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**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
SEATTLE DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ISHAN WAHI, NIKHIL WAHI, AND SAMEER
RAMANI,

Defendants.

Civil Action No. _____

COMPLAINT

JURY TRIAL DEMANDED

Plaintiff United States Securities and Exchange Commission (the “Commission”), for its
Complaint against Defendants Ishan WahI, Nikhil WahI, and Sameer Ramani, alleges as follows:

SUMMARY

1. This case involves insider trading in certain crypto asset securities that Coinbase Global, Inc. (“Coinbase”) announced would be “listed,” or made available to trade, on its crypto asset trading platform. From at least June 2021 through April 2022, Ishan WahI (“Ishan”), a manager in Coinbase’s Assets and Investing Products group, repeatedly tipped material, nonpublic information about the timing and content of Coinbase’s “listing announcements” – in which Coinbase announced that crypto assets would be listed on its trading platform – to his brother Nikhil WahI (“Nikhil”) as well as his close friend Sameer Ramani (“Ramani”). Nikhil and Ramani used this information to trade ahead of multiple listing announcements, earning at least \$1.1 million in illicit profits.

2. Ishan violated the duty of trust and confidence he owed to Coinbase when he repeatedly tipped Nikhil and Ramani. In turn, Nikhil and Ramani each repeatedly traded on the

1 basis of material, nonpublic information that they knew, were reckless in not knowing, or
2 consciously avoided knowing that Ishan had provided them in breach of his duty to Coinbase and
3 for a personal benefit. Ishan benefitted from his tip because he bestowed gifts of valuable material,
4 nonpublic information on a trading relative and a close friend.

5
6 3. Coinbase is one of the largest crypto asset trading platforms in the U.S., with more
7 than 98 million registered users. Coinbase has had a practice, since at least May 2020, of publicly
8 announcing on its blog or Twitter feed when it will begin listing certain crypto assets on its trading
9 platform. The prices of crypto assets identified in these listing announcements, including crypto
10 asset securities, typically appreciate quickly and significantly. (As used in this complaint, “crypto
11 asset security” refers to an asset that is issued and/or transferred using distributed ledger or
12 blockchain technology – including, but not limited to, so-called “digital assets,” “virtual
13 currencies,” “coins,” and “tokens” – and that meets the definition of “security” under the federal
14 securities laws.) The trading volume also multiplies, sometimes exponentially.

15
16 4. At all relevant times, Coinbase’s employee policies stated that “material nonpublic
17 information” included “information about a decision by Coinbase to list, not list, or add features to a
18 Digital Asset [separately defined to include tokens].” The policies further emphasized that
19 Coinbase employees should never disclose material, nonpublic information to any other person,
20 including family and friends, or tip others who might make a trading decision using that material,
21 nonpublic information.

22
23 5. As a manager in Coinbase’s Assets and Investing Products group, Ishan – who had
24 expressly acknowledged his duty to keep listings information confidential – was entrusted with
25 first-hand knowledge of what crypto assets Coinbase planned to support and when Coinbase
26 planned to make listing announcements. He also knew that conversations about this confidential

1 information needed to be limited, even within Coinbase, to – as Ishan himself once noted – a
2 “tighter circle.”

3 6. Nevertheless, ahead of multiple listing announcements in 2021 and 2022, and in
4 breach of the duty he owed to Coinbase, Ishan repeatedly tipped his brother, Nikhil, and his close
5 friend, Ramani, with material, nonpublic information about those listings’ timing and content.
6 Ishan communicated by phone and text with both Nikhil and Ramani during 2021 and 2022,
7 including exchanging phone calls and messages with both that would not be captured in U.S. phone
8 company records because, among other things, Ishan was using a phone with a non-U.S. phone
9 number (the “Foreign Phone”). For example, on October 20, 2021, the same day as a Coinbase
10 listing announcement, Nikhil messaged Ishan’s Foreign Phone a dollar sign and the eyes emoji: “\$
11 👁️.”
12

13
14 7. Nikhil and Ramani, who knew, consciously avoided knowing, or were reckless in not
15 knowing that Ishan was breaching a duty by providing them with this listing information, repeatedly
16 purchased the crypto assets Coinbase planned to list ahead of these announcements. Between at
17 least June 2021 and April 2022, blockchain addresses linked to Nikhil and Ramani traded ahead of
18 – sometimes just minutes before – more than 10 such announcements, trading in at least 25 crypto
19 assets. As alleged in this Complaint, this repeated pattern of Ishan tipping Nikhil and Ramani with
20 inside information, followed by Nikhil and Ramani trading on that information, included trading in
21 at least nine crypto asset securities, which were listed in seven of these announcements.
22

23 8. For example, on November 12, 2021, Ishan learned that Coinbase would soon
24 announce the listing of the crypto asset POWR. As alleged further below, POWR was a crypto
25 asset security. On November 15, 2021, just minutes after receiving confirmation that POWR would
26 be listed later that day, Ishan called Nikhil. Beginning at 2:52 pm ET – just two minutes before the

1 Coinbase listing announcement – a blockchain address Nikhil controlled purchased 18,413 POWR
2 at a cost of approximately \$7,000. Almost immediately after the announcement, that blockchain
3 address exchanged those POWR tokens for approximately \$10,050 in another crypto asset. As a
4 result, Nikhil realized illicit proceeds of approximately \$3,050.

5
6 9. Nikhil’s and Ramani’s suspicious trading drew attention. On May 11, 2022,
7 Coinbase’s Director of Security Operations emailed Ishan to schedule an interview with Coinbase’s
8 Legal Department in connection with an “ongoing company investigation into Coinbase’s asset
9 listing process.” Ishan – using the Foreign Phone – then sent a screen shot of the interview request
10 to both Nikhil and Ramani, and stated that he needed to speak with them urgently. On Monday,
11 May 16 – the day of his scheduled interview – Ishan emailed coworkers that he would be “out
12 indefinitely” because he “had to fly back to India overnight.” Ishan did not appear for his scheduled
13 interview, but was prevented from leaving the country by law enforcement. Using the Foreign
14 Phone, Ishan tried to call both Nikhil and Ramani several times on May 16.

16 NATURE OF PROCEEDING AND RELIEF SOUGHT

17 10. The Commission brings this action against Ishan Wahi, Nikhil Wahi, and Ramani
18 pursuant to Sections 21(d), 21A, and 27 of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78u,
19 78u-1, and 78aa (“Exchange Act”) to enjoin the transactions, acts, practices, and courses of business
20 alleged in this Complaint and to seek disgorgement, prejudgment interest, civil penalties, and such
21 further relief that the Court may deem appropriate.

23 JURISDICTION AND VENUE

24 11. The federal securities laws define what a security is. That definition includes
25 “investment contracts.” Section 2(a)(1) of the Securities Act of 1933, 15 U.S.C. § 77b(a)(1);
26 Section 3(a)(10) of the Exchange Act, 15 U.S.C. § 78c(a)(10); *see also SEC v. W.J. Howey Co.*, 328

1 U.S. 293, 298-99 (1946) (interpreting “investment contract”). The law vests the Commission with
2 broad jurisdiction to regulate the securities markets and to bring actions for violations of the federal
3 securities laws, including fraud and insider trading. *See* Sections 10(b), 21, 21A, and 27 of the
4 Exchange Act, 15 U.S.C. §§ 78j(b), 78u, 78u-1, and 78aa; *see also* Commodity Exchange Act
5 Sections 1(a)(41) and 2(a)(1)(A), 7 U.S.C. §§ 1(a)(41), 2(a)(1)(A) (preserving the SEC’s
6 jurisdiction and confirming that the federal securities laws apply to securities).
7

8 12. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e), 21A,
9 and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d), 78u(e), 78u-1, and 78aa.

10 13. Venue in this district is proper pursuant to Section 27(a) of the Exchange Act, 15
11 U.S.C. §§ 78aa(a). Certain of the purchases and sales of securities and acts, practices, transactions,
12 and courses of business constituting the violations alleged in this Complaint occurred within the
13 Western District of Washington, and were effected, directly or indirectly, by making use of the
14 means, instruments, or instrumentalities of transportation or communication in interstate commerce.
15 In particular, many of the communications and trades described herein originated in, or were
16 ordered from, this District. Moreover, during the relevant period, Defendants Ishan and Nikhil
17 resided in this District.
18

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