

Zweiback, Fiset & Zalduendo Represents Key Witness in Massive SEC Securities Case

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litigation boutique [Zweiback, Fiset &](#)

[Zalduendo LLP](#) is pleased to announce

that after a two week trial in Securities

and Exchange Commission v. Terraform Labs Pte Ltd., et al (Case No. 1:23-cv-01346-JSR) a jury verdict was reached in the United States District Court for the Southern District of New York finding Terraform Labs PTE Ltd. and Do Kwon liable for defrauding investors in a cryptocurrency scheme that resulted in losses of over \$40 billion in investor funds. The SEC delivered the following statement, "We are pleased with today's jury verdict ... the defendants caused devastating losses for investors and wiped out tens of billions of market value nearly overnight... it is high time for the crypto markets to come into compliance."



Zweiback, Fiset & Zalduendo LLP represented the former Chief Product Officer at Chai who first brought the fraudulent activity to the attention of the regulators as an SEC whistleblower. The whistleblower testimony at trial brought into focus the fact that the Defendants knowingly and falsely represented to the public that Terraform's blockchain was used in the popular Korean mobile payment app, Chai – when, in fact, it was not. This testimony was key to the SEC's case and highlighted the fraud by clearly stating that merchants were not actually paid with cryptocurrency despite the company's representations to the contrary.

The lead attorney on the case, [Rachel Fiset](#), says, "Our client first brought the fraudulent activity to the attention of the SEC in October 2021 in advance of what he believed was a foreseeable collapse that would cost the public billions. While he could not prevent the collapse, the jury verdict holds the company and founder accountable for their acts."

The SEC is seeking civil financial penalties and orders barring Kwon and Terraform from the securities industry.

Kwon, who was arrested in Montenegro in March 2023, did not attend the trial, which began on March 25. Both the U.S. and South Korea, where Kwon is a citizen, have sought his extradition on criminal charges.

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Zweiback Fiset & Zalduendo LLP is a Los Angeles based premier woman-owned law firm representing a wide range of clients including Fortune 500 companies, individuals, public officials, and government entities achieving remarkable results in complex litigation, government investigations, whistleblower lawsuits and white collar criminal defense.

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