

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JOHN BARKSDALE, and JONATINA L.
BARKSDALE,

Defendants.

Case No. 1:22-cv-1933

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff Securities and Exchange Commission (“Commission”), for its Complaint against John Barksdale and JonAtina (“Tina”) Barksdale (collectively, “Defendants”), alleges as follows:

SUMMARY

1. From at least June 2017 to April 2018, Defendants John and Tina Barksdale fraudulently offered and sold unregistered securities in the form of subscription packages in Ormeus Global, S.A. (“Ormeus Global”), a multi-level marketing business. Also starting in June 2017 and continuing through the present, Defendants fraudulently offered and sold unregistered securities in the form of the digital asset Ormeus Coin. Neither the subscription packages nor Ormeus Coin was ever registered with the Commission as a security – although they should have been under the securities laws.

2. The Ormeus Global subscription packages that Defendants offered and sold included access to a learning portal about digital assets, funds pooled and invested into a digital asset trading system, and tokens of Ormeus Coin. Through Ormeus Global, Defendants marketed

the trading system as a proven program that could give investors passive returns of up to 160% of their initial investment.

3. Defendants, through Ormeus Global and Ormeus Coin, represented to investors that Ormeus Coin would support its value by holding other digital assets earned through its digital asset mining operation. They told investors that Ormeus Coin would permanently place 40% of the profits of the digital asset mining business into digital asset wallets known as the “Ormeus Reserve Vault,” or “ORV,” to support the value of Ormeus Coin, which also made the Ormeus Global packages more attractive to investors. They further represented that the ORV would be publicly displayed at orv.ormeuscoin.com.

4. Defendants knowingly or recklessly made misrepresentations and engaged in deceptive conduct relating to the duration and size of Ormeus Coin’s digital asset mining operation. Ormeus Coin mined digital assets for less than a year, from February 2018 until January 2019. In that time, the entire operation generated less than \$3 million in total revenue. Nevertheless, Defendants misrepresented at various times that the operation was generating \$5.4 million to \$8 million in revenue each month. Defendants also misrepresented that Ormeus Coin had \$30 million, \$35 million, and \$250 million worth of digital asset mining equipment at a time when it had less than \$1 million of equipment in actual operation. Those misrepresentations continued long after January 2019, when the operation ceased altogether.

5. To preserve the fiction that Ormeus Coin was successfully mining digital assets, Defendants arranged for the ORV website to display as its own a digital asset wallet belonging to an unrelated third party, rather than the actual ORV digital asset wallets. That third party’s digital asset wallet first appeared on the ORV website in approximately January 2019 and continued to appear there until December 2021, after Defendants learned that the Commission might file this

enforcement action. The digital assets in the displayed wallet (approximately 3081 bitcoin) were worth more than \$190 million as of November 2021. By contrast, the assets in the actual ORV digital asset wallets (approximately 7 bitcoin) were worth less than \$500,000 as of November 2021.

6. To this day, a document on the Ormeus Coin website, which Defendants reviewed and approved before it was posted, continues to misrepresent that Ormeus Coin has one of the largest digital asset mining operations in the world and that Ormeus Coin is actively mining digital assets in North America. That document also refers current and prospective investors to the ORV website, which only became inactive in December 2021, to view what purported to be the ORV digital asset wallet but was in fact the digital asset wallet of a third party.

7. Defendants have also launched additional digital assets, Ormeus Cash (OMC) and Ormeus Ecosystem (ECO), which purport to run in connection with Ormeus Coin. A document on the Ormeus Cash website, which Defendants reviewed and approved before it was posted, falsely claims that Ormeus Coin has one of the biggest digital asset mining operations in the world.

8. Additionally, Defendants and others working at their direction engaged in manipulative trading of Ormeus Coin in the days surrounding Ormeus Global roadshow events to boost the price of Ormeus Coin, which were included in Ormeus Global subscription packages. Coordinated trading designed to artificially inflate a security's market price is prohibited by the securities laws. Defendants' knowing or reckless manipulation of the market deceived investors about the value of Ormeus Coin and therefore the value of Ormeus Global subscription packages.

9. Through their fraudulent conduct, Defendants raised at least \$124 million from over 20,000 investors in the United States and various countries across the globe. Defendants have used

millions of dollars of investor money for their own personal benefit including for travel and to purchase real estate.

10. By engaging in this conduct, as further described herein, Defendants violated and, unless restrained and enjoined by the Court, may continue to violate Sections 5(a) and (c) and 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77e(a), (c), q(a)], and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5].

VENUE AND JURISDICTION

11. This Court has subject matter jurisdiction over this action pursuant to Securities Act Sections 20(b) and 22(a) [15 U.S.C. §§77t(b) and 77v(a)] and Exchange Act Sections 21(d), 21(e), and 27 [15 U.S.C. §§78u(d), 78u(e), and 78aa]. In connection with the conduct alleged in this Complaint, Defendants, directly or indirectly, have made use of the means or instruments of transportation or communication in interstate commerce, or the means or instrumentalities of interstate commerce, or of the mails, or of any facility of any national securities exchange.

12. Venue is proper in this District pursuant to Securities Act Section 22 [15 U.S.C. §77v] and Exchange Act Section 27 [15 U.S.C. §78aa]. Certain of the acts, practices, transactions, and courses of business constituting the violations alleged in this Complaint occurred within this District. Defendants fraudulently offered and sold unregistered securities to investors within this District.

DEFENDANTS

13. **John Barksdale**, age 41, is a U.S. citizen who at all relevant times resided on the resort island of Ko Samui in Thailand. He was the founder and primary entrepreneur behind Ormeus Global, S.A. (“Ormeus Global”) and its digital tokens Ormeus Coin (ORME), Ormeus

Cash (OMC), and Ormeus Ecosystem (ECO). Mr. Barksdale controlled the operations of Ormeus Global and Ormeus Coin, including its digital asset wallets, and personally solicited investors through webinars and in-person roadshows. In these presentations, Mr. Barksdale routinely made material misrepresentations about Ormeus Coin and its mining operation to induce investments. Mr. Barksdale also instructed Ormeus Global employees and officers to draft marketing materials, including whitepapers and press releases, containing material misrepresentations about Ormeus Coin and its digital asset mining operation, which he approved for publication.

14. **JonAtina (“Tina”) L. Barksdale**, age 45, is a U.S. citizen who at all relevant times resided in Hong Kong. She is the sister of John Barksdale and with him controlled the operations of Ormeus Global and Ormeus Coin. Tina Barksdale worked in Ormeus’s Hong Kong office, was responsible for coordinating the marketing videos the company used to fashion itself as a legitimate company, and managed bank accounts for the business. Like her brother, she also reviewed and approved marketing materials that contained material misrepresentations about Ormeus Coin and its digital asset mining operation.

RELEVANT ENTITIES

15. **Ormeus Global, S.A. (“Ormeus Global”)** was a company organized in Panama on September 4, 2017, with its principal place of business in Hong Kong. All of its corporate officers, however, resided in the United States. Ormeus Global was a multi-level marketing company that offered subscription packages featuring a number of related products, including an algorithm-based trading system that traded digital assets for investors and the digital asset Ormeus Coin. Ormeus Global has not been active since approximately April 2018 and has no assets.

16. **Ormeus Coin (ORME)** is an ethereum-based ERC-20 digital asset that Defendants developed and first listed for trading in June 2017 on a now-defunct digital asset trading platform

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