

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION**

KASPAROV, PTE LTD.,)	Case No. 5:22-cv-00503
)	
<i>Plaintiff,</i>)	
)	
v.)	<u>COMPLAINT</u>
)	
JOSEPH ZACHERL,)	
)	JURY TRIAL DEMANDED
)	
<i>Defendant.</i>)	

Plaintiff Kasparov Pte Ltd. (“Kasparov”) alleges the following based upon documents and information in its possession.

NATURE OF THE ACTION

1. Defendant Joseph Zacherl (“Zacherl”) and at least two other individuals, Jason Linehan (“Linehan”) and Kyle Detz (“Detz”), schemed to unlawfully misappropriate approximately \$7,500,000 in digital assets belonging to Kasparov (valued as of the date of this Complaint). As described below, after Kasparov afforded Zacherl and his co-conspirators access to two of Kasparov’s digital wallets, they seized control of the wallets and shut Kasparov out. Zacherl’s actions are akin to those of a house-sitter who changes the homeowner’s locks, declares that he now owns the house, and refuses to move out.

2. The events leading up to Zacherl’s theft from Kasparov are as follows. In 2019, Kasparov—initially through the work of its two founders, *i.e.*, Talo Research Pte Ltd (“Talo”) and Amber Group (“Amber”) (collectively, the “Founders”)—had a novel idea for a new digital finance project. The project was originally known as the KeeperDAO Project, and later renamed the “Rook Project” (the “Rook Project” or “Project”).

3. There are several important things to know about the Rook Project from the outset.

a. **First, what does the Rook Project do?** The Project was designed to enable—and now enables—members of the public to route trading orders via the Project’s infrastructure, and take part in the trading profits generated from market makers (or “Keepers”) that fill these orders. The members of the public making these investment are known as “Stakers” and their investments are known as “stakes.” To compensate Stakers for staking their own personal crypto in the Rook Project—thereby ensuring that the Project had enough capital on hand to take advantage of investment opportunities, especially arbitrage opportunities in the crypto markets—Kasparov issued tokens native to the Project (known as “ROOK” or “ROOK tokens”), and distributed the ROOK tokens to the Stakers in proportion to the size of each stake.

b. **Is the Rook Project successful?** Yes, the Rook Project has been highly successful. The arbitrage opportunities the Rook Project leverages to earn profits have so far netted it millions of dollars in profits, and at the time of this Complaint, the ROOK token, which represents a share of underlying profits earned by the Rook Project, is trading at around \$16 a share.

c. **How does Kasparov, as the creator, founder and lead developer for the Rook project get compensated?** As discussed further below, Kasparov created a pool of 1,000,000 ROOK tokens that Kasparov could and did (1) use to compensate persons for services necessary to the success of the Rook Project (e.g., certain computer programming expertise) and (2) keep for itself, as compensation for its creation of the Project (these are referred to herein as “Team Tokens”). Team Tokens are very similar to founders’ shares in a traditional start-up company: they give the team that created the project an ongoing financial interest in the continued health and success of their Project.

d. **What was Kasparov's exit plan?** Kasparov never intended to be the ultimate and final owner of the Rook Project. Just as the founders of a conventional software company may look forward to the day they take their fledgling company public (often ceding control to public shareholders and making profits on their founders' shares), holders of a decentralized project, like the Rook Project, may choose to turn the project over to the public. That is what happened here.

e. **How did Kasparov's decision to turn the Rook Project over the public work?** Kasparov set up DAO (a Decentralized Automated Organization) to run the Rook project. All decisions relevant to the project are made by the DAO, and the DAO also can hire and pay individuals to assist it in running the Rook Project. All decisions by the DAO are voted on by ROOK token holders (who, as noted above, receive ROOK token in proportion to the assets they stake). Like selling a start-up company to new buyer, it is the new buyer (here, the DAO) that calls the shots, but the outgoing, founding management team still owns their original equity shares (here, the Team Tokens), and therefore typically is positioned to sell its interests, often at a significant profit.

4. After Kasparov founded the Project in late 2019, Kasparov decided that it would make sense to collaborate with Defendants Zacherl, Linehan and Detz, who would work on various aspects of the Rook Project, including software development and marketing.

5. Accordingly, Kasparov and Zacherl entered into a Services Agreement in or about April 2020. Therein, Kasparov and Zacherl agreed that Zacherl would receive 4% of the initial supply of tokens issued by the Project. This ultimately amounted to 40,000 ROOK Tokens from an initial issuance of 1,000,000 ROOK tokens. The Services Agreement also provides that Amber and Talo (the entities that, as noted above, founded the Project and incorporated Kasparov), would retain 80.5% of those initial tokens.

6. Linehan and Detz did not receive a share of the initial tokens. Rather, they received only salary for their work.

7. Meanwhile, to support the Rook Project, Kasparov created several digital wallets, including two that are particularly relevant here:

a. **The Team Tokens Wallet.** Kasparov established the Teams Tokens Wallet on November 1, 2020, and funded it with 1,000,000 ROOK tokens. As noted above, Kasparov used these ROOK tokens to compensate the Founders (80.5% of the ROOK tokens) and pay for expenses and other services that were essential to keeping the Rook Project on track, including paying Zacherl (4% of the ROOK tokens, today worth over \$1 million).

b. **The Second Company Wallet.** Kasparov established the second wallet in June 2021, and funded it with \$700,000 in USD Coin (a type of cryptocurrency pegged to the U.S. Dollar). Kasparov received the \$700,000 in USD Coin from another crypto company, pursuant to a token swap.

8. Both of the above-referenced wallets (the “Wallets”) are multi-signature wallets that required several individual approvals (sometimes referred to as “signatures”) from appointed/authorized individuals before any transaction to or from the Wallets could be consummated. The initial authorized signatories on both Wallets were the two principals of Talo and Amber, the companies that founded Kasparov.

9. Subsequently, Zacherl, Linehan and/or Detz asked Kasparov to add them as signatories to one or both of the two Kasparov Wallets. Zacherl falsely represented to Kasparov that he and his co-conspirators wanted access to the Wallets to aid them in their performance of services related to the Project, including executing transactions on Kasparov’s behalf. Kasparov, relying on Zacherl’s false statements, made Zacherl and Linehan signatories to both Wallets, and added Detz as a signatory to one of the two Wallets.

10. Zacherl told Kasparov that he was unhappy with the allocation of the Team Tokens, more of which he believed should have been allocated to himself, Detz and Linehan. This was more compensation than they had bargained for and agreed to receive.

11. Once Kasparov afforded Zacherl, Linehan and Detz access to these Wallets, they abused the trust that Kasparov had placed in them. They each conspired with one another and others to prohibit Kasparov from accessing both Wallets.

12. More specifically, with regard to the Team Tokens Wallet (which contained ROOK tokens), on June 9, 2022, Zacherl, Linehan and Detz, without authorization from Kasparov, removed a number of the original, Kasparov-affiliated signatories to the Team Tokens Wallet and concurrently added Tommy van Rheeden (“van Rheeden”), an agent of Zacherl, Linehan and Detz, as a new signatory. Through these unapproved actions, Zacherl, Linehan, Detz and van Rheeden gained the ability to control the Team Tokens Wallet and used that control to prohibit Kasparov from accessing this Wallet and the ROOK tokens contained therein.

13. On or about July 7, 2022, Kasparov’s principals contacted Zacherl, Linehan and Detz and demanded that their access to the Team Tokens Wallet be restored. In response, rather than restore Kasparov’s principals to their control of the Team Tokens Wallet, Zacherl and Linehan conspired to cut off Kasparov from access to a second Kasparov wallet, the Second Company Wallet, containing digital assets denominated in USD stable coin (“USDC”). Taking a page from their June 2022 scheme, Zacherl and Linehan removed a number of the original, Kasparov-affiliated signatories to this Second Company Wallet and replaced them with Detz and van Rheeden. As a result, Kasparov was unable access the USDC in the Second Company Wallet.

14. The result of these machinations is that Zacherl, Linehan, Detz and/or their agents seized control of the two Wallets to the exclusion of Kasparov, and have used that

control to eliminate Kasparov's access to and control over the Wallets and the digital assets that Kasparov kept therein.

PARTIES

15. Kasparov is a private limited company incorporated under the laws of Singapore. Kasparov maintains its principal place of business in Singapore.

16. Upon information and belief, Joseph Zacherl is an individual domiciled in the Eastern District of North Carolina.

17. Upon information and belief, non-party Jason Linehan is an individual domiciled in New Hampshire.

18. Upon information and belief, non-party Kyle Detz is an individual domiciled in Massachusetts.

JURISDICTION AND VENUE

19. The Court has personal jurisdiction over Defendant Joseph Zacherl because he is domiciled in North Carolina.

20. The Court has subject matter jurisdiction under 28 U.S.C. § 1332(a)(1) because the amount in controversy exceeds \$75,000 and the plaintiff, Kasparov, and the defendant, Zacherl, are diverse.

21. Venue is proper under 28 U.S.C. § 1391(b)(1) because defendant resides in this district.

BACKGROUND

A. Kasparov's Founders Create Kasparov and The Rook Project.

22. The Rook Project was founded by Talo and Amber in late 2019. Talo's principal, Taiyang Zhang, announced the launch of the Project—at the time called "KeeperDOA"—in a blog posting on Medium.com, in which he described the Project as "a joint project between Talo and Amber Group." *See Introducing KeeperDAO, an on-chain liquidity underwriter,*

<https://medium.com/keeperdao/introducing-keeperdao-an-on-chain-liquidity-underwriter-dbb63731f4a5>.

23. The Rook Project's chief object is to enable members of the public, known as "Stakers," to submit trading orders through the Project's trading infrastructure. In turn, the Project's off-chain bots, known as "Keepers," extract value by filling these orders, and rebate a portion of the profits back to the user. This enabled users to benefit from profit that would have otherwise been extracted by external market makers through front-running, and back-running trading orders. Ultimately, profits from these types of transactions inure to the benefit of the Project's users.

24. Participation in the Project was supported and encouraged through the issuance of a native token. Initial tokens issued by Kasparov for use in the Project were known as KPR tokens; those later were renamed to ROOK tokens. "Stakers" involved in the Project would earn ROOK tokens in return for supplying liquidity into a common pool that "Keepers" could use for flash loans. Flash loans are transactions that allow the borrowing of an asset as long as it is returned in the same Ethereum block. As participation in the Project grows, the value of the Project increases.

25. On July 6, 2020, the Project's two founders, Talo and Amber, incorporated Kasparov in Singapore for purposes of administering the Project, including entering into any contracts necessary for the implementation of the Project. Kasparov has at all times been owned by Talo and Amber on a 50/50 basis. There have never been any other owners of Kasparov.

B. Kasparov and Its Founders Create and Fund Several Digital Wallets.

26. Over the life of the Project, Kasparov and, before Kasparov's incorporation, Kasparov's founders (Talo and Amber), established and funded several cryptocurrency wallets to support the Project and its goals.

a. **The First Company Wallet.** In April 2020, to cover the day-to-day administration of the Project, including the payment of salaries to Project contractors, marketing expenses, legal fees, and costs of conducting smart contract audits, Kasparov's founders created a wallet (the "First Company Wallet") funded with \$1.5 million in USD Coin that they obtained from two initial seed investors. There were two approval signatories to the First Company Wallet, one each from Talo and Amber, as the Project's founders, and approval from only one of those two signatories was required to conduct transactions using assets from that Wallet.

b. **The Team Tokens Wallet.** On November 1, 2020, Kasparov created 1,000,000 ROOK tokens and simultaneously established a second wallet, the Team Tokens Wallet, to which Kasparov transferred those 1,000,000 ROOK tokens. The number of signatories to the Team Tokens Wallet increased following its creation and, as of May 14, 2021, the Team Tokens Wallet had five authorized signatories: (1) Taiyang Zhang, (2) Tiantian Kullander, (3) Bainy Zhang, (4) Benjamin Wang, and (5) Susruth Nadimpalli, all of whom worked for or on behalf of Kasparov, which was the owner of the Team Tokens Wallet and the ROOK tokens therein. The multi-signature confirmation policy applicable to the Team Tokens Wallet required the approval/signature of at least three of those five signatories before a transaction involving the Team Tokens Wallet would be effectuated.

c. **The Second Company Wallet.** On June 16, 2021, the First Company Wallet was compromised by an unknown hacker, resulting in the loss of 681,843 of USD Coin, which was the entirety of Kasparov's holdings in that wallet at the time. In response, Kasparov created a new wallet (the "Second Company Wallet"). At the time of its creation, the list of authorized signatories of the Second Company Wallet were (1) Tiantian Kullander, (2) Taiyang Zhang, (3) Bainy Zhang, and (4) Susruth Nadimpalli. All of those signatories were representatives and/or associates of Kasparov, the owner of the Second Company Wallet and

the USDC tokens therein. At that time, the confirmation security protocols applicable to the Second Company Wallet required approval from at least two of these four signatories before a transaction involving that Wallet would be effectuated. On June 17, 2021, Kasparov funded the Second Company Wallet with \$700,000 in USD Coin that Kasparov obtained through a token swap with another cryptocurrency project.

d. **The DAO Treasury Wallet.** On November 10, 2020, Kasparov established the DAO Treasury Wallet to receive and store the profits of the Project—i.e., the cryptocurrency arbitrage profits from Keepers. Although the assets in the DAO Treasury Wallet initially were owned by Kasparov, on August 1, 2021, Kasparov voluntarily released control over the Project (and with it, the DOA Treasury Wallet) to public ROOK token holders. The DAO Treasury Wallet holds 21 different cryptocurrencies and tokens and is currently worth approximately US\$40,000,000.

27. As of the date of this Complaint, the balances in the four Wallets described above are as follows:

Wallet	ROOK Token	USD Coin	Uniswap v2 LP
First Company Wallet	0	0.450586	0
Team Tokens Wallet (misappropriated)	452,137.53	0	1,186.94
Second Company Wallet (misappropriated)	0	714,144.852	0
DAO Treasury Wallet	~US\$40 million, comprised of 21 different cryptocurrencies and tokens		

C. Kasparov Reaches Agreements with Defendants for Their Assistance With the Project.

28. Zacherl's involvement with the Project began in and around April 2020, when Kasparov's founders entered into a Services Agreement with VolleyFire LLC (the "Services

Agreement”), an entity that, upon information and belief, is controlled by Zacherl. Pursuant to that Services Agreement, Zacherl agreed to the following terms:

a. Zacherl would lead certain trading elements in the Project, including the creation and operation of the Keepers that would consummate cryptocurrency arbitrage trades.

b. Zacherl would receive 4% of the initial tokens issued by the Project, i.e., 4% of what would become the 1,000,000 ROOK tokens that Kasparov created and transferred to the Team Tokens Wallet.

c. Amber and Talo, the Project’s founders, would receive 80.5% of the initial tokens, i.e., 80.5% of initial 1,000,000 ROOK tokens.

29. In addition to the compensation that Zacherl would receive pursuant to the Services Agreement, Kasparov also subsequently agreed to pay Zacherl a salary of \$10,000 per month.

30. Linehan began working on the Project when, in June 2021, at Zacherl’s recommendation, Kasparov engaged him to serve as an unpaid ambassador for the Project. In August 2021, after Linehan became more involved with the Project, Kasparov announced that Linehan would work for the KeeperDAO and would be paid US\$3,750 (payable in USD Coin) per month from the DAO Treasury Wallet. Unlike Zacherl, Linehan was not paid with Kasparov assets and had no written contractual relationship with Kasparov.

31. In July 2021, again at the recommendation of Zacherl, Detz also was engaged to work on the Project, as its External Affairs Lead. Like Linehan, Detz was to be paid for his services the DAO Treasury Wallet, with funds owned by the DAO. He was not compensated using funds in any of Kasparov’s wallets.

32. Unlike Zacherl, who had been engaged and would be paid by Kasparov pursuant to the Services Agreement, both Linehan and Detz were compensated directly by the KeeperDAO using funds from the DAO Treasury Wallet for their services in support of the

DAO's community initiatives. Neither Linehan nor Detz were ever compensated by Kasparov from funds or assets held in Kasparov-owned wallets.

D. Kasparov Provides The Defendants With Access To the Team Tokens Wallet and the Second Company Wallet In Reliance on Zacherl's Misrepresentations.

33. Zacherl and/or Linehan requested Kasparov to add them as signatories to the Second Company Wallet (containing over \$700,000 in USD Coin), falsely representing to Kasparov that if Kasparov added them as signatories, it would enable them to execute transactions on Kasparov's behalf. Relying on Zacherl and/or Linehan's misrepresentations, Kasparov agreed. On information and belief, neither Zacherl nor Linehan ever intended to execute transactions on Kasparov's behalf; rather, they intended to misappropriate the Second Company Wallet.

34. On October 14, 2021, Kasparov added Zacherl as a signatory to the Second Company Wallet.

35. On February 24, 2022, Kasparov also added Linehan as a signatory to the Second Company Wallet.

36. Thus, as of February 24, 2022, there were six signatories to the Second Company Wallet: (1) Tiantian Kullander, (2) Taiyang Zhang, (3) Bainy Zhang, (4) Susruth Nadimpalli, (5) Zacherl, and (6) Linehan.

37. Zacherl and Linehan were authorized to access the Second Company Wallet only to assist Kasparov in the management of the Second Company Wallet in accordance with Kasparov's objectives for the Rook Project.

38. Neither Zacherl nor Linehan disclosed their plan to use their new signatory authority as a means to deny Kasparov, its owners, representative and affiliates access to the Second Company Wallet.

39. Zacherl and/or Linehan also requested that Kasparov make him and Linehan signatories to the Team Tokens Wallet. Once again, falsely representing to Kasparov that if Kasparov added them as signatories, it would enable them to execute transaction on Kasparov's behalf, which would inure to Zacherl's and Kasparov's benefit. On information and belief, Zacherl never intended to execute transactions on Kasparov's behalf; rather, he intended to misappropriate the Teams Tokens Wallet.

40. Relying on Zacherl's misrepresentations, Kasparov agreed.

41. On October 14, 2021, Kasparov also added Zacherl as a signatory to the Team Tokens Wallet.

42. On January 2, 2022, Kasparov also made Linehan a signatory to the Team Tokens Wallet. Accordingly, as of that date, there were seven signatories to the Team Tokens Wallet: (1) Taiyang Zhang, (2) Tiantian Kullander, (3) Baimy Zhang, (4) Benjamin Wang, (5) Susruth Nadimpalli, (6) Zacherl, and (7) Linehan.

43. In or around April 2022, Kasparov held 452,137.53 ROOK tokens in the Team Tokens Wallet, the remainder having been distributed for various Project-related purposes. At that time, Zacherl and Linehan sought greater authority from Kasparov with regard to the management and development of the Project. In response, Kasparov authorized Zacherl and Linehan to manage 177,777.53 of the over 450,000 ROOK tokens in the Team Tokens Wallet at their own discretion, provided that such discretion was exercised in good faith and in the interests of the Project. This left a balance of 274,360 ROOK tokens that belonged to Kasparov that Zacherl and Linehan were *not* authorized to manage.

44. On April 21, 2022, Kasparov added Detz also as a signatory on the Team Tokens Wallet, again at the request of Zacherl.

E. Zacherl Misappropriated the Team Tokens Wallet

45. On or about June 9, 2022, using their authority as signatories, Zacherl, Linehan and Detz conspired to create and execute a plan through which (1) Benjamin Wang, (2) Susruth Nadimpalli, and (3) Bairy Zhang, each of whom were representatives and/or associates of Kasparov, were removed as signatories on the Team Tokens Wallet. Wang, Nadimpalli and Zhang had been signatories to the Team Tokens Wallet since its creation in November 2000.

46. At the same time, Zacherl, Linehan and Detz also conspired to have Tommy van Rheeden, who acted as their agent and who is not affiliated with Kasparov, added as a signatory to the Team Tokens Wallet.

47. Kasparov did not authorize the removal of Wang, Nadimpalli or Zhang as signatories to the Team Tokens Wallet. Nor did Kasparov authorize van Rheeden's inclusion as a new signatory to the Team Tokens Wallet.

48. Until recently, as a result of these changes to the Team Tokens Wallet's signatories, only two of the original Kasparov signatories to the Team Tokens Wallet—Tiantian Kullander and Taiyang Zhang—continue to be signatories to this day. Following Tiantian Kullander's recent passing, only one of the original signatories—Taiyang Zhang—is still a signatory. Importantly, even though the Team Tokens Wallet and the assets therein (other than any tokens still payable to Zacherl under the Services Agreement, if any) are and always have been the property of Kasparov, Kasparov no longer controls and has access to the Team Tokens Wallet. That is because three signatories are needed to conduct any transactions using the Team Tokens Wallet, and only two of the remaining signatories are affiliated with Kasparov. Through their conspiracy, Zacherl, Linehan, Detz and their agent, van Rheeden, have misappropriated the Team Tokens Wallet from Kasparov, ensuring that, with their four signatories, they and their agents have a sufficient numerical bloc to control the Wallet, to the exclusion of Kasparov.

49. Zacherl, Linehan, Detz and their agent, van Rheeden have used that control to unlawfully prohibit Kasparov or its appointed signatories from accessing or otherwise controlling the Team Tokens Wallet and the ROOK tokens in that Wallet.

50. Kasparov did not approve of the June 2022 changes to the signatories to the Team Tokens Wallet described above. Nevertheless, as a result of Zacherl's misconduct, Kasparov no longer has access to its funds in its Team Tokens Wallet.

F. Zacherl Misappropriated the Second Company Wallet

51. On or about July 7, 2022, a conference call was held during which Kasparov, through Tiantian Kullander, demanded the settlement of funds from the Team Tokens Wallet to a separate wallet to be held by Kasparov. But on the very same day—rather than complying or reinstating the Kasparov-affiliated signatories to their former positions—Zacherl and Linehan took steps to further misappropriate Kasparov's property by taking control of the Second Company Wallet and the digital assets therein. Specifically, Zacherl and Linehan—acting unlawfully and without authorization from Kasparov—removed (1) Bainy Zhang and (2) Susruth Nadimpalli as signatories on the Second Company Wallet, leaving only Tiantian Kullander and Taiyang Zhang as the only remaining Kasparov-affiliated signatories on the Second Company Wallet. On the same day, Zacherl and Linehan added Detz and van Rheeden as additional signatories to the Second Company Wallet. This gave Zacherl, Linehan and their agents four confirmatory signatures, while only two Kasparov-affiliated signatories remained.

52. Importantly, also on or about July 7, 2022, Zacherl and Linehan, knowing that only two of the original Kasparov-affiliated signatories remained, changed the signatory confirmation security protocol applicable to the Second Company Wallet to now require a minimum of *three* confirmatory approvals from registered signatories. In so doing, Zacherl and Linehan sought to prohibit the two remaining Kasparov-affiliated signatories from gaining access to or controlling the Second Company Wallet. By contrast, Zacherl, Linehan, and their

agents, with a total of four signatures, ensured that they would be able to maintain control of Kasparov's Second Company Wallet, wrongly excluding Kasparov.

53. Kasparov did not approve of any of the July 2022 changes to the signatories to the Second Company Wallet described above.

54. As a result of Zacherl's misconduct, Kasparov no longer has access to its funds in the Second Company Wallet.

COUNT I: CONVERSION

55. Kasparov realleges each and every allegation contained in paragraphs 1-54 above as if fully set forth herein.

56. As described above, Kasparov at all times herein is and was the owner of the Team Tokens Wallet and the Second Company Wallet. At all times herein, Kasparov retained the right of immediate possession of the Team Tokens Wallet and the Second Company Wallet. The digital assets in the Team Tokens Wallet and the Second Company Wallet are specific and identifiable.

57. As described above, Kasparov at all times herein is and was the owner of the digital assets in Team Tokens Wallet (other than any tokens still payable to Zacherl under the Services Agreement, if any) and the Second Company Wallet. At all times herein, Kasparov retained the right of immediate possession of the foregoing digital assets.

58. Zacherl has no right of ownership or possession of either the Team Tokens Wallet or the Second Company Wallet.

59. Zacherl knows that he has no right of ownership or possession in the Team Token Wallet or the Second Company Wallet, both of which belong and always have belonged to Kasparov. Nonetheless, Zacherl, in conspiracy with Linehan, Detz and van Rheeden, unlawfully exercised dominion and control over the Wallets and unlawfully interfered with

Kasparov's lawful use and control over the Wallets, and unlawfully deprived Kasparov from control over its Wallets.

60. Zacherl, in concert with Linehan, Detz and/or van Rheeden, have unlawfully caused Kasparov-affiliated signatories to be removed as signatories, and replaced those signatories with his co-conspirators, agents and allies: Linehan, Detz and van Rheeden. None of these changes were approved by Kasparov.

61. As a result of the unapproved changes imposed by Zacherl and his co-conspirators as to the confirmation signatories, there are no longer a sufficient number of Kasparov-affiliated signatories to permit Kasparov to conduct business through or otherwise gain access to and/or control of Kasparov's digital assets in either the Team Tokens Wallet or the Second Company Wallet. Instead, as a result of those same changes, only Zacherl and his co-conspirators have the required number of signatories to conduct business through or gain access to the digital assets in the Team Tokens Wallet and the Second Company Wallet.

62. Zacherl and his co-conspirators have used their new-found and unapproved majority of authorized signatories for each Wallet to obtain and maintain unlawful possession of the Team Tokens Wallet and the Second Company Wallet and the digital assets therein, all of which belong to Kasparov (other than any tokens still payable to Zacherl under the Services Agreement, if any).

63. Kasparov has demanded that Zacherl and his co-conspirators restore Kasparov's control and ability to utilize to the Team Tokens Wallet and the Second Company Wallet by restoring the recently removed Kasparov-affiliated representatives as signatories to both the Team Tokens Wallet and the Second Company Wallet. Zacherl and his co-conspirators have refused to do so.

64. Kasparov has been injured by the refusal of Zacherl and his co-conspirators to restore the former Kasparov-affiliated signatories of both the Team Tokens Wallet and the Second Company Wallet, or to otherwise grant Kasparov access to and control of those Wallets.

65. Zacherl's acts of conversion as set forth above were intentional, wanton, and malicious.

COUNT II: UNJUST ENRICHMENT

66. Kasparov realleges each and every allegation contained in paragraphs 1-65 above as if fully set forth herein.

67. Through the unapproved changes Zacherl and his co-conspirators implemented to the signatories associated with the Team Tokens Wallet and the Second Company Wallet, a measurable benefit has been conferred on Zacherl: namely, possession and control of the digital assets in the Wallets.

68. Through their actions, Zacherl and his co-conspirators deliberately and consciously accepted the benefit of possessing and controlling the digital assets in the Team Tokens Wallet and the Second Company Wallet.

69. The benefit that Zacherl and his co-conspirators accepted was not conferred by Kasparov officiously or gratuitously. Rather, possession and control of the digital assets in the Team Tokens Wallet and Second Company Wallets were taken and have been maintained without Kasparov's approval and over its objection.

70. If Zacherl were permitted to maintain the benefit of possession and control of the Wallets and the digital assets therein, Zacherl would receive a windfall to which he is not entitled. Under the circumstances, it would be inequitable to permit Zacherl to maintain the Wallets or the digital assets therein (other than any tokens still payable to Zacherl under the Services Agreement, if any).

COUNT III: CIVIL CONSPIRACY

71. Kasparov realleges each and every allegation contained in paragraphs 1-70 above as if fully set forth herein.

72. Zacherl agreed with Linehan, Detz and/or van Rheeden to misappropriate (1) the Team Tokens Wallet, (2) the Second Company Wallet, (3) the digital assets held in the Team Tokens Wallet and (4) the digital assets in the Second Company Wallet, all belonging to Kasparov (other than any tokens still payable to Zacherl under the Services Agreement, if any).

73. On or about June 9, 2022, in furtherance of this agreement, Zacherl, Linehan and Detz cut-off Kasparov's ability to access the digital assets held in the Team Tokens Wallet by removing (1) Benjamin Wang, (2) Susruth Nadimpalli, and (3) Bainy Zhang as signatories to the Team Tokens Wallet, and replacing them with their co-conspirator, van Rheeden. These changes effectively cut-off Kasparov's possession and control of the digital assets in the Team Tokens Wallet, transferring that control to Zacherl, Linehan, Detz, and their agent, van Rheeden.

74. On July 7, 2022, also in furtherance of the same unlawful conspiracy, Zacherl and Linehan cut-off Kasparov's ability to access the digital assets held in the Second Company Wallet by removing (1) Bainy Zhang and (2) Susruth Nadimpalli as signatories, and replacing them with their co-conspirators, Detz and van Rheeden. At the same time, Zacherl and Linehan increased the number of required confirmatory signatories necessary to effectuate transactions from the Second Company Wallet, ensuring that only they and their agents—and not Kasparov or its affiliates—would have the necessary number of signatures required to effectuate any such transactions.

75. Kasparov, which has been left without the ability to access or exercise dominion over assets valued in excess of US\$7,500,000 as of the date of this Complaint, has been damaged as a result of Zacherl's conspiracy with Linehan, Detz and van Rheeden.

76. Zacherl's acts of conspiracy as set forth above were intentional, wanton, and malicious.

**COUNT IV: UNFAIR AND DECEPTIVE TRADE PRACTICES IN
VIOLATION OF N.C. GEN. STAT. § 75-1.1 et seq.**

77. Kasparov realleges each and every allegation contained in paragraphs 1-76 above as if fully set forth herein.

78. As described above, Zacherl engaged in unfair and deceptive trade practices by developing and executing a plan with his co-conspirators to fraudulently induce Kasparov's consent to access to Kasparov's accounts and then, in furtherance of that plan, making a series of misrepresentations calculated to deceive Kasparov and misappropriate over US\$7,500,000 (as of the date of this Complaint) in digital assets belonging to Kasparov.

79. Zacherl's actions affected commerce by preventing Kasparov's access to its property, which is used, *inter alia*, in its regular course of business as part of the Rook Project.

80. Zacherl's actions proximately caused injury to Kasparov. Kasparov reasonably and justifiably relied on Zacherl's false representations when it allowed Zacherl access to the accounts, and Zacherl knew and intended that Kasparov would rely on his representations in providing such access.

COUNT V: DECLARATORY RELIEF

81. Kasparov realleges each and every allegation contained in paragraphs 1-80 above as if fully set forth herein.

82. An actual controversy has arisen and now exists between Kasparov and Zacherl concerning whether Zacherl has any right to possess the Team Tokens Wallet or the Second Company Wallet or any of the digital assets therein.

83. Kasparov desires a judicial determination of the rights and duties of the parties and a declaration that (1) it has the right to immediately possess the Team Tokens Wallet, the Second Company Wallet and any and all of the digital assets therein, and (2) that Zacherl has

no right to possess the Team Tokens Wallet or the Second Company Wallet or any of the digital assets therein.

84. Such declaration and determination is necessary and appropriate at this time so that the parties may ascertain their rights and duties. Moreover, a judicial determination is necessary in order to avoid any additional consequences or damage that may occur if the rights of the parties are not adjudicated at this time.

PRAYER FOR RELIEF

WHEREAS, Plaintiff Kasparov respectfully requests that this Court award the following relief:

- a. Compensatory and punitive damages in an amount to be proven at trial;
- b. Pre- and post-judgment interest, to the extent allowable;
- c. A declaration that (1) Kasparov has the right to immediately possess and access the Team Tokens Wallet, the Second Company Wallet and any and all of the digital assets therein, and (2) that Zacherl has no right to possess or access the Team Tokens Wallet or the Second Company Wallet or any of the digital assets therein.
- d. Treble damages pursuant to N.C. Gen. Stat. § 75-1.1 *et seq.*;
- e. All fees, costs, and expenses, including reasonable attorneys' fees related to this action;
- f. Punitive damages; and
- g. Such other and further relief as the Court deems just and proper.

Dated: December 9, 2022

Respectfully Submitted,

s/Joseph A. Mahoney

Joseph A. Mahoney
N.C. State Bar No. 55318

Cecilia G. Rambarat
N.C. State Bar No. 58047

MAYER BROWN LLP
300 North Tryon Street, Suite
1800
Charlotte, NC 28202
(704) 444-3654
jamahoney@mayerbrown.com
crambarat@mayerbrown.com

Alex J. Lakatos (*pro hac vice*
application forthcoming)
MAYER BROWN LLP
1999 K Street, NW
Washington, DC 20006
(202) 263-3000
alakatos@mayerbrown.com

Matthew H. Marmolejo (*pro hac*
vice application forthcoming)
MAYER BROWN LLP
333 South Grand Avenue,
Ste. 4700
Los Angeles, CA 90071
(213) 229-9500
mmarmolejo@mayerbrown.com

Attorneys for Plaintiff