

Selendy Gay and Robbins Geller Rudman & Dowd File Class Action Complaint against Jump Trading, LLC and Kanav Kariya

05/9/2023

Selendy Gay and Robbins Geller Rudman & Dowd filed a class action complaint in the U.S. District Court, Northern District of Illinois on behalf of Taewoo Kim, and all others similarly situated, against Jump Trading, LLC and the president of its cryptocurrency arm, Kanav Kariya.

This is a class action on behalf of all persons who, between May 23, 2021 and May 31, 2022 (the "Class Period"), purchased the digital assets UST or aUST in the United States and were subsequently damaged. The complaint alleges that the defendants schemed with Do Kwon and his company Terraform Labs Pte. Ltd. ("TFL") to manipulate the market price for UST and aUST and to conceal their manipulation for their own benefit, which ultimately resulted in the destruction of billions of dollars' worth of assets held by the class.

The defendants, Kwon and TFL, allegedly began selling digital assets UST and aUST in 2019, with UST functioning as a so-called "stablecoin" with a value continuously pegged at \$1. The complaint alleges that when an algorithm designed by Do Kwon and TFL failed to work as designed to keep the price of their UST stable, the defendants schemed with their early partner and financial backer Jump Trading to manipulate the market prices for UST and aUST by making secret, coordinated trades to prop UST up to its \$1 peg, rather than publicly acknowledging the algorithm's failure.

The complaint alleges that, as part of this scheme, Jump Trading purchased more than 62 million UST tokens between May 23 and May 27, 2021, causing UST's price to artificially inflate. The complaint further alleges that to incentivize and reward Jump Trading for this manipulation, Kwon and TFL agreed to modify the parties' prior agreements and unconditionally convert more than 61.4 million LUNA tokens to Jump Trading. Jump Trading later allegedly resold the LUNA tokens into the market for a staggering profit of over **\$1.28 billion**.

The complaint filed by Selendy Gay and co-counsel argues that Jump Trading's alleged manipulation of the market prices of UST and aUST and its alleged aiding and abetting of TFL and Kwon's effort to manipulate the market violate the Commodity Exchange Act and state law, and seeks to recover for the billions of dollars of harm allegedly suffered by the class.

If you purchased UST or aUST in the United States during the Class Period and would like to learn more, please contact Jordan Goldstein at Selendy Gay by calling (212) 390-9008 or via email at jgoldstein@selendygay.com.

Attorneys

- Jordan A. Goldstein
- Oscar Shine
- Babak Ghafarzade

Practice

- Crypto-Assets