOLVED FURTHER: That the Authorized Members convened and are hereby jointly and severally authorized to take any and all actions, along with executing or signing any cryptocurrency transactions, and executing and delivering any other documents, agreements, instruments, and/or certificates as he or she may deem necessary, advisable, or incidental, in connection with the preceding resolution, and other resolutions herein, or any related documents. This also includes authorization to perform or resolve the obligations of the DAO, and/or its affiliates.

This ratification by the DAO Members by Snapshot vote shall be effective as of the date the DAO Entities receives a majority vote of the DAO at the end of the Snapshot vote.

This action by the Authorized Members may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one action.