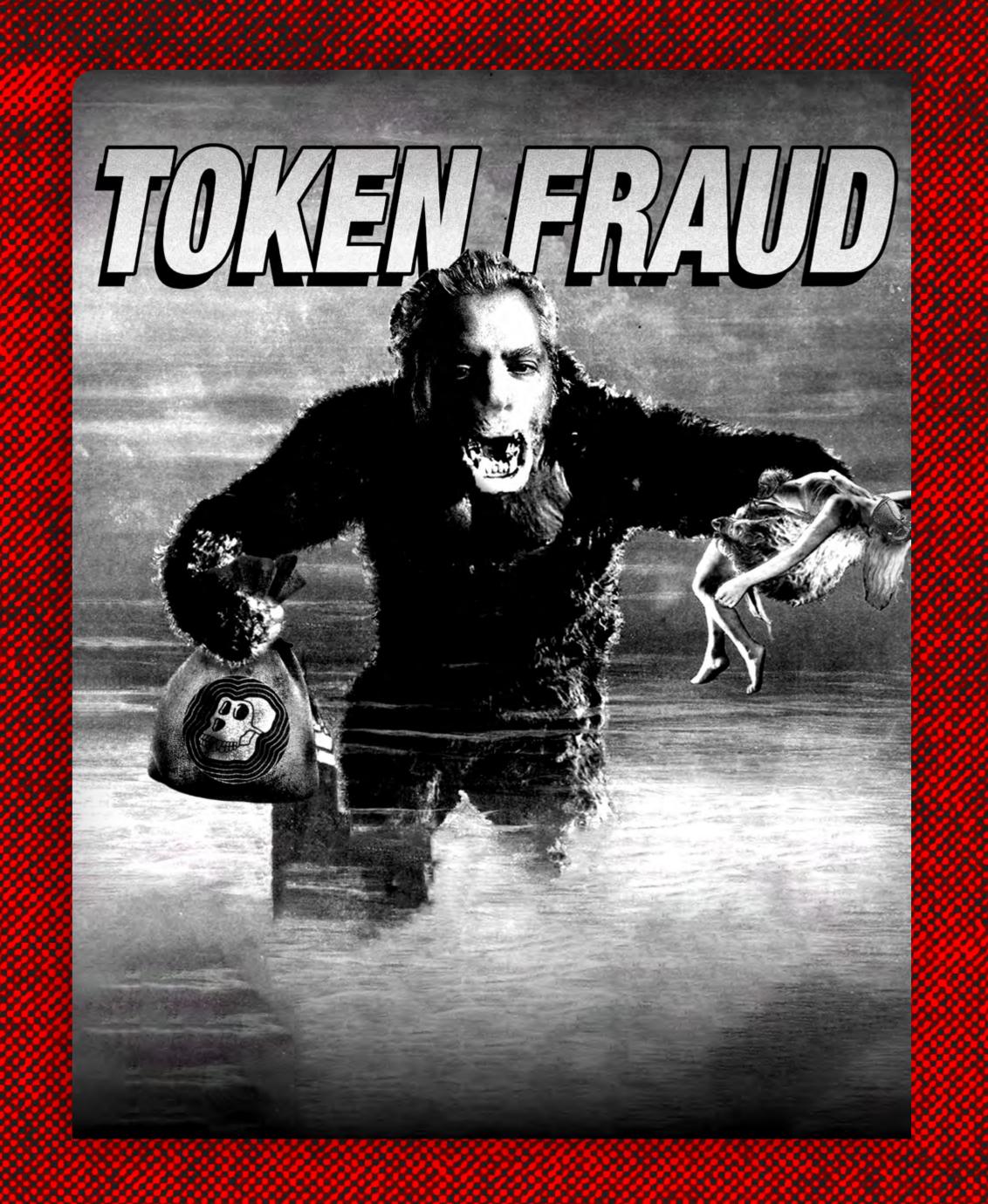
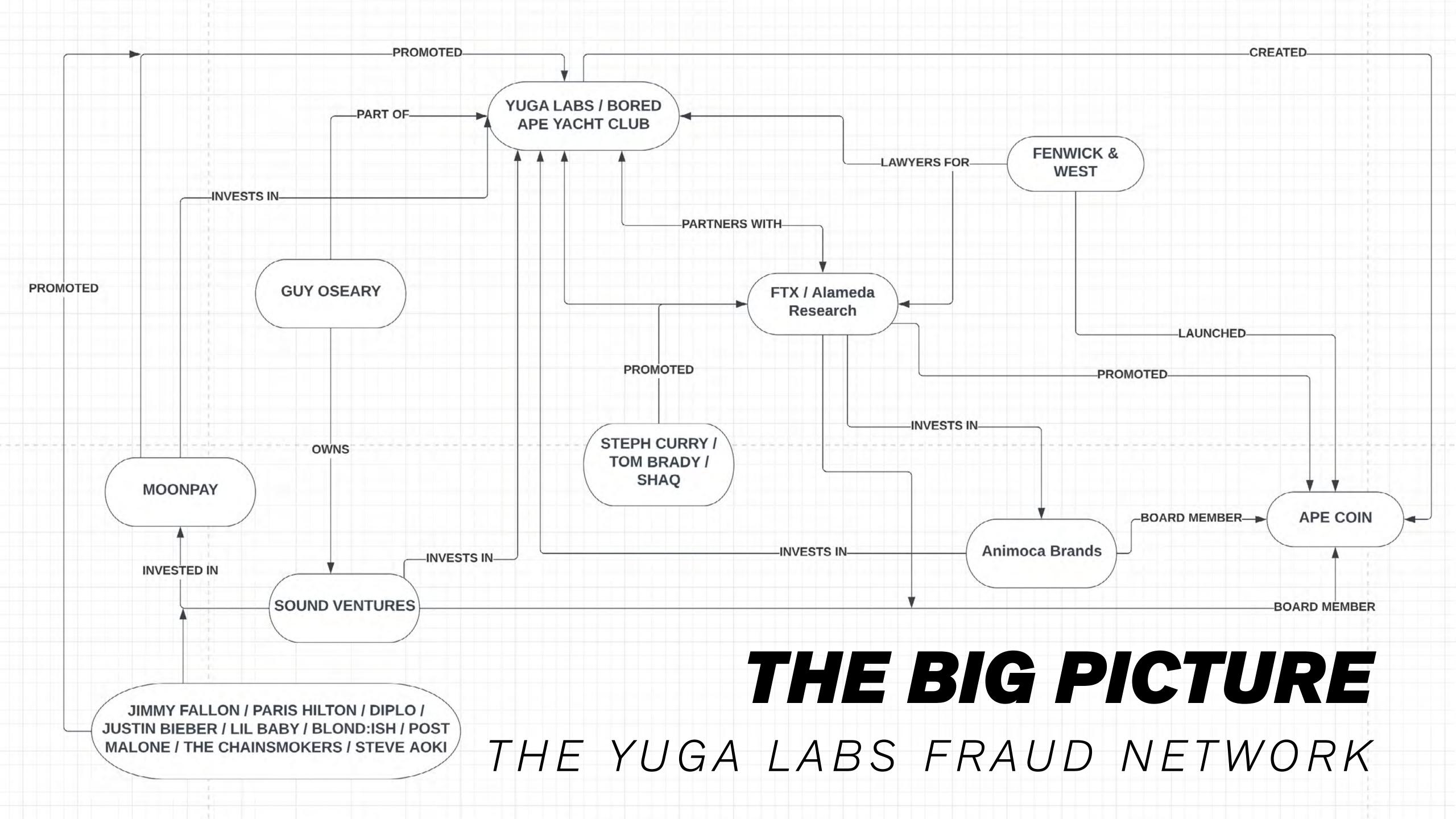


YUGA LABS, CREATORS
OF THE BORED APE
YACHT CLUB NFT
ARE COMMITTING
MASS FRAUD...

DOCUMENT PREPARED FEB.2023

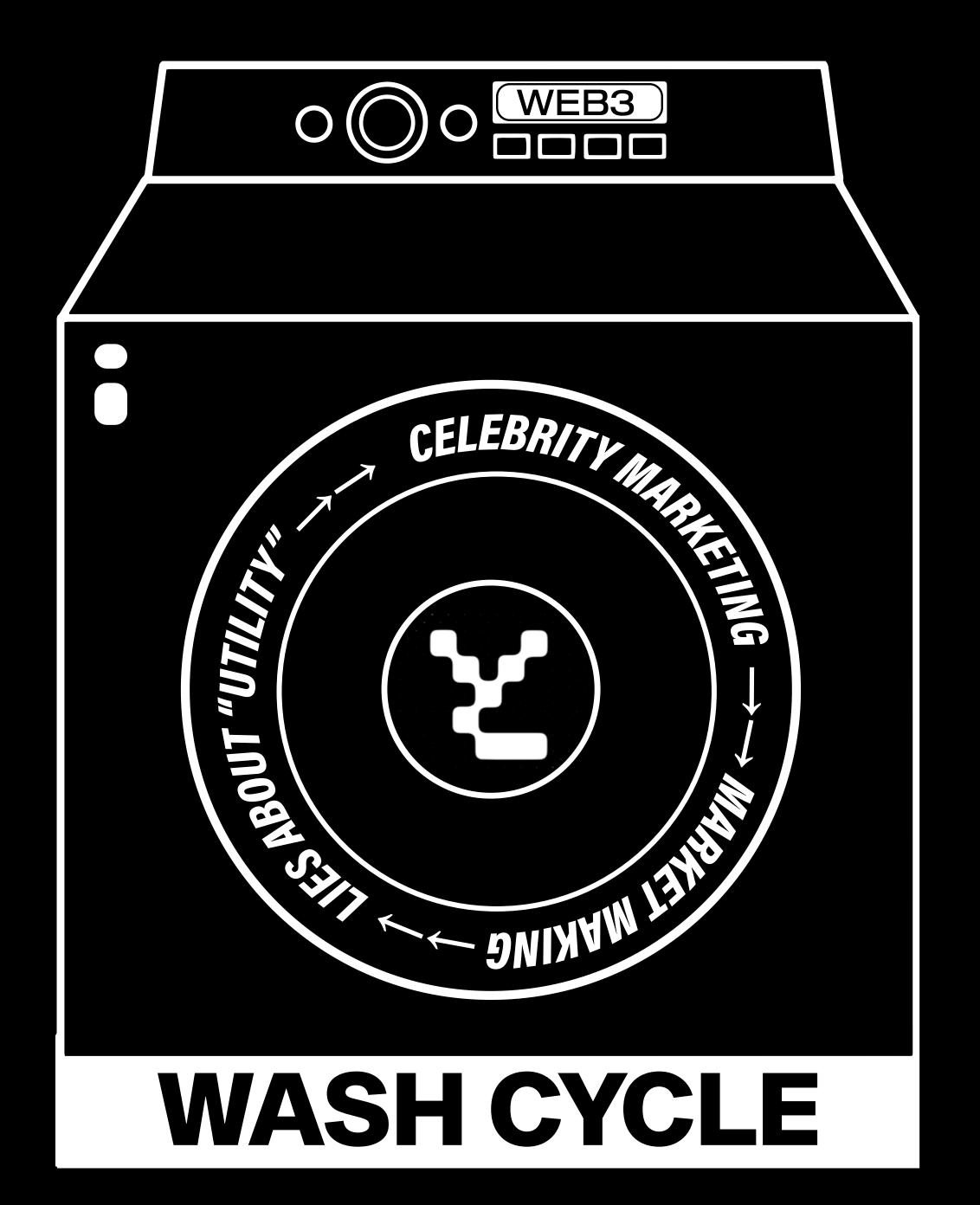






THE MONEY

MACHINE



CHAPTERS

- 1. THE FALL STARTS
- 2. FIRST SIGN OF THE FALL: FTX
- 3. YUGA MAY BECOME THE NEXT FTX
- 4. THE MECHANICS OF TOKEN FRAUD
- 5. THE IP / COPYRIGHT CON
- 6. CONCLUSION

Pictured Right: Celebrities With Their Bored Apes

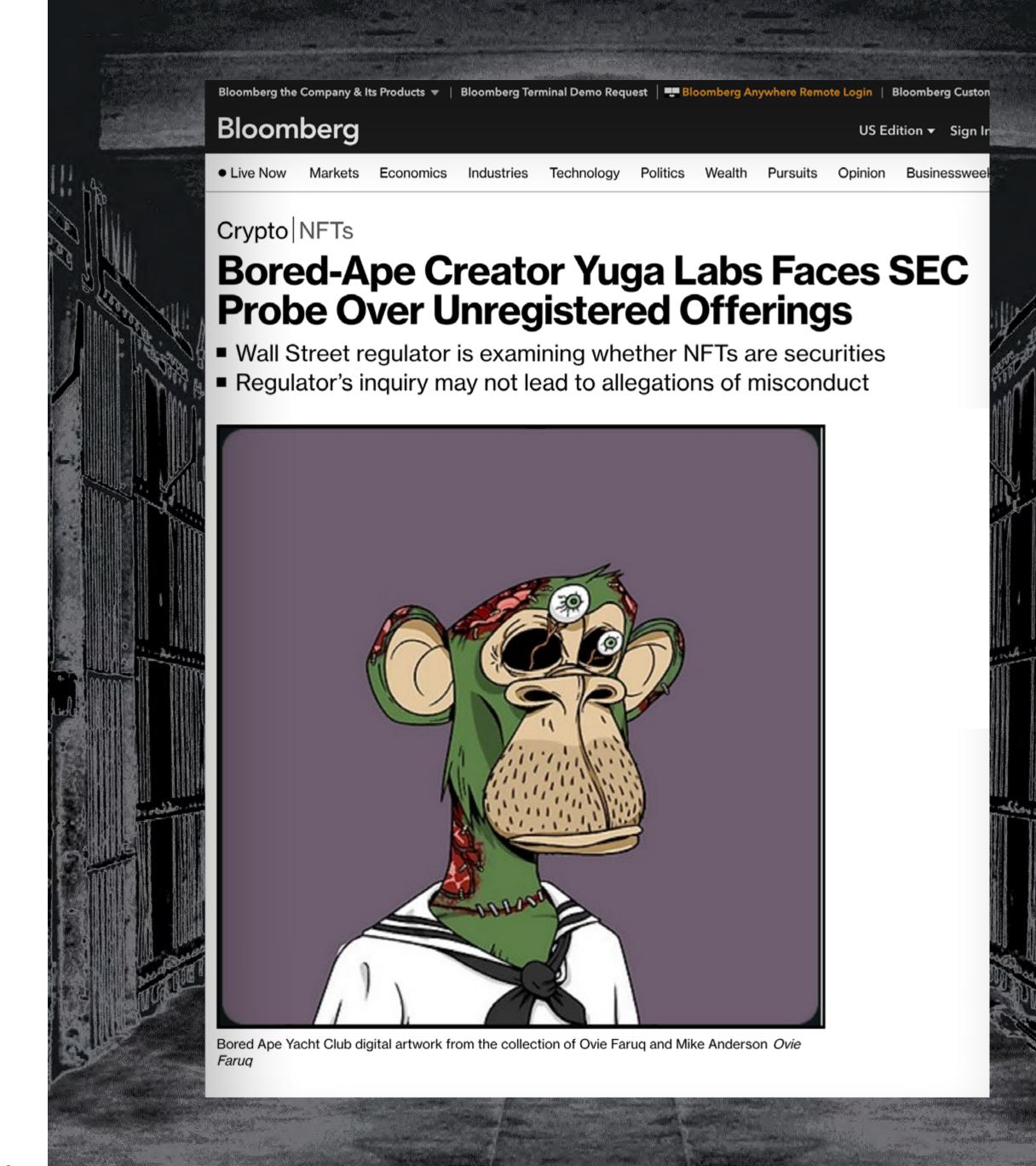




SEC BEGINS YUGA LABS PROBE

The United States Securities & Exchange Commission launched a formal investigation into Yuga Labs announced October 2022 – investigating the company for at least five unregistered security offerings.

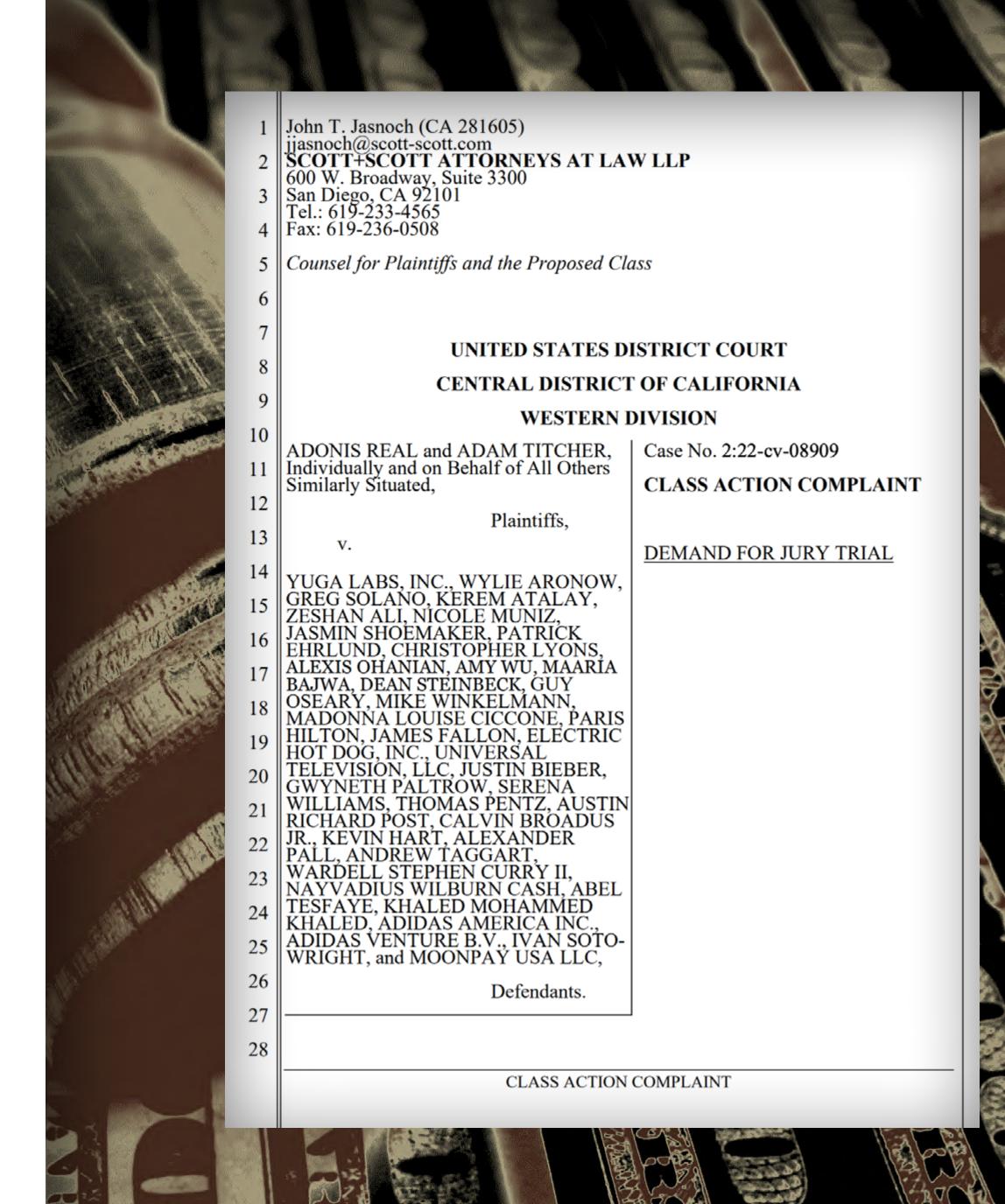
https://www.bloomberg.com/news/articles/2022-10-11/bored-ape-creator-yuga-labs-faces-sec-probe-over-unregistered-offerings



CLASS ACTION LAWSUIT FILED

Scott & Scott LLP has filed a class action lawsuit, naming a slew of Yuga affiliated celebrities and tech cohorts who are accused of fraudulent and predatory financial schemes.

https://scott-scott.com/wp-content/uploads/2022/12/ECF-1-Complaint-1-1.pdf



YUGA SUES ITS MOST VOCAL CRITICS

Artist Ryder Ripps & NFT Developer Jeremy Cahen are being sued in Federal Court by Yuga Labs for Trademark Infringement, after creating a parody collection titled RR/BAYC, and calling out the company for cultural and financial fraud for over a year.

https://www.courtlistener.com/docket/63458882/yuga-labs-inc-v-ripps/



Meister & Steiner PLLC

RR/BAYC
July 12, 2022
FOR IMMEDIATE RELEASE
rrbayc@protonmail.com

WILMERHALE AND MEISTER & STEINER RETAINED AS DEFENSE COUNSEL BY RIPPS AND CAHEN

Ryder Ripps and Jeremy Cahen, have secured defense counsel in their suit against Yuga Labs. Lead counsel Louis Tompros, WilmerHale—who recently represented Matt Furie, creator of Pepe The Frog, in his copyright cases against the alt-right and appeared in the Emmy-winning and Sundance prize-winning documentary Feels Good Man—is a seasoned litigator and Lecturer on Law at Harvard who has represented clients intellectual property matters in courts throughout the country. Louis (Harvard Law School '03) is frequently cited as an authority in the application of intellectual property law to evolving internet phenomena, including memes, deepfakes and NFTs.

Acting as co-counsel is attorney and artist Alfred Steiner, Meister & Steiner PLLC. Alfred (Harvard Law School '98) has advised clients for over 20 years on technology, media and intellectual property transactions as well as trademark and copyright matters with a focus in art law. He has written extensively on the intersection between NFTs and intellectual property law, with recent works including Bored Apes & Monkey Selfies: Copyright & PFP NFTs and The Paper It's Printed On: NFTs, Ownership and Conceptual Art.

Trademark law is not a muzzle—Yuga is misusing the court system to selectively punish and silence Ripps and Cahen for creating art that speaks out against their litany of lies and unethical behavior. Yuga's filing—full of mischaracterizations and contradictions—failed to even include the Nazi-inspired logo that sits at the core of their complaint:







Ripps and Cahen are confident that their First Amendment right to freedom of speech will be vindicated both at law and in the court of public opinion. They are prepared to confront Yuga's claims with full force and confidence.

8.

YUGA SUES VOCAL DEVELOPER

Seven months after suing Ripps & Cahen Yuga Labs filed an additional lawsuit against Ryan Hickman, another outspoken critic and engineer/developer of the artistic protest RR/BAYC.

Pictured right: Ripps, Hickman and Cahen

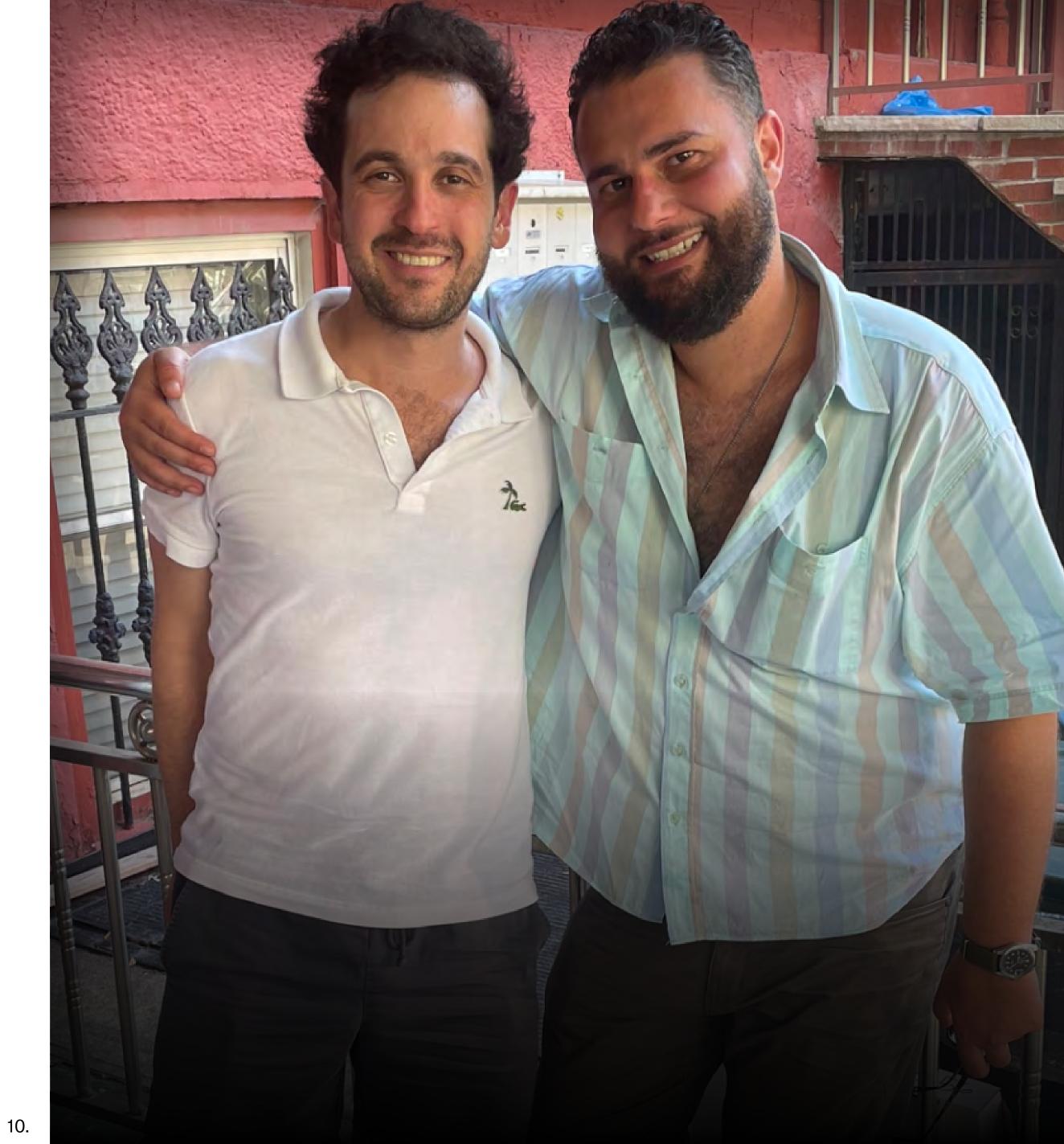


YUGA SUES FOUNDER OF GENIUS.COM

Tom Lehman, a developer who founded Genius.com and worked as part of the 4 person team behind RR/BAYC, recently settled a third trademark infringement lawsuit filed against him by Yuga Labs. Lehman is a passionate builder and ardent supporter of decentralization.

His settlement followed a pattern of harassment and frivolous litigation directed at all 4 members of the protest project.

Pictured right: Lehman and Cahen



HIRED 5 DIFFERENT LAWFINS

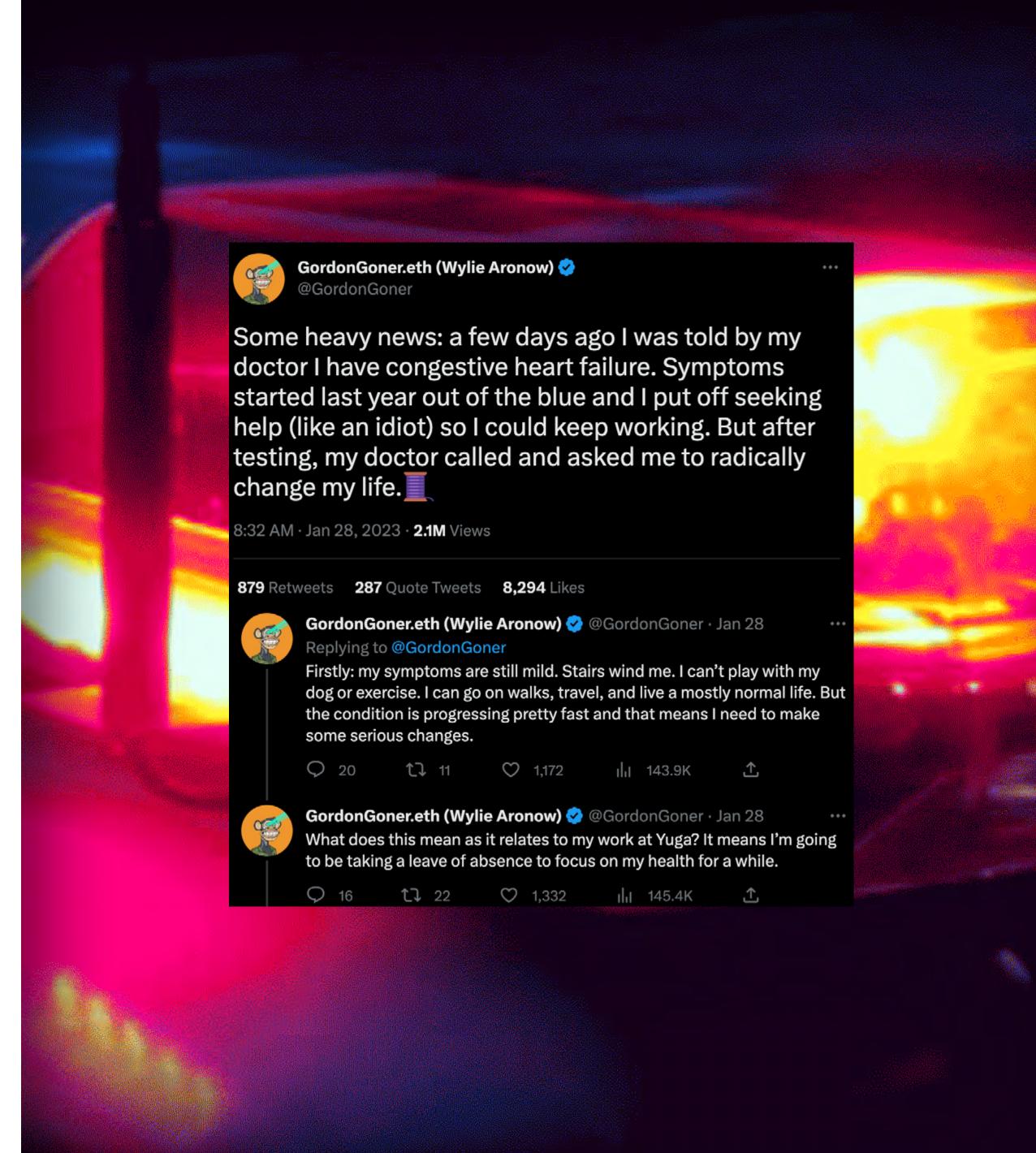
Yuga has been aggressively hiring legal counsel from all directions, beginning with FTX lawfirm Fenwick & West. They also added crisis management & defamation specialty firm Clare Locke LLP, and recruited Anne Termine, former Chief Trial Attorney at the U.S. Commodity Futures Trading Commission (CFTC)

Pictured right: Lead Counsel, Eric Ball



FOUNDER WYLIE ARONOW LEAVES

On 1/28/23 Yuga Labs & Bored Ape Yacht Club Founder Wyle Aronow aka Gordon Goner stepped down from his role at the company, citing Congestive Heart Failure at the age of 35. His exit is a sign of inner turmoil and his former company's impending collapse.





Yuga started showing cracks when partner & seed investor FTX was exposed as the greatest financial fraud in US history – FTX stole billions of dollars in user deposits.

Yuga engaged with FTX in a pattern of illicit activity.

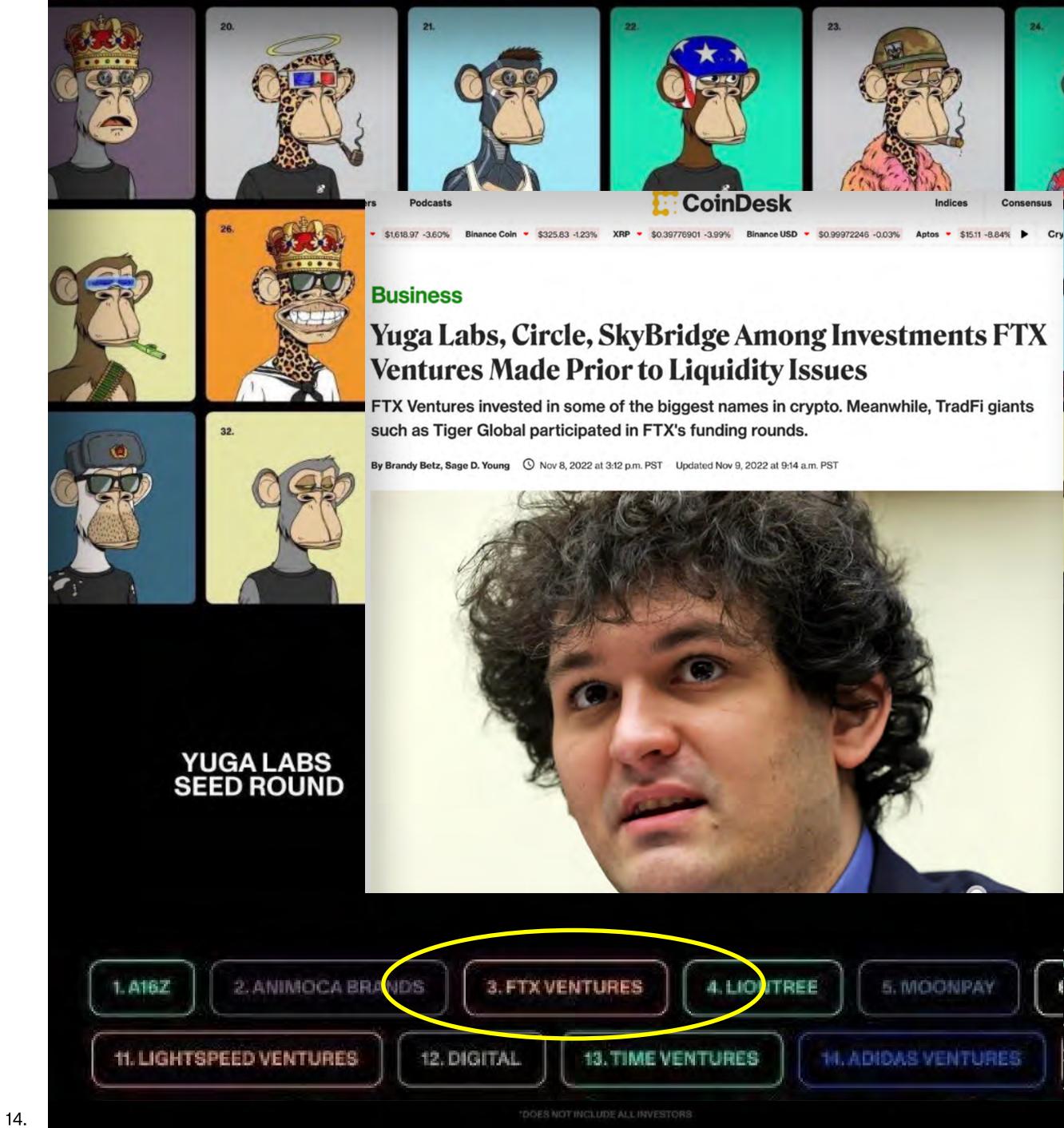
https://www.forbes.com/sites/forbesstaff/article/the-fall-offtx/?sh=d6da14c7d0c7

FTX INVESTED IN YUGA LABS

Yuga Labs collected a \$50m seed investment from Sam Bankman Fried's FTX Ventures as part of a \$450m funding round, at a bloated 4 billion dollar valuation. It was later discovered that FTX had been investing stolen user funds, via a company backdoor and their subsidiaries such as Alameda Research.

In short order, FTX and Yuga Labs went onto form a prolific bilateral partnership, that included a high profile \$24m Sotheby's auction and additional joint advertisements.

https://www.coindesk.com/business/2022/11/08/yuga-labs-circleskybridge-among-investments-ftx-venture-made-prior-to-liquidity-issues/



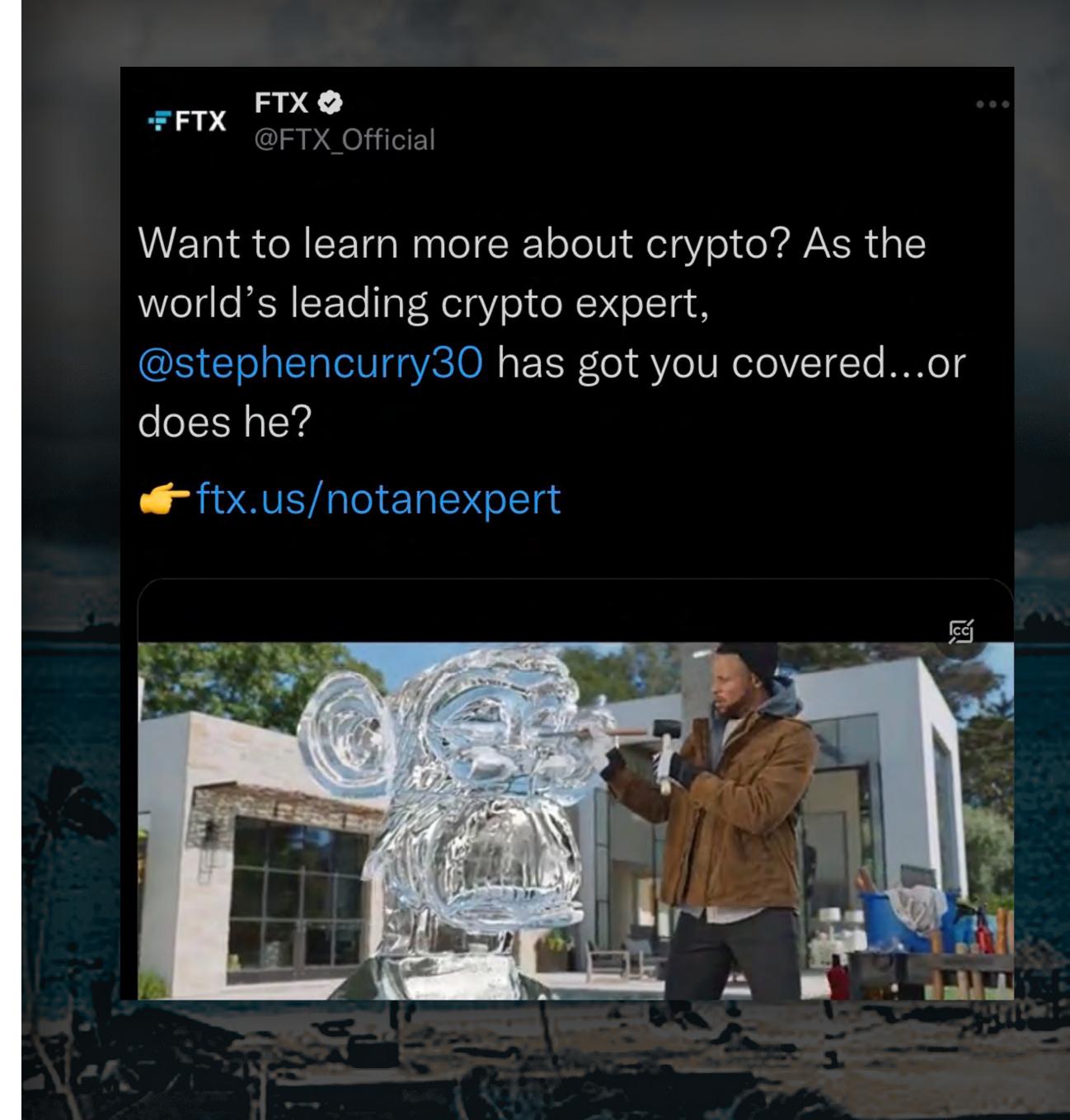
FTX / YUGA HAVE SHARED ADS

FTX & Yuga Labs published a Joint advertisement featuring NBA superstar Stephen Curry. Both companies were also endorsed by sports legends Shaquille O'Neal & Tom Brady. Both of whom have since distanced themselves from crypto at large.

Shaq was later quoted as saying "I don't even believe in crypto."

https://www.youtube.com/watch?v=kJTwwfS4vBs

https://www.businessinsider.com/shaq-ftx-commercial-just-paid-spokesperson-crypto-2022-12?op=1



YUGA REMOVED THEIR \$ FROM FTX EXCHANGES

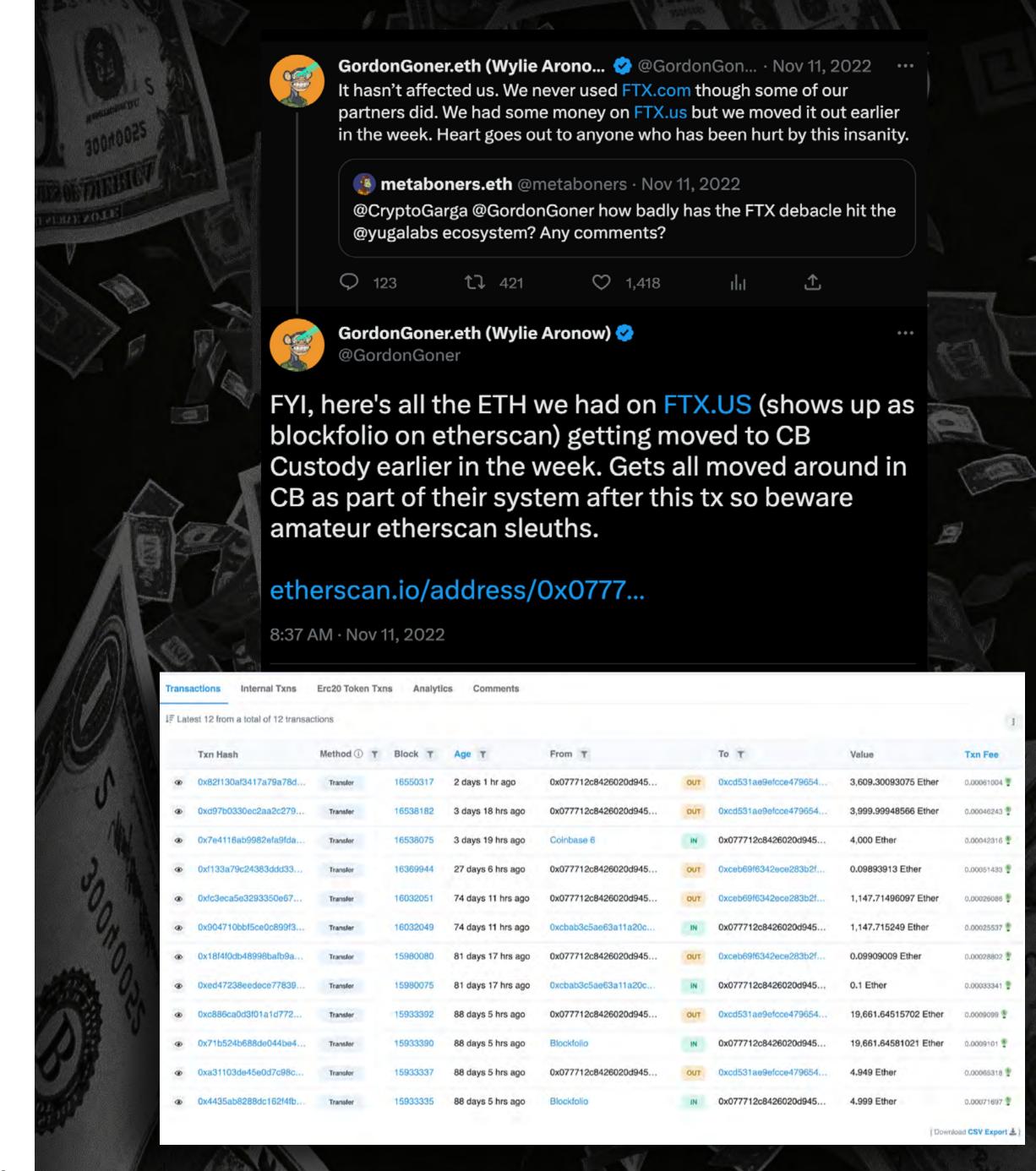
Yuga Labs operated on insider information, removing large holdings from FTX's exchanges, just prior to their collapse and subsequent bankruptcy. Founders Wylie Aronow and Greg Solano provided questionable comments on these matters, only to be later listed as FTX creditors in formal bankruptcy proceedings.

https://etherscan.io/address/0×077712c8426020d945b4303b3074073f6f-

4fac7b

https://twitter.com/GordonGoner/status/1591107889728471043

https://twitter.com/metacryptokol/status/1591992619282092032/photo/2



FTX & YUGA LABS SHARED LAWFIRM: FENWICK & WEST

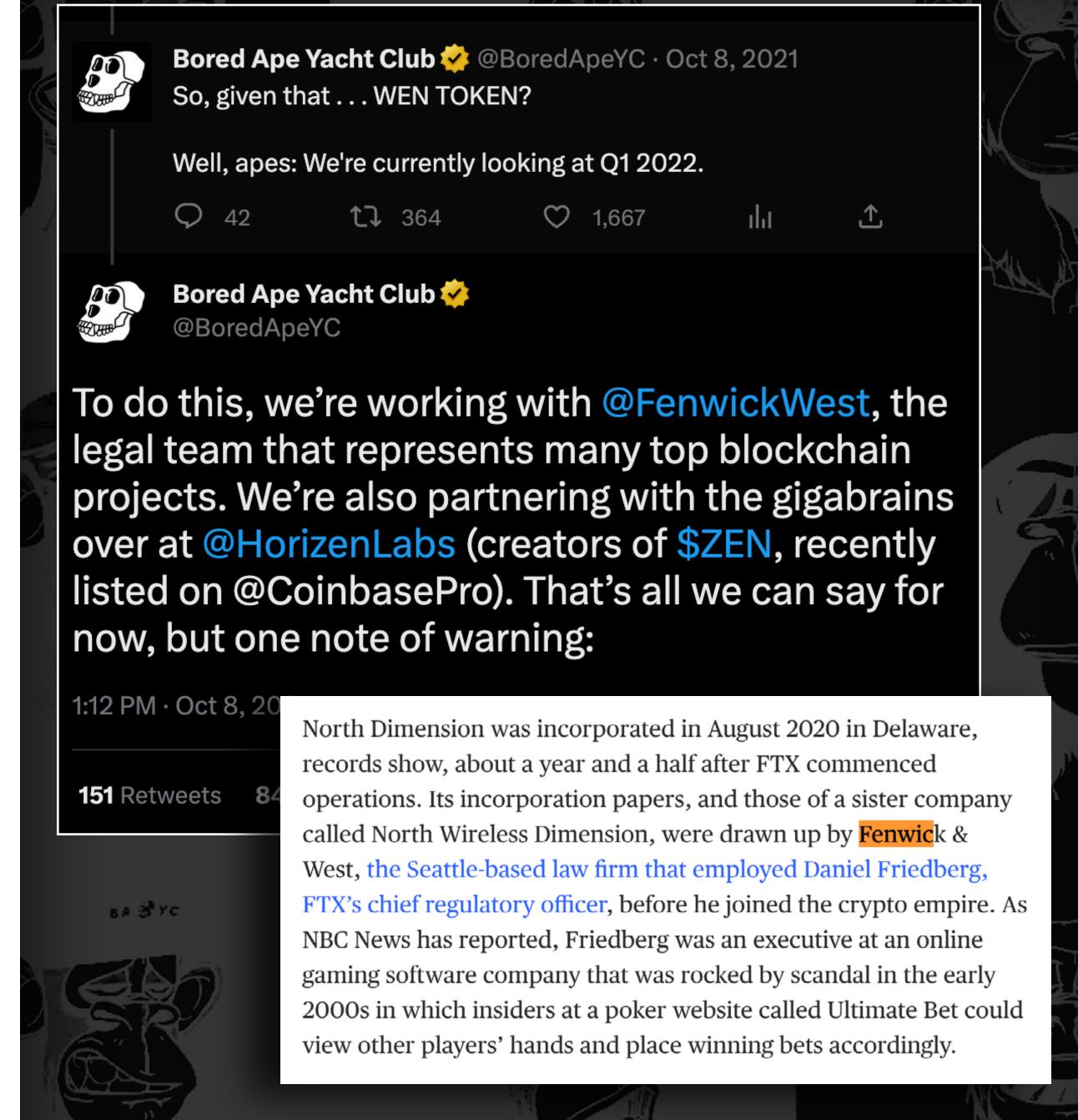
Yuga Labs and FTX are represented by the same elite silicon valley lawfirm - Fenwick & West LLP. Former Fenwick partner, Dan Friedberg, helped FTX establish the greatest fraud in US financial history, which involved 400 different subsidiary companies, even a fake e-commerce business used to launder funds called Northern Dimension LLC.

https://twitter.com/BoredApeYC/status/1446569325045895176

https://www.nbcnews.com/tech/crypto/north-dimension-ftx-bankman-fried-rcna63175

https://www.wsj.com/articles/alameda-sam-bankman-fried-ftx-crypto-crash-11672434101

https://www.cointime.com/flash-news/ftx-creditors-include-apple-netflix-and-coinbase-court-documents-reveal-48539



FTX PUMPED BAYC WITH SOTHEBY'S

Legacy auction house Sotheby's hosted an auction for 101 Bored Apes, all of which were secretly purchased by YugaLabs investor FTX, for 24 million dollars. The media the celebrated the auction as having drawn in legacy art world collectors, when it was later revealed that the final bidder was none other than the now-bankrupt crypto exchange FTX.

https://www.vanityfair.com/style/2023/01/sbf-bored-apes-art-world-hangover

https://waveninja.substack.com/p/ftx-bought-101-bored-apes-at-the



FTX WAS A MARKET MAKER FOR YUGA

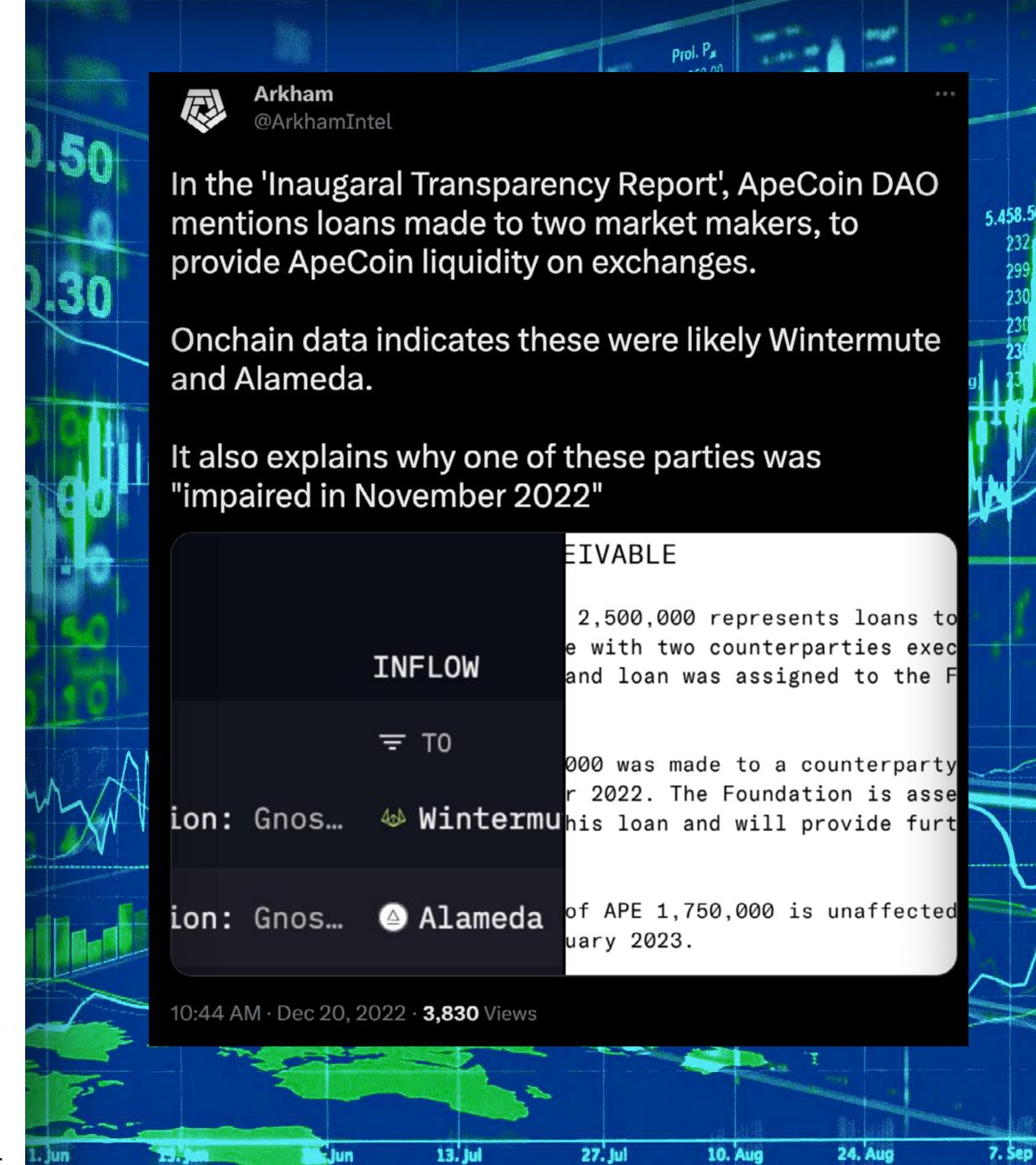
A secret loan of roughly \$10 million worth of ApeCoin (750k tokens) was made to FTX arm Alameda Research. (Source: Etherscan)

An additional undisclosed loan worth roughly \$30 million was sent to UK based market making firm WinterMute. (Source: Etherscan)

Both loans were made on March 4th, 2022, before any ApeCoin DAO structure was in place.

https://twitter.com/ArkhamIntel/status/1605272823097802752?s=20&t=nAGAPwcPxEMgWNrMYOtULQ

https://waveninja.substack.com/p/scoop-the-secret-apecoin-loans

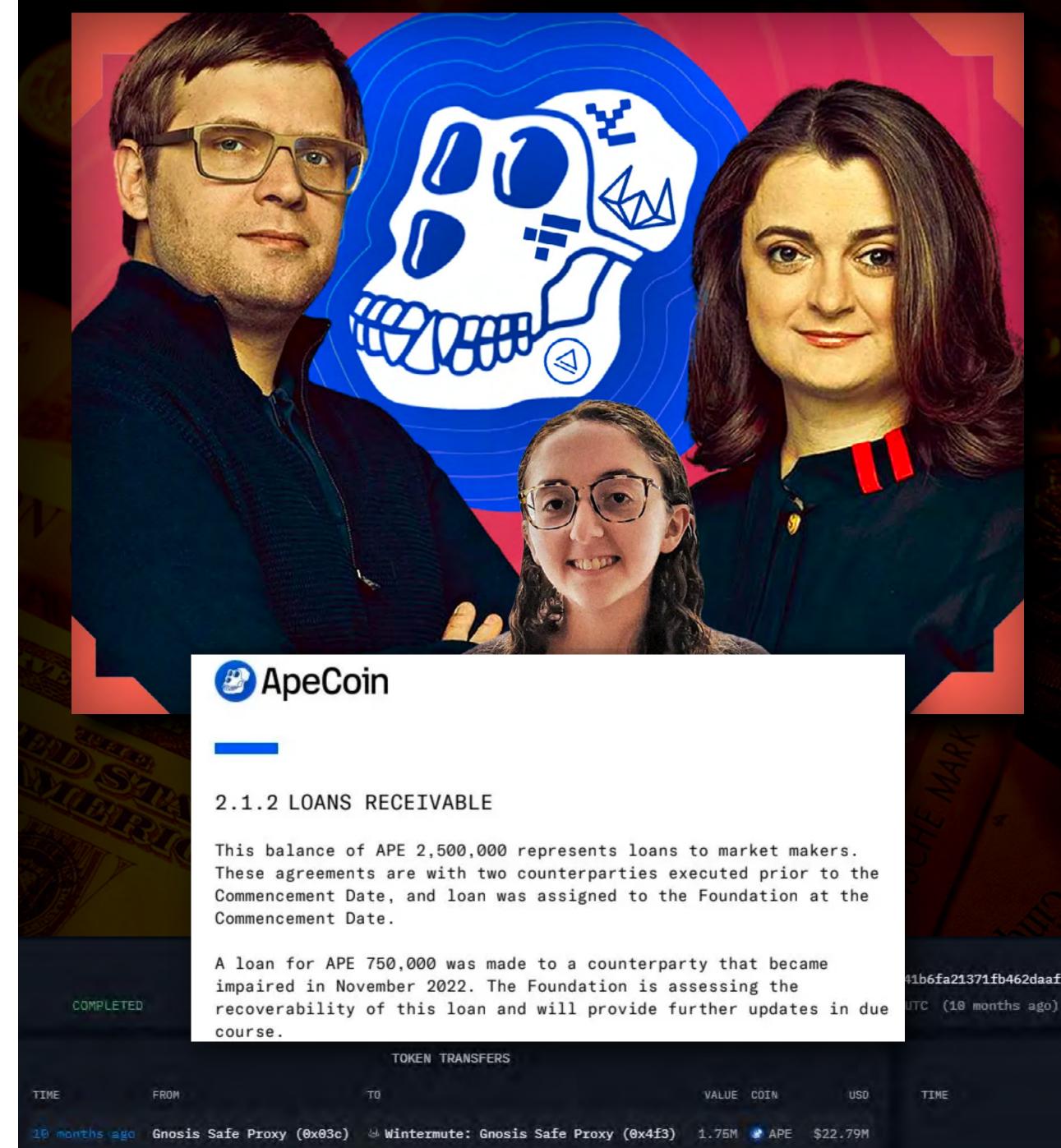


A 3RD COMPLETELY SECRET LOAN

Most concerning of all: a third transfer occurred after the first two "market maker" loans. On March 18, 2022, the ApeCoin Token Distributor deposited an additional 1,749,999 APE into Wintermute's multisignature address.

This loan was completely undisclosed in the ApeCoin "transparency report" (pictured right)

None of the sources affiliated with either Wintermute or ApeCoin DAO have provided any explanation for this transfer. In some cases, sources seemed unaware that this transaction ever occurred.



3. YUGA MAY BECOME THE NEXT FTX

Yuga's entire business model revolves around the sale and trade of illegal unregistered securities, which are pumped and washed via an extensive hidden network of exchanges, market makers, large holders and multi level marketing schemes...

This entire fraudulent market is underpinned by the false promise of "ownership rights" and "intellectual property" included in the purchase of NFTS.

Leave the infrastructure to us, right?

WHAT ARE SECURITIES?

The Howey Test determines if a financial instrument is a security or not. All 5 of Yuga Labs primary products (BAYC, MAYC, BAKC, OtherDeeds & ApeCoin) qualify as a security based every branch of the test.

Securities laws protect consumers from buying false promises and lies.

https://www.investopedia.com/terms/h/howey-test.asp

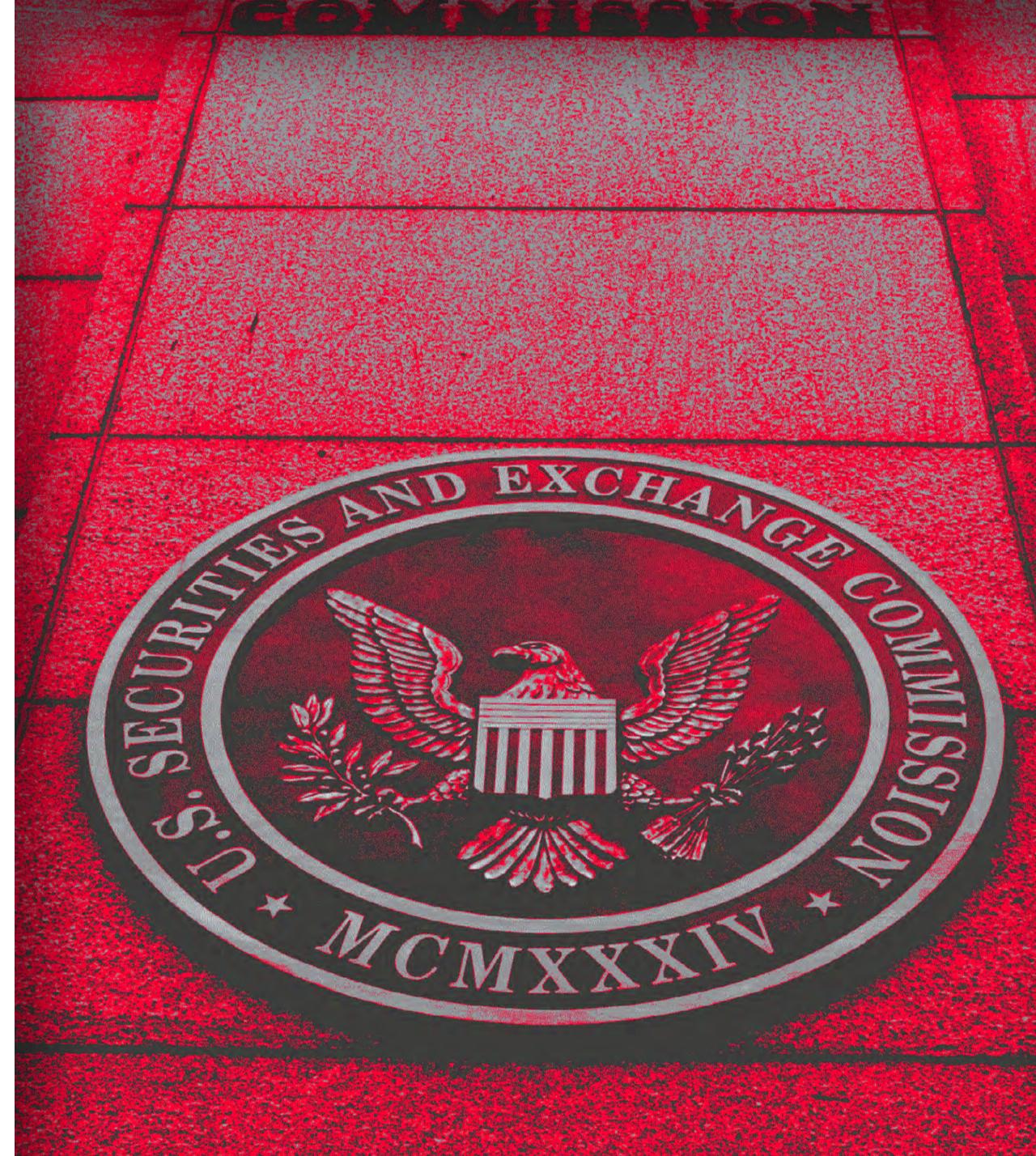


WHY ARE UNLICENSED SECURITIES ILLEGAL

The United States Securities & Exchange Commission enforces securities laws to prevent consumers and investors from being harmed by illicit business activities. Unregistered Securities are a major conduit of fraud. Not only are they inherently risky, but too often, they can be a tool used to commit outright investment fraud.

https://en.wikipedia.org/wiki/Category:U.S._Securities_and_Exchange_Commission

https://en.wikipedia.org/wiki/Category:U.S._Securities_and_Exchange_ Commission_litigation



U.S. SECURITIES AND EXCHANGE COMMISSION

DJ Khaled Settles With SEC on

RollingStone (a) Music Politics TV & Movies (SUB) Culture RS F

Press Release

EDUCATION Cryptocurrency Dispute

Artist to pay more than \$150,000; Floyd Mayweather Jr. also to pay more than

THE SEC IS GOING AFTER CRYPTO

Beginning in 2018, the SEC began charging ICOs and Celebrities for their roles in the marketing and sale of unregistered security products and predatory financial schemes.

Any security without a registration statement on file with the Securities and Exchange Commission (SEC) is considered "unregistered." Only qualified investors, or individuals with a net worth of at least 1 million dollars or an annual income in excess of \$200,000, are able to buy and sell unregistered securities.

https://www.sec.gov/litigation/admin/2018/33-10579.pdf

https://www.sec.gov/news/press-release/2020-146

https://www.sec.gov/news/press-release/2022-183

SEC Charges Kim Kardashian for Unlawfully Touting Crypto Security

FOR IMMEDIATE RELEASE

Washington D.C., Oct. 3, 2022 — The Securities and Exchange Commission today announced charges against Kim Kardashian for touting on social media a crypto asset security offered and by EthereumMax without disclosing the payment she received for the promotion. Kardashian agreed to settle the charges, pay \$1.26 million in penalties, disgorgement, and interest, and





WHY IS BAYC A SECURITY?

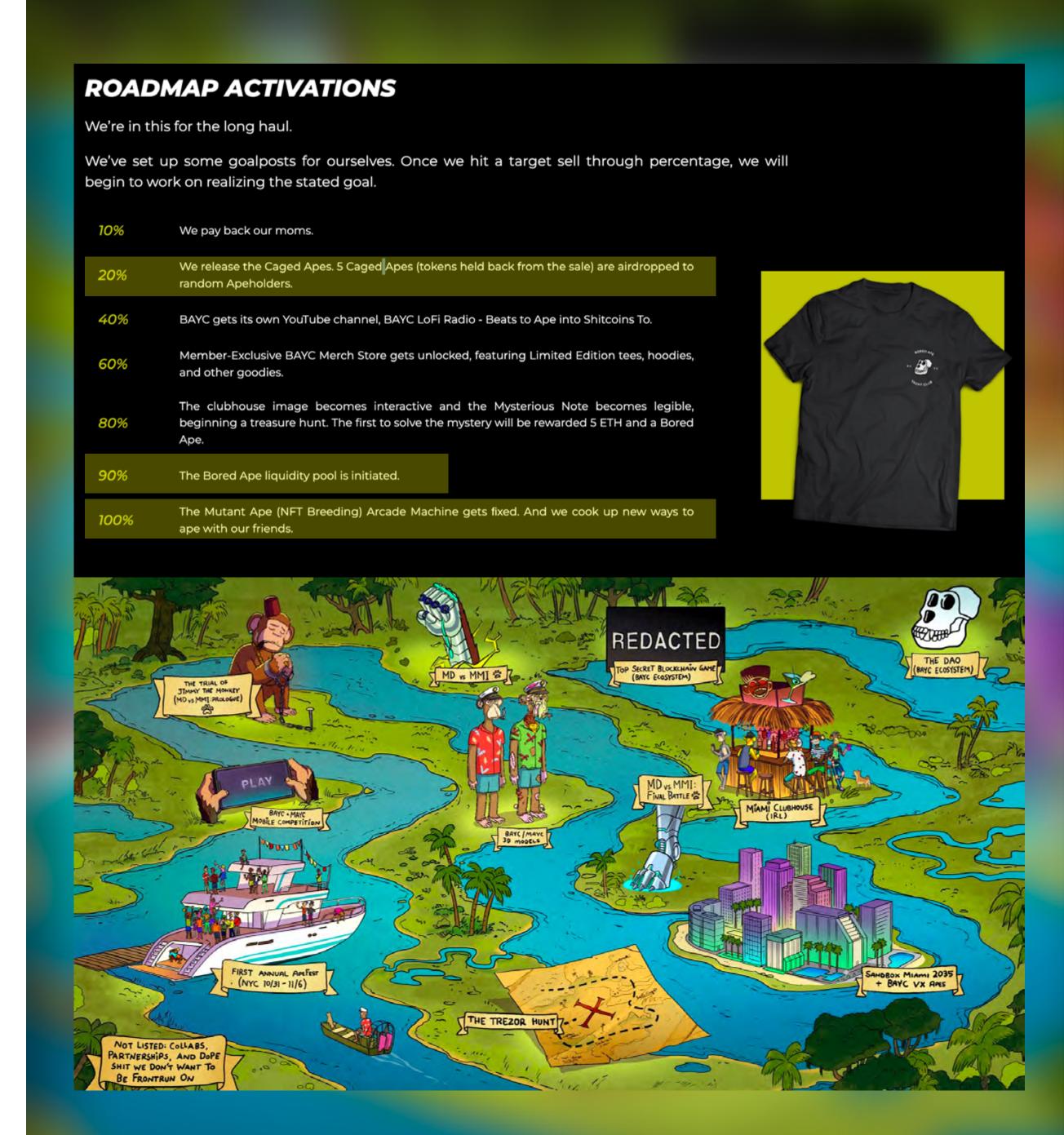
ROADMAP

Securities products include products with "Roadmap Activations". BAYC explicitly meets these standards. The rights the token or coin entitles you are usually clearly laid out, often in a white paper or development roadmap.

https://twitter.com/hotlneblng_/status/1509749894839480322/photo/1

https://boredapeyachtclub.com/#/home#roadmap

https://www.sec.gov/oiea/investor-alerts-and-bulletins/ib_coinofferings



WHY IS BAYC A SECURITY?

EXPECTATIONS

Holders of the NFTs, had an expectation of profits derived from the work of others. Some promoters and initial sellers may lead buyers of the virtual assets to expect a return on investment or participate in a share of the returns provided by the project. After issuance, the virtual coins or tokens may be resold to others via secondary market or exchange.

These digital marketplaces also collect royalties and comissions, generating massive streams of revenue and promoting wash trading, which they are heavily incentivized by.

https://twitter.com/jbondwagon/status/1608753561487433728



The only Yuga Labs NFTs are:

BAYC
MAYC
BAKC
Koda
Otherdeeds
10KTF
Cryptopunks
Meebits

The rest are just speculations. I believe they're all amazing projects & you can buy them for what they're building BUT if you're buying them just for their relation to Yuga, you may get rekt.

1:15 AM · Dec 30, 2022 · **7,011** Views

9 Retweets 3 Quote Tweets 99 Likes

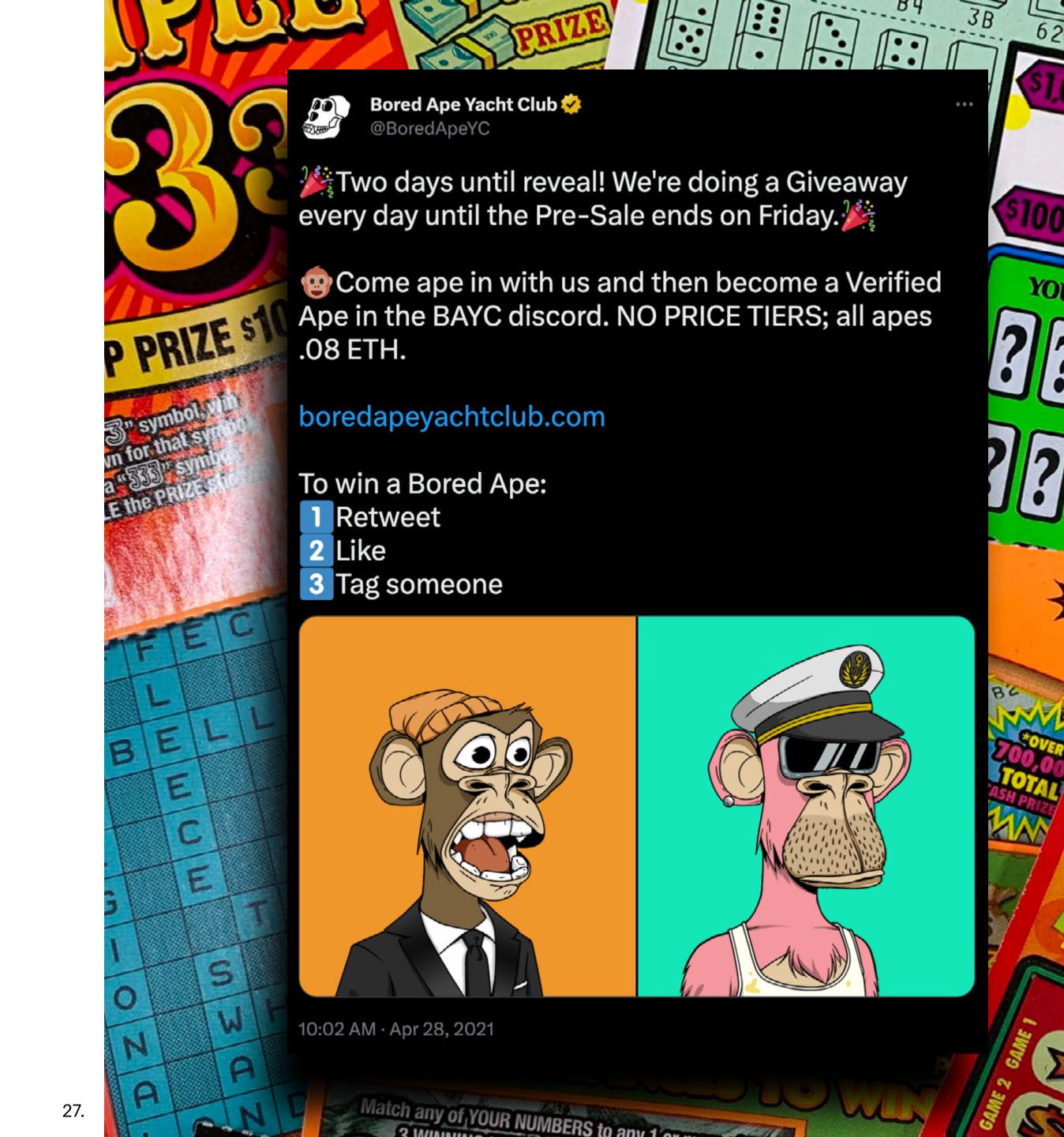
WHY IS BAYC A SECURITY?

NO ART

The BAYC art was not revealed until after the sale of all 10,000 NFTs was complete. Buyers purchased based on speculation of landing rare assets, and thus increased value.

These mechanisms function similar to an illegal lottery, drawing in degenerate gamblers and reckless investors. Who believe they are also purchasing actual Intellectual Property (IP) rights along with their digital tokens.

https://twitter.com/BoredApeYC/status/1387452254337343490



WHY IS BAYC A SECURITY?

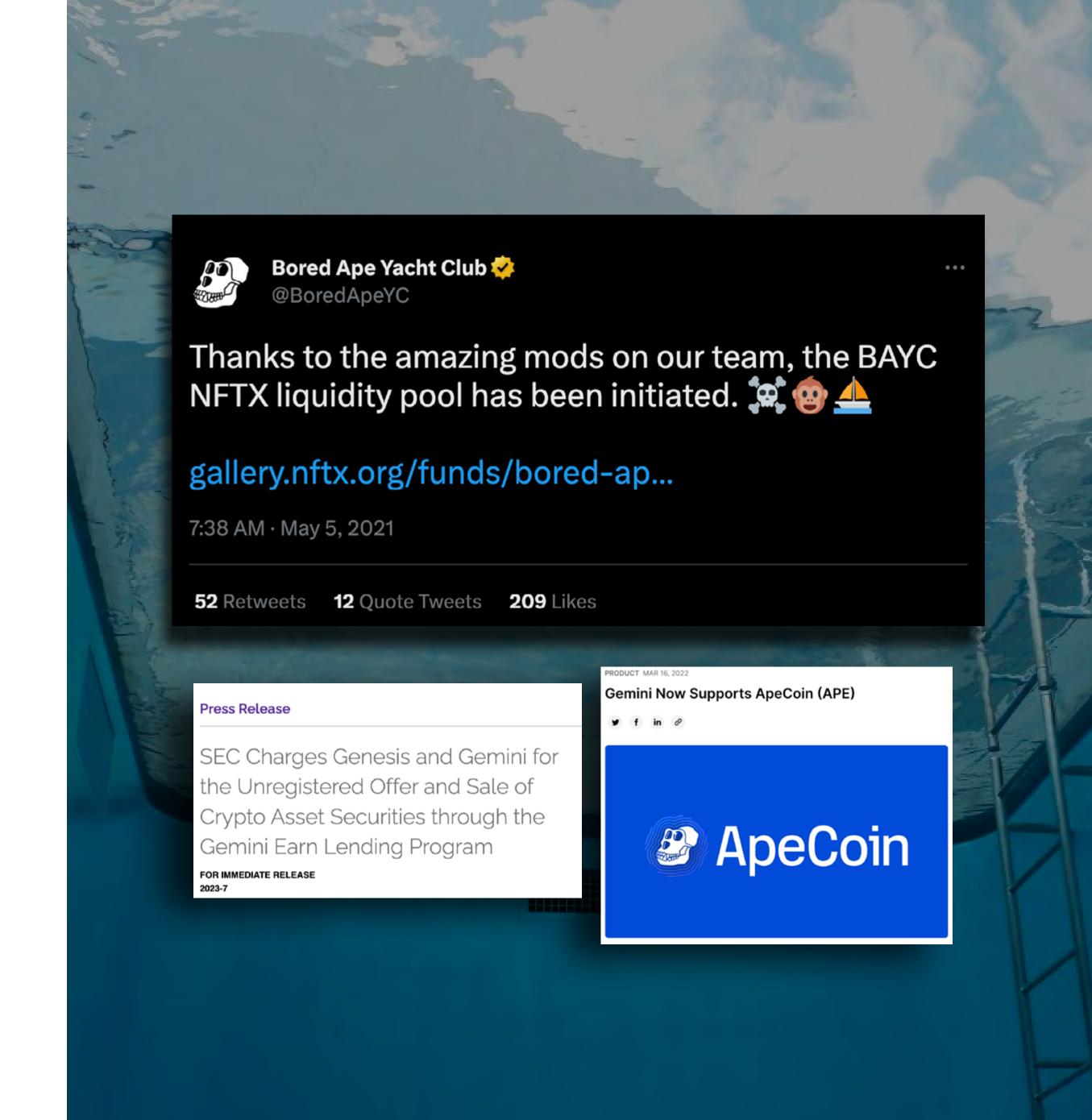
LIQUIDITY POOL

A liquidity pool is a crowdsourced pool of cryptocurrencies or tokens locked in a smart contract that is used to facilitate trades between the assets on a decentralized exchange (DEX). They are illegal to use with unregistered security products.

The SEC recently charged Gemini Earn for offering a similar product.

https://www.sec.gov/litigation/complaints/2023/comp-pr2023-7.pdf

https://twitter.com/BoredApeYC/status/1389952608744480770



YUGA LABS ADDITIONALLY LAUNCHED FOUR OTHER SECURITIES:

BAKC, MAYC, OTHERSIDE, APECOIN + DOOKEY DASH

On information and belief, between April 2021 and October 2022 Yuga Labs sold 5 separate massive unlicensed securities offerings to the public.

Beginning with BAYC and the promises previously mentioned, four additional unregistered securities (MAYC, BAKC, OtherDeeds & ApeCoin) were airdropped to holders with a similar value proposition of increased value due to Yuga's efforts.

https://twitter.com/0×Seraph_/status/1620896655632666624/photo/1address/0×077712c8426020d945b4303b3074073f6f4fac7b





ULTIMATE ILLEGAL SECURITY: APECOIN

ApeCoin meets all criteria of the U.S. Securities & Exchange Commissions ICO regulatory guidelines as well as the Howey Test.

Yuga Labs has already paid itself, its insiders and its "launch contributors" \$380 million dollars worth of its own currency.

https://www.coindesk.com/layer2/2022/03/18/what-is-apecoin-and-who-is-behind-it/

https://qz.com/2145867/apecoin-has-padded-the-pockets-of-bored-ape-insiders



YUGA SAYS IT DIDN'T CREATE APECOIN

The ApeCoin contract was deployed on the Ethereum mainnet on February 14th, 2022.

Not until one month later did they begin a vote to implement a DAO structure, which is operated by murky Cayman Islands entity called Cartan Group LLC.

https://www.coindesk.com/layer2/2022/03/18/what-is-apecoin-and-who-is-behind-it/

Yuga Labs has insisted it's not responsible for press release, courtea company called arns journalit's not accurate.

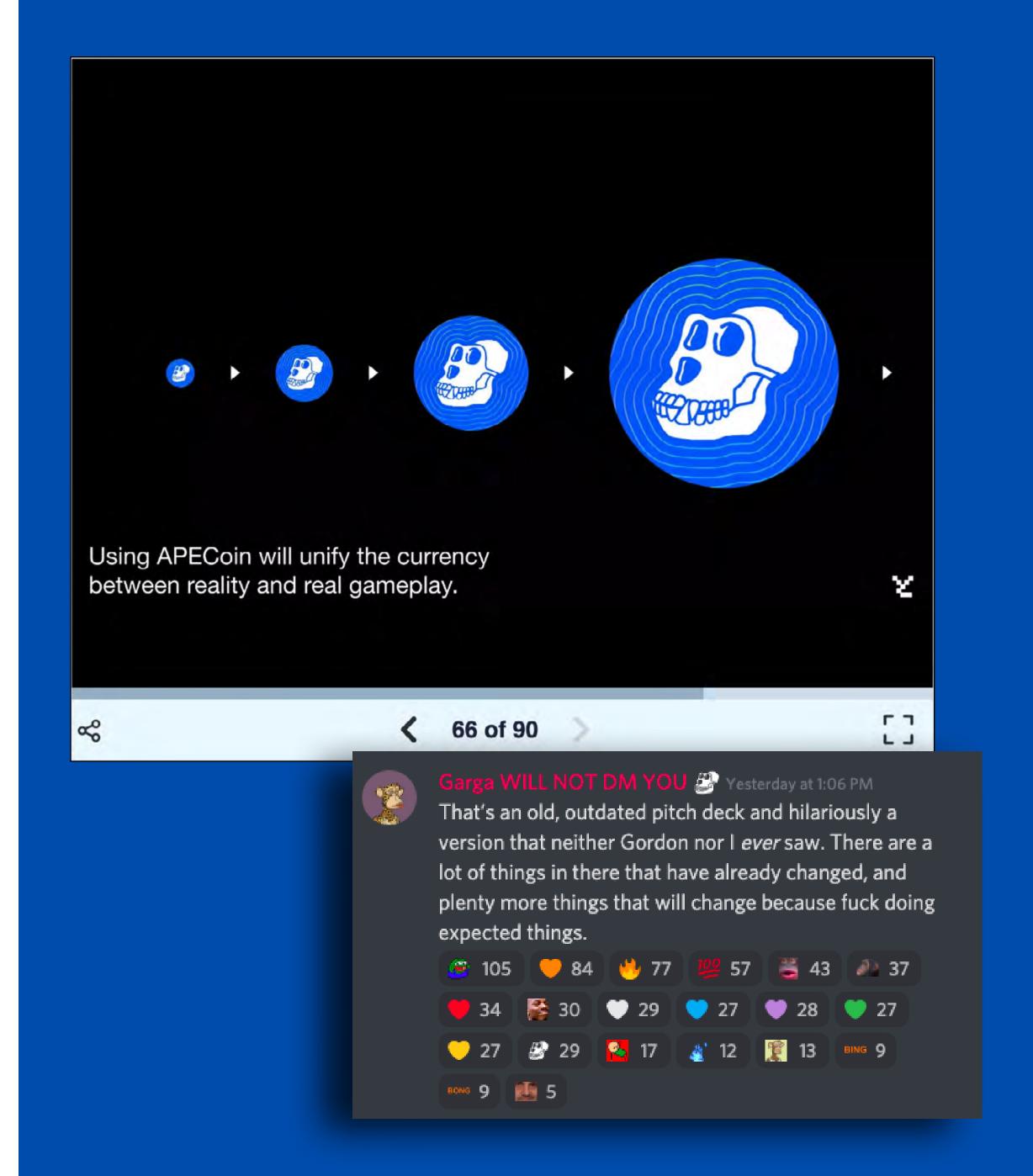
- Coindesk 2022

..BUT..YUGA DID MAKE APECOIN..

An "old" Yuga Labs pitch deck was leaked days before the public launch of ApeCoin.

It included the cryptocurrency as a primary value proposition to prospective investors, who ultimately funded the 450 million dollar seed round. The company raised funds at a 4 billion dollar valuation.

https://vip.graphics/yuga-labs-pitch-deck/

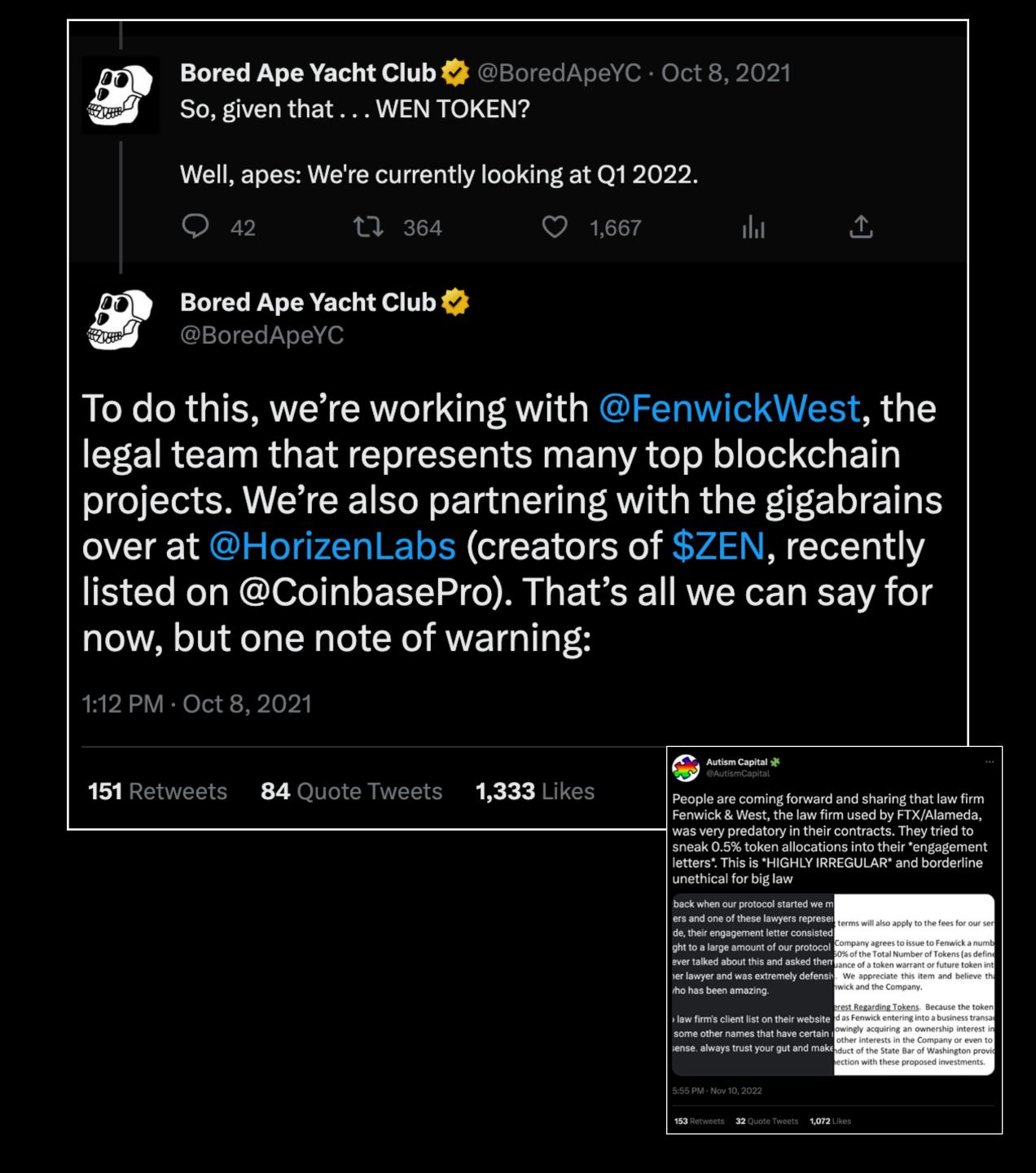


THEY EVEN SAID FENVICK MADE IT..

They also announced that they would be launching a token in Q4 2022 alongside law firm Fenwick & West LLP and Horizen Labs from their @BoredApeYC Twitter.

https://twitter.com/AutismCapital/status/1590885843975409666

https://twitter.com/BoredApeYC/status/1446569325045895176



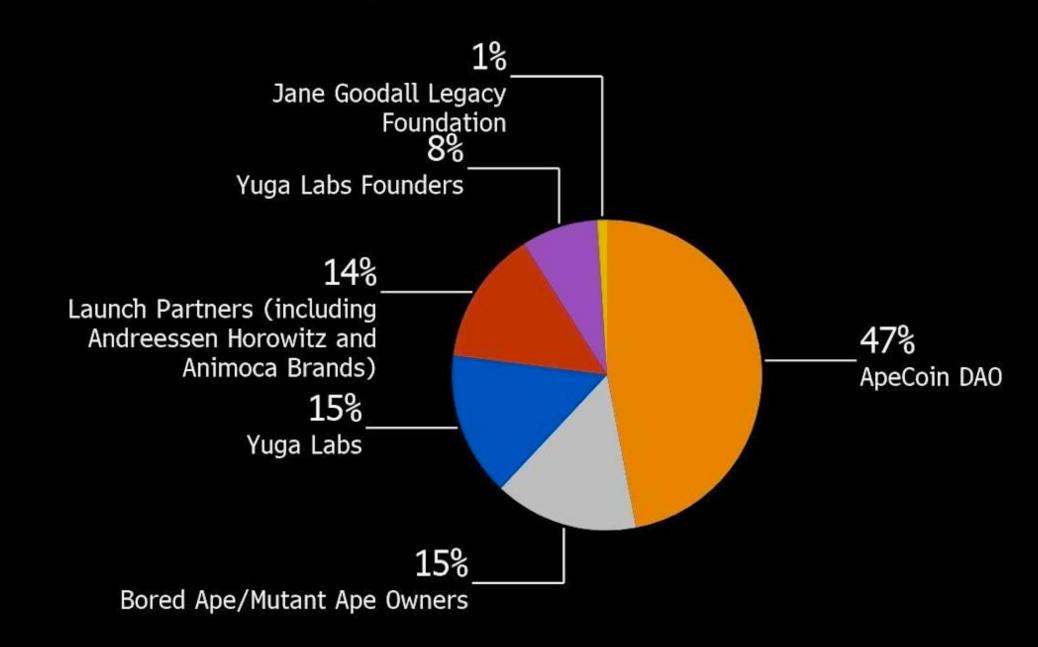
"DECENTRALIZED" LOL NOPE...

The ApeCoin is allegedly controlled and governed by ApeCoin DAO. However onchain analysis shows that millions of dollars in secret loans have been made to market makers and exchanges, some following the collapse of FTX & Alameda Research. Many of these loans and transactions have been initiated without DAO voting or any transparent disclosures, violating the terms of the allegedly decentralized organization.

https://medium.com/coinmonks/apecoin-tokenomics-case-study-91fc8bc02363

Recipients in ApeCoin Airdrop

Here's how 1 billion ApeCoins were allocated.



Sources: Yuga Labs and ApeCoin DAO

Bloomberg

ILLEGAL ADVERTISEMENTS

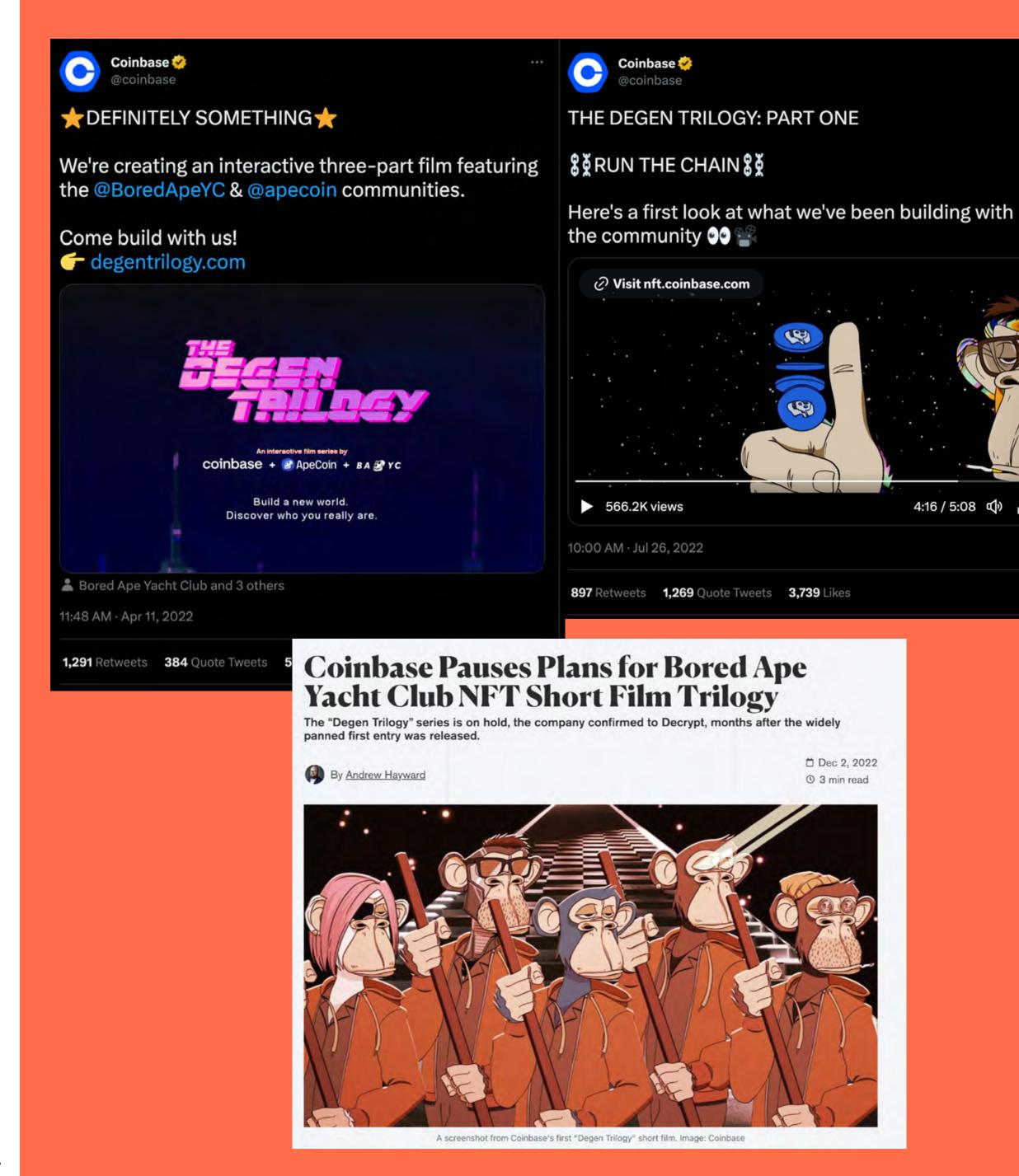
On 4/11/22 leading cryptocurrency exchange, Coinbase announced a BAYC/ApeCoin themed "trilogy" which largely acted as an advertisement for ApeCoin just prior to its public launch.

Since, it has been widely panned and subsequently canceled. Perhaps, Coinbase realized that what they were promoting was illegal?

https://twitter.com/coinbase/status/1513589848048689152

https://twitter.com/coinbase/status/1551975883216388097

https://decrypt.co/116346/coinbase-pauses-bored-ape-yacht-club-nft-film



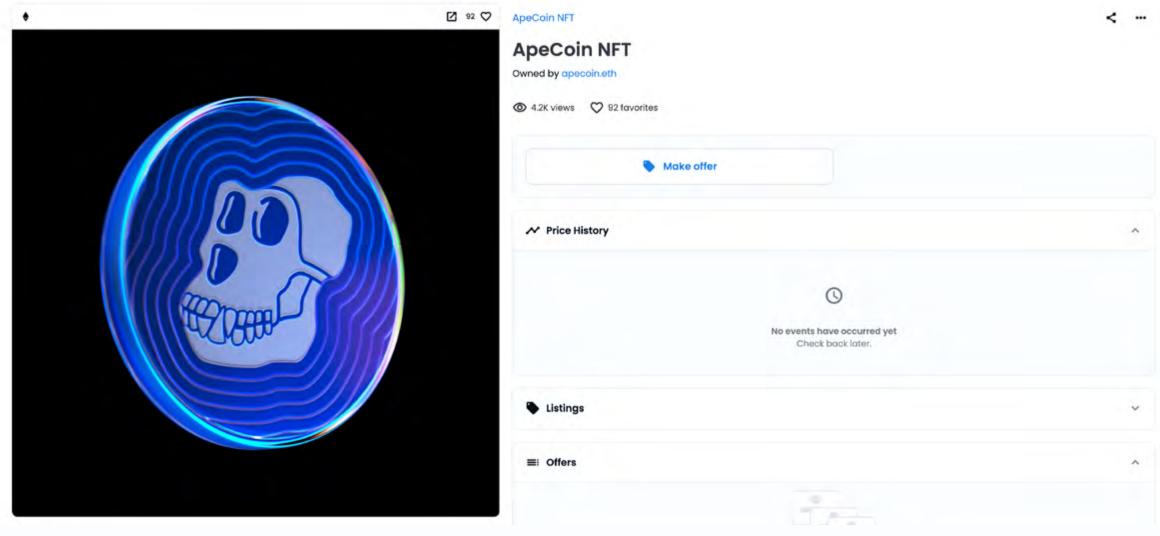
YUGA TRADEMARK GYINASTICS

So, how does ApeCoin DAO, get away with using the BAYC logo if YugaLabs is not affiliated? According to ApeCoin.com, Yuga Labs transferred all of the rights and priveledges associated with their skull logo, to allow the ApeCoin DAO unfettered use of the mark.

YugaLabs would go on to sue Ripps & Cahen over their asserted use of the skull mark.

https://opensea.io/assets/ethereum/0×635ddfed0d0a86f5b330c8898d78f-

c222d6e5ff5/0



By **3C2B43**

A one-of-one NFT gifted from Yuga Labs to ApeCoin DAO. This NFT conveys along with it all rights and privileges of the logo's intellectual property to the ApeCoin DAO. The ApeCoin DAO will decide how the IP is used.

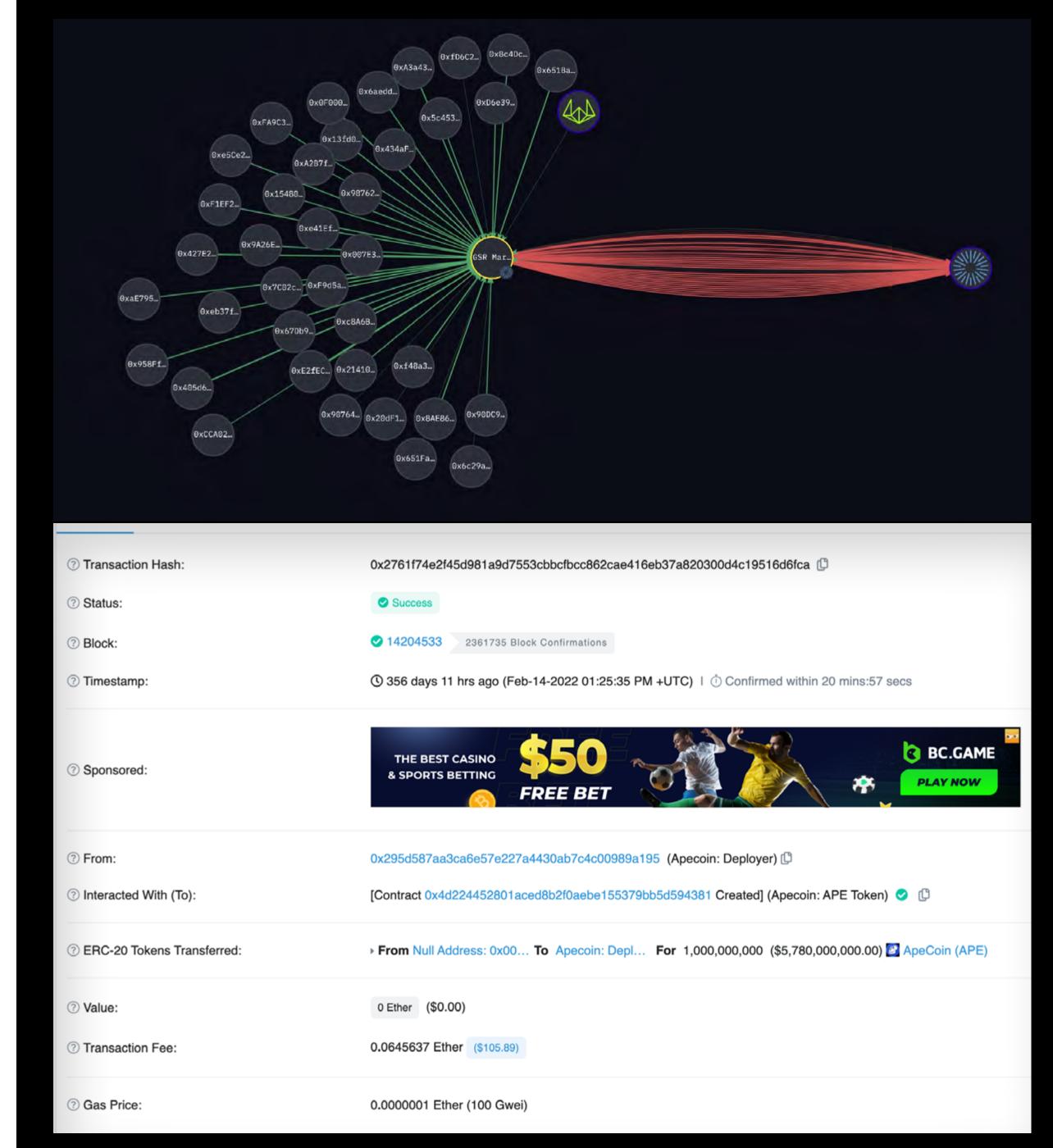
APECOIN "LOCKED TOKEN" LIE

The public is led to believe that the majority of the ApeCoin supply is locked. This is a blatant falsehood. Every 30 days or so, millions of dollars worth of the tokens are moved on-chain. This is all controlled by a small centralized group, and this activity remains undisclosed in their periodic ApeCoin "transparency reports".

https://token.unlocks.app/apecoin

https://etherscan.io/tx/0×2761f74e2f45d981a9d7553cbbcfbcc862cae416eb37a820300d4c19516d6fca

https://drive.google.com/file/d/1ocpWOHTsGBH7sQFhBq60ufjmhYQo3×kl/view



OWNERS OF BAYC & MAYC RECIEVED "SEWER PASSES"

BAYC & MAYC holders recieved free Sewer Passes, which take the form of dividend payments. In-game boosts can be purchased using their illegal unregistered security ApeCoin.

https://twitter.com/BoredApeYC/status/1615778610702319617



APECOIN CAN BE USED IN THE GAME

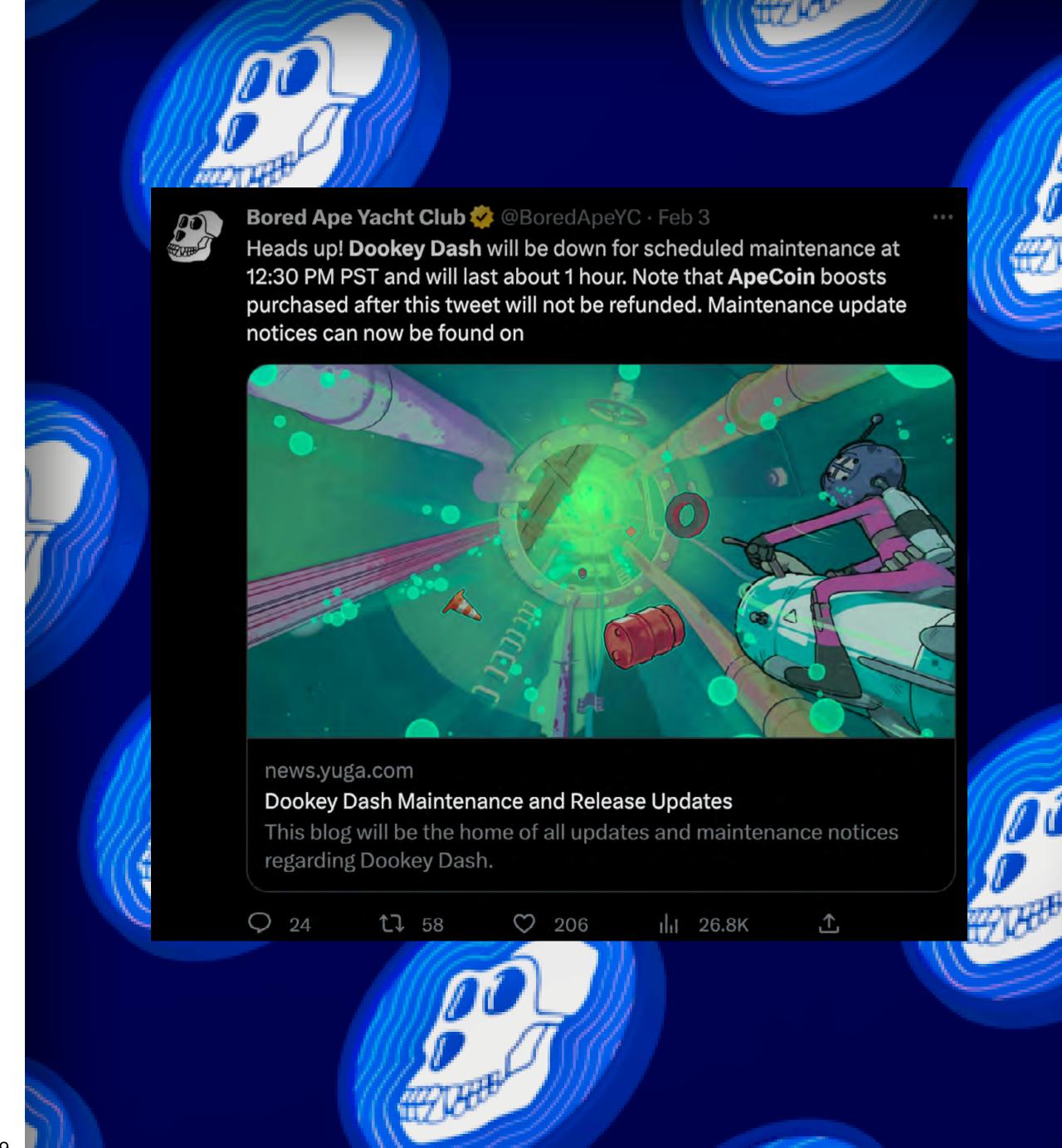
Dookey Dash is an allegedly "skill based" game where players swim through feces, to get a key out of monkeys anus.

But as of Feb. 8, multiple reports have surfaced stating that the game is rigged and exploitable via undetectable methods

With a million dollar prize on the line, the game may have gone from "play to earn" to "cheat to win."

https://twitter.com/PainofCrypt0/status/1621959252192665600

https://twitter.com/xClearHat/status/1623308276183011328



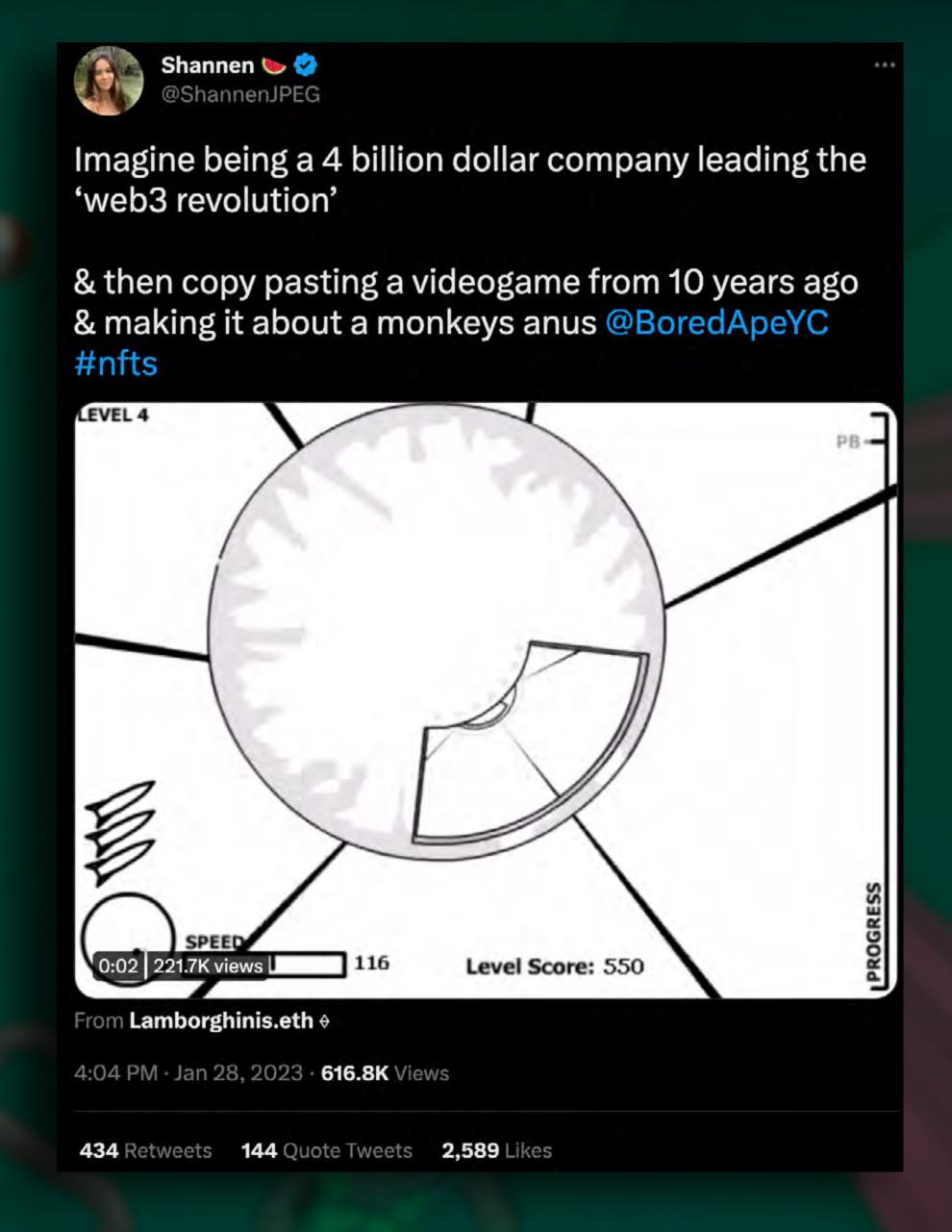
AND, YUGA COPIED IT...

The Dookey Dash game turns out to be haphazard reskin of a video game that is already 13 years old.

The original game was titled "The Missle Game 3D".

https://github.com/bwhmather/missile-game

https://twitter.com/ShannenJPEG/status/1619486620927029250



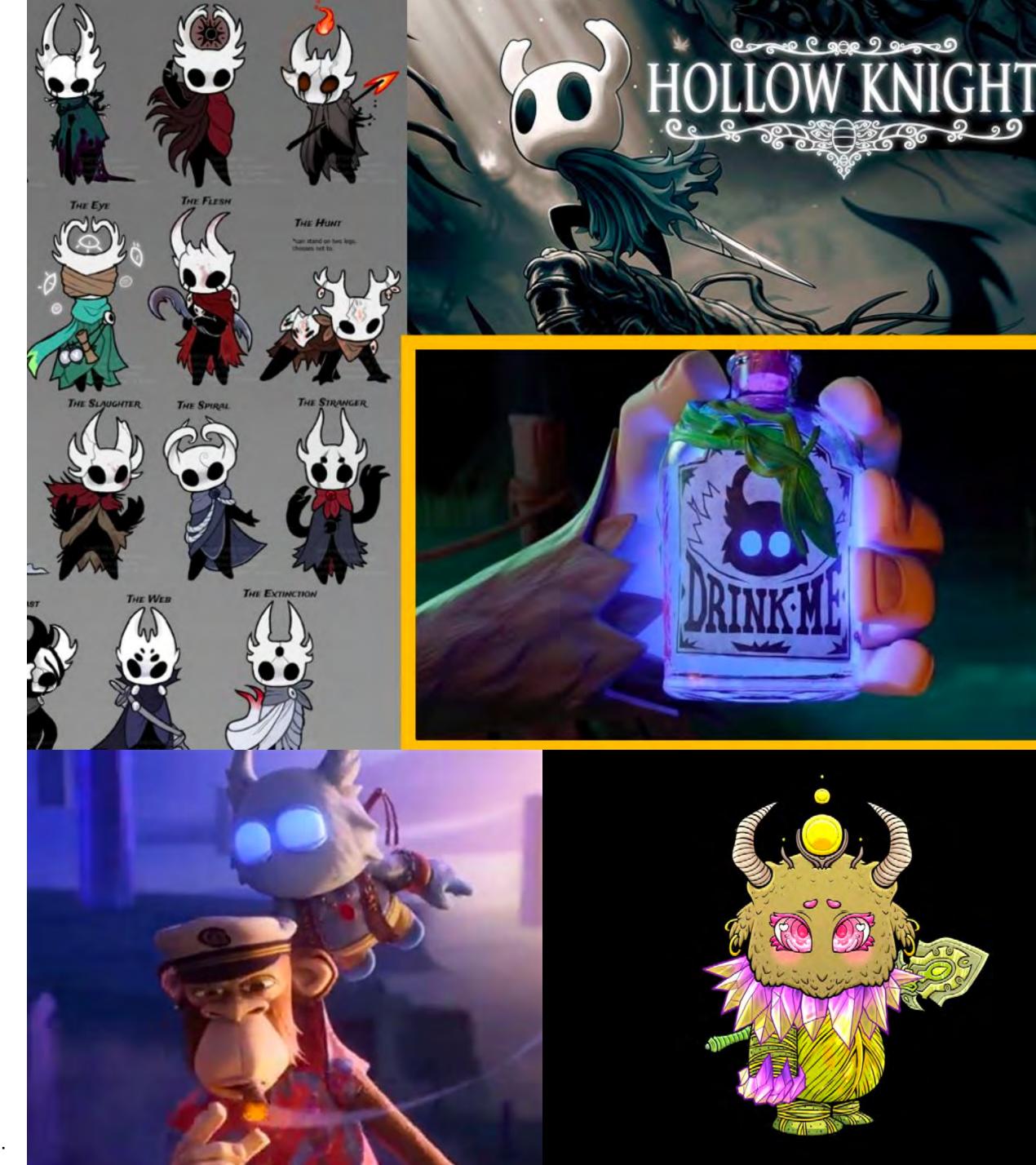
NOT THE FIRST TIME THEY COPIED A GAME...

Yuga Labs has a pattern of stealing previously released content, without giving any credit to original creators. Their Koda characters, for example, appear to be lifted directly from the Hollow Knight franchise.

And even their Terms of Service was copied from another existing NFT project.

https://twitter.com/nftsales/status/1602827079011426309

https://boredapeyachtclub.com/#/terms





GUY OSEARY, MOONPAY AND AN ARMY OF CELEBS

Guy Oseary joined Yuga Labs as their Director in October 2021. With his hiring, he brought his massive network of VC firms and celebrities which he has used to artificially and illegally inflate the percieved value of the company and its vaporous products.

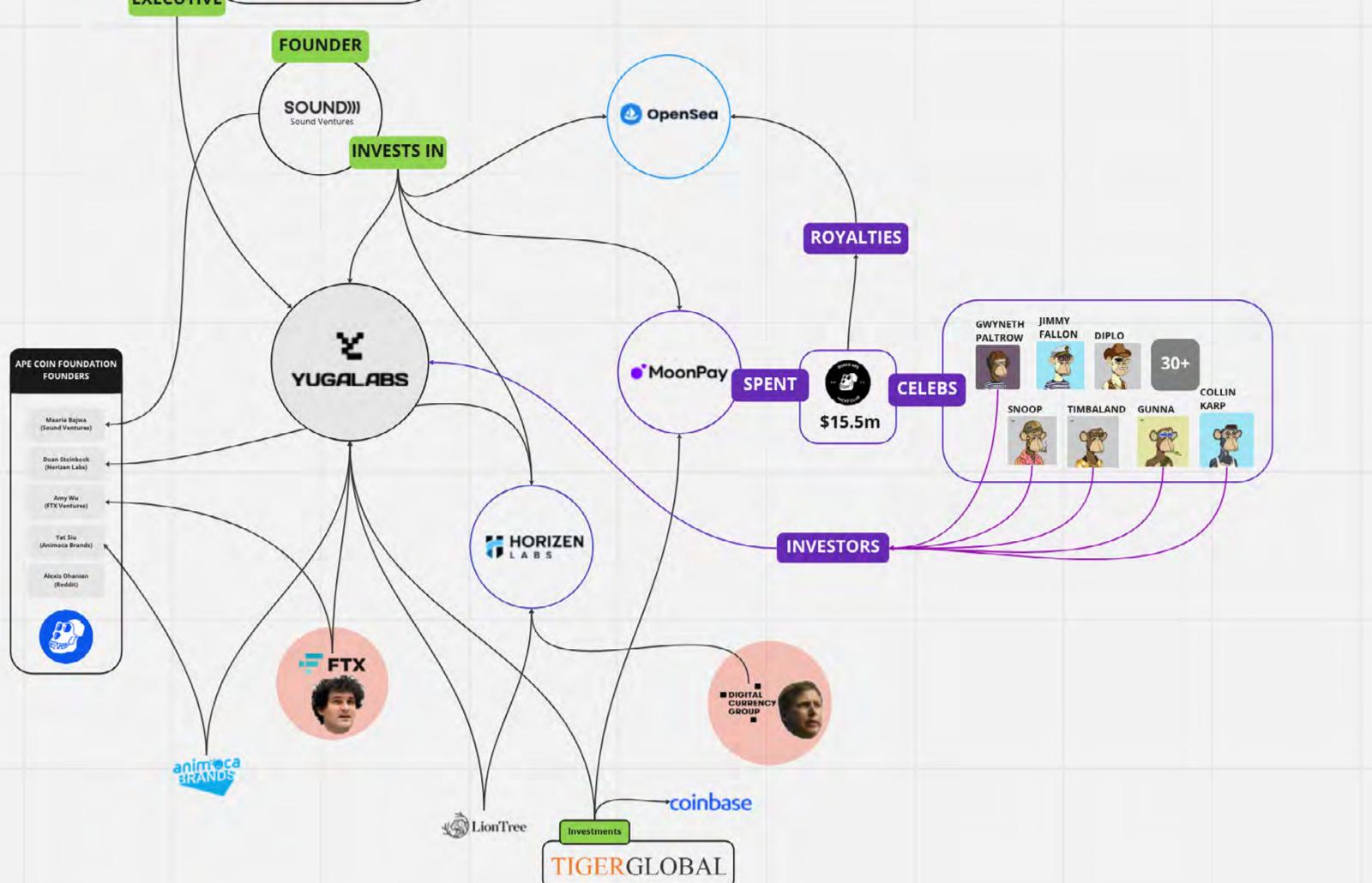
https://variety.com/2022/music/news/guy-oseary-nft-madonna-u2-manager-1235325286/

https://www.cnn.com/2023/02/10/business/crypto-nft-bored-ape-moonpay-lawsuits/index.html





GUY OSEARY NETWORK



MOONPAY CELEB INVESTORS, ALSO "BOUGHT" BAYC...

Moonpay raised funding at a 3.4 billion dollar valuation, only to conduct a second, completely unneccessary celebrity-only round of 87 million dollars.

Many of these A-list investors, purported to have "bought" BAYC NFTs. On-chain evidence suggests otherwise.

To date, MoonPay has raised a total of 650 million dollars, for a product that hardly anyone uses.

https://twitter.com/GwynethPaltrow/status/1486482496883625984

https://www.cnbc.com/2022/04/13/justin-bieber-gwyneth-paltrow-invest-in-crypto-startup-moonpay.html



THE LIST IS EXTENSIVE...

More than 60 influential figures and organizations comprised the 87 million dollar seed round. This has been used to faciliate as well as obfuscate the undisclosed endorsements, which have artificially propped up the percieved market value of Bored Ape Yacht Club and its subsequent token offerings.

https://www.moonpay.com/newsroom/investor-announcement

https://www.theboredapegazette.com > post > moonpay...

Moonpay Just Brought Diplo Into The Bored Ape Yacht Club

Feb 8, 2022 — The beat keeps dropping at the **Bored Ape** Yacht Club as another famous DJ joins the club. Earlier today Moonpay, transferred **Bored Ape** #5384...



https://www.hotnewhiphop.com > News :

Lil Baby Debuts "Bored Ape" NFT Twitter Avatar Worth \$150K

Nov 4, 2021 — Lil Baby Debuts "Bored Ape" NFT Twitter Avatar Worth \$150K ... to Lil Baby from a cryptocurrency payment platform called MoonPay, ...

https://www.theboredapegazette.com > post > moonpay...

Moonpay Brought Rapper Lil Durk Into The Bored Ape Yacht ...

Feb 8, 2022 — Hats off to rapper Lil Durk for joining the Bored Ape Yacht Club. "gm," Lil Durk tweeted along with a photo of his ape earlier today.

MoonPay is thrilled to share that more than 60 influential figures and organizations from the worlds of music, sports, media and entertainment have collectively invested \$87m in the company.

Named investors include the following (in first name alphabetical order):

- Anthony Kiedis of Red Hot Chili Peppers
- Ashton Kutcher and Guy Oseary's Sound Ventures
- Austin Rosen's Electric Feel Ventures
- BLOND:ISH
- Brent Faiyaz & Jayne Andrews, Ty
 Baisden

- Kevin and Rick Yorn's BroadLight Capital
- Kimberly Blackwell*
- Larry Gagosian
- Lil Baby
- Lil Durk
- Marc Benioff's TIME Ventures
- Marcy Venture Partners
- Maria Sharapova
- Matte Babel
- Matthew McConaughey

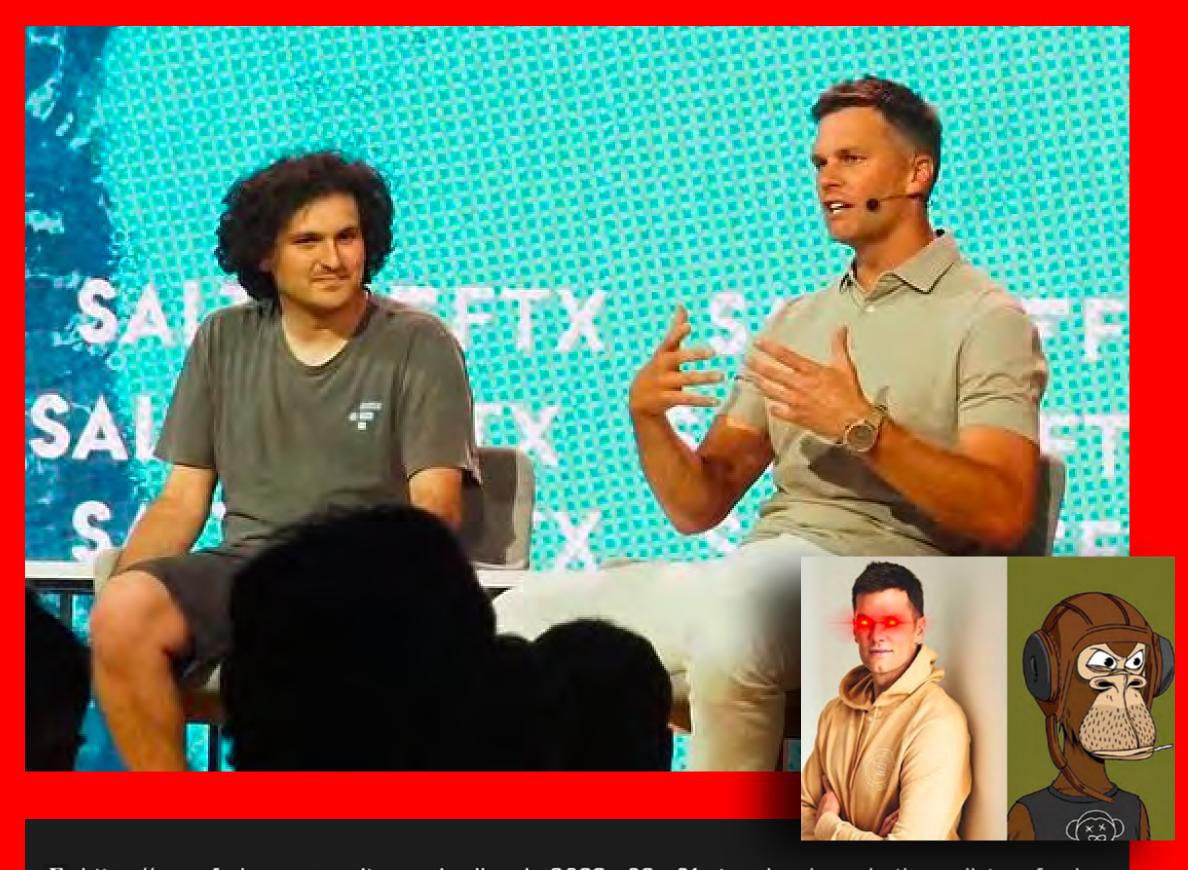
46.

MOONPAY / FTX CELEB CROSSOVER

Tom Brady, Shaquille O'Neal & Stephen Curry all endorsed both Yuga Labs and FTX.

Shaquille O'Neal has since been quoted as saying "I was just a spokesperson for FTX, I dont even believe in crypto."

https://www.deseret.com/2023/1/31/23579681/celebrity-endorsers-named-crypto-nft-lawsuits-tom-brady-post-malone-ftx



F https://www.forbes.com > sites > ariredbord > 2023 > 02 > 01 > tom-brady-and-other-a-listers-fumb...

Tom Brady And Other A-Listers Sued For Fumbling FTX Endorsements

4 days ago · Superstar celebrities like NFL quarterback **Tom Brady** and comedian Larry David are facing lawsuits for endorsing failed cryptocurrency exchange **FTX**. What can we learn from these cases? Due...

Br https://bleacherreport.com > articles > 10031899-buccaneers-tom-brady-buys-bored-ape-yacht-c...
Buccaneers' Tom Brady Buys Bored Ape Yacht Club NFT for over \$43...

Tampa Bay Buccaneers Buccaneers' **Tom Brady** Buys **Bored Ape** Yacht Club NFT for over \$430K Timothy Rapp April 6, 2022 AP Photo/Chris O'Meara The median household income in the United States in...

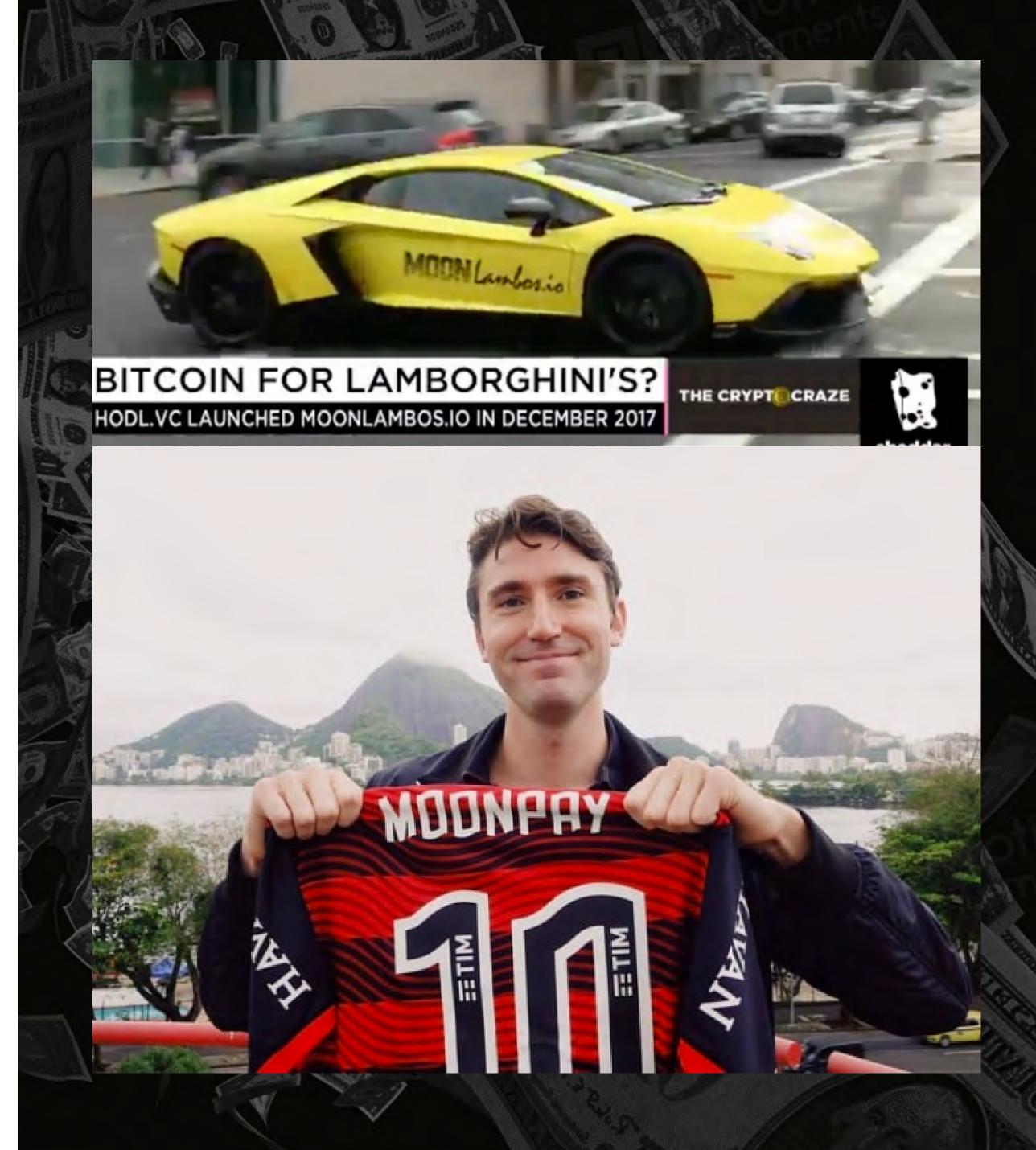
BEFORE MOONPAY, THERE WAS MOON-LAMBOS

MoonPay was founded by Ivan Soto-Wright and funded by Yuga investors A16Z and Sound Ventures, among others. Soto-Wright originally founded MoonLambos, a concierge service to help rich crypto investors buy Lambos with Bitcoin.

Soto-Wright recently purchased a 39 million dollar beach house in Miami.

https://twitter.com/cheddar/status/969673485004947456

https://www.moonlambos.io/



CELEB JEWELER, BEN BALLER CALLED IT OUT

In a Twitter space conducted on March 17th, 2022, celebrity jeweler Ben Baller exposed how the endorsement scheme works: At minimum, MoonPay reaches out, offering celebrities free NFTs in exchange for promoting the asset and requires signing sweeping Non-Disclosure Agreements.

https://drive.google.com/file/d/1rz2pXzYk8c9o3_u2dl-9n5JQg3jp8gHP/view?usp=share_link

https://twitter.com/ryder_ripps/status/1504614061786378246?s=20&t=Y G2cy0lr1W7B87×-hsjPTQ

https://www.ftc.gov/business-guidance/resources/disclosures-101-social-media-influencers



BAYC INVESTOR PLANT TAKES OVER FOR MOONPAY

At the end of 2022, Keith Grossman, former President of Time Magazine (owned by Yuga seed investor Marc Benioff) took over as Moonpay President. Previously, he "brought Web 3 to mainstream media" by reviving the dying Time brand.

https://dailycoin.com/time-magazine-will-soon-begin-accepting-apecoin-ape-as-payment/

https://twitter.com/KeithGrossman/status/1505536973536219139

https://decrypt.co/115775/executive-who-brought-time-magazine-into-web3-is-leaving-for-moonpay

https://twitter.com/TIMEPieces/status/1505531375222501380

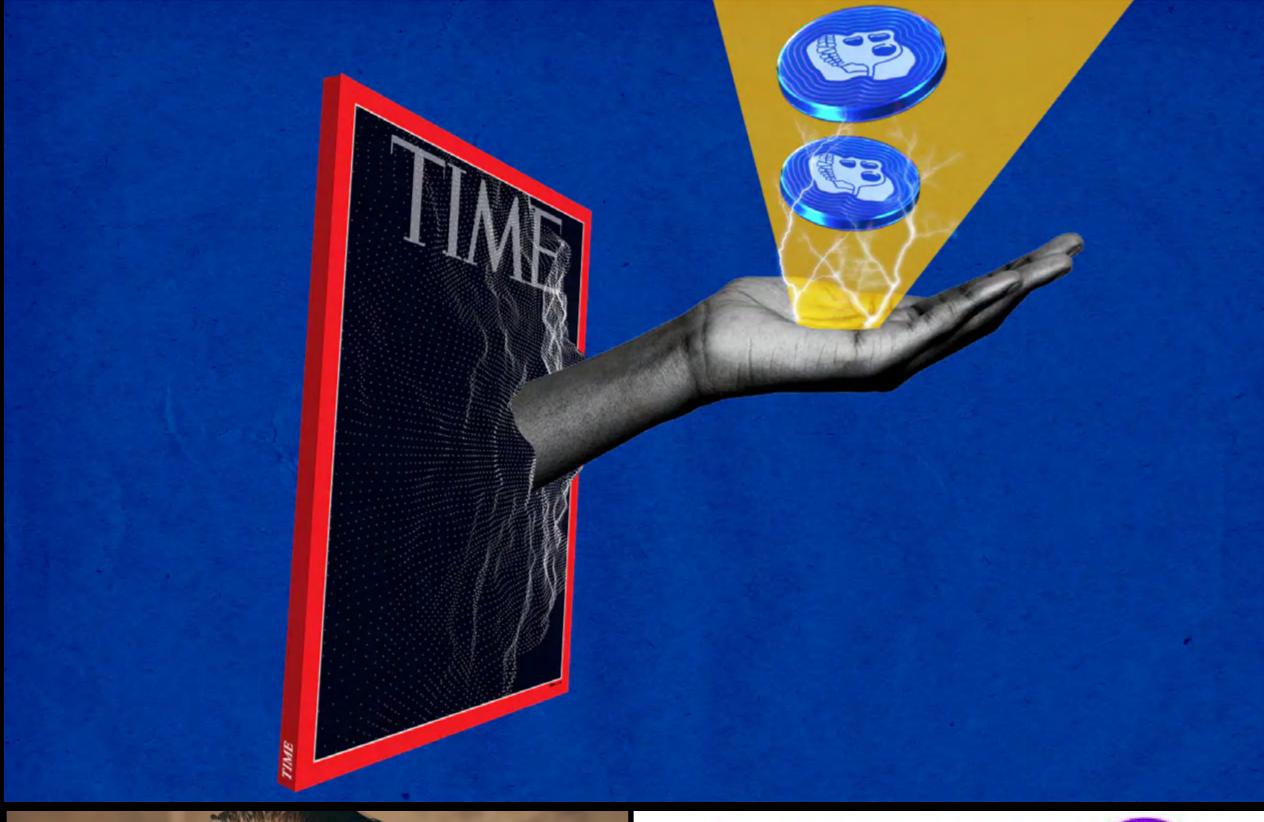
https://twitter.com/KeithGrossman/status/1597199228891455491

https://twitter.com/KeithGrossman/status/1447920882077376512

TIME Magazine Will Soon Begin Accepting ApeCoin (APE) as Payment











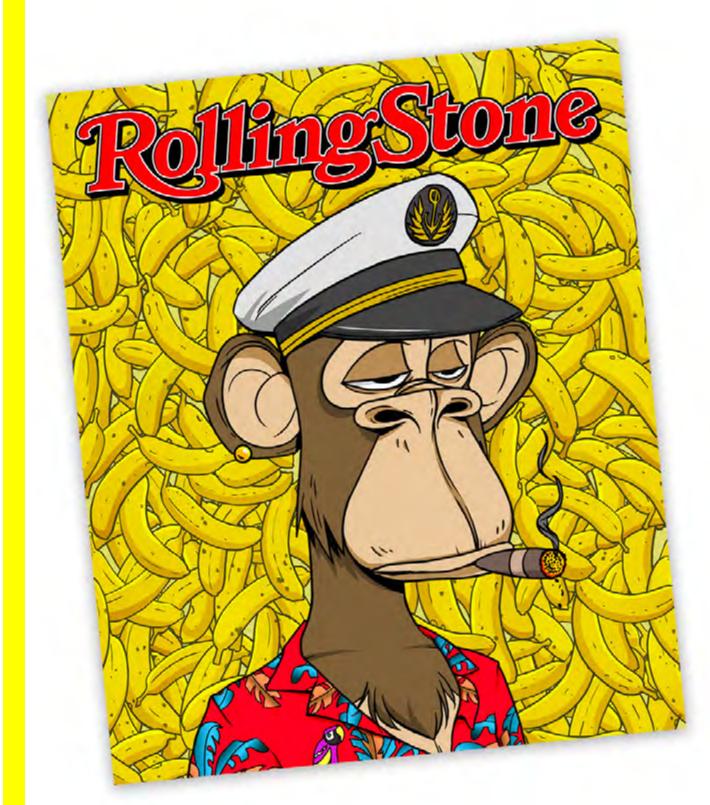
ROLLING (OSEARY) STONE

The nepotism runs deep, Neil Strauss (inventor of pick-up artistry), is writing a book on BAYC and was an editor at Rolling Stone Magazine. He placed their cover story as well as their piece on lead BAYC artist Seneca.

He has been close with Guy Oseary since the 90s, he thanked Guy in the biography he wrote about Marylin Manson.

https://twitter.com/RollingStone/status/1538914573079568385

https://twitter.com/ryder_ripps/status/1532444204885889024



hardcover of this book was published in 1998 by ReganBooks an imprint of HarperCollens*Publishers*.

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OSEARY, D3 & LIONTREE

Guy Oseary is close friends with LionTree Capital founder/owner Aryeh Bourkeff.

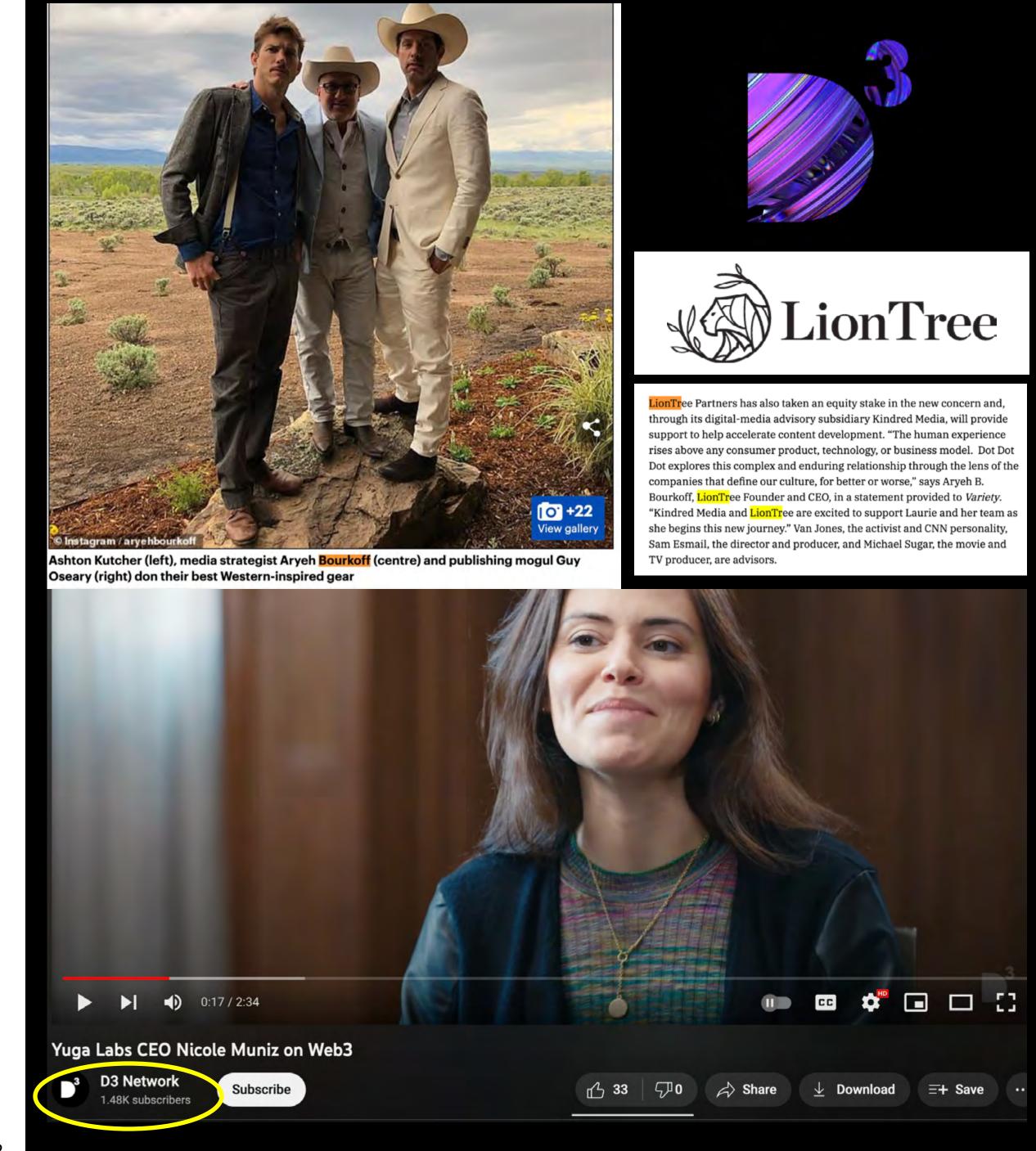
LionTree, investor in Yuga, created a "Web 3" media outlet, D3 Network. D3 was the first to publish an in-person interview with anyone from Yuga Labs, in this case, former CEO, Nicole Muniz.

https://variety.com/2019/digital/news/laurie-segall-launches-dot-dot-content-studio-1203420650/

https://www.dailymail.co.uk/news/article-7173411/Karlie-Kloss-Joshua-Kushner-throw-cowboy-themed-party-Wyoming-celebrating-October-wedding.html

https://twitter.com/ryder_ripps/status/1494358830083305474

https://www.youtube.com/watch?v=Ehw2iM0A5H4



COINDESKALSO COMPROMISED...

CoinDesk is a subsidiary owned by crumbling crypto firm DCG. DCG is also a primary investor in Horizen Labs, who helped launch both Yuga's OtherDeeds & ApeCoin.

Horizen Labs also holds a seat on the ApeCoin board.

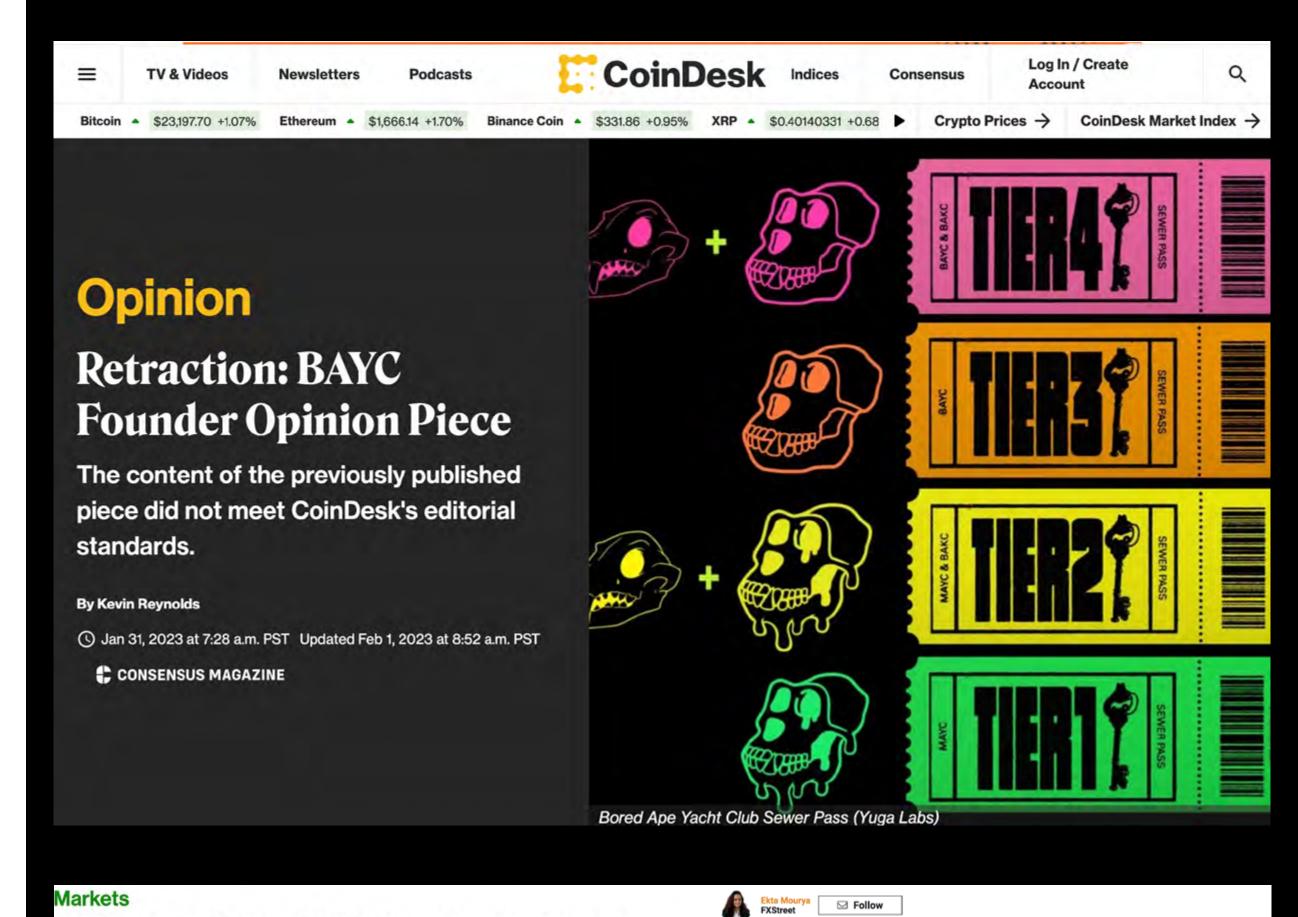
CoinDesk most recently redacted and slandered the author of an opinion piece which shed negative light on BAYC.

https://www.dailydot.com/debug/coindesk-removes-bored-ape-story/

https://www.fxstreet.com/crvptocurrencies/news/apecoin-staking-on-trackfor-autumn-launch-horizen-labs-confirm-202208010934

seed-funding-round/









- Dean Steinbeck of Horizen Labs confirmed the timely development of
- · 170 million ApeCoin will be distributed through the staking platform developed by the tech firm that powered APE.
- APE price is eyeing the \$7.28 target according to analysts bullish on

The ApeCoin Foundation has given users an update on the DAO's staking system, selecting Horizon Labs for the development of the staking platform,

THERE'S A PATTERN HERE...

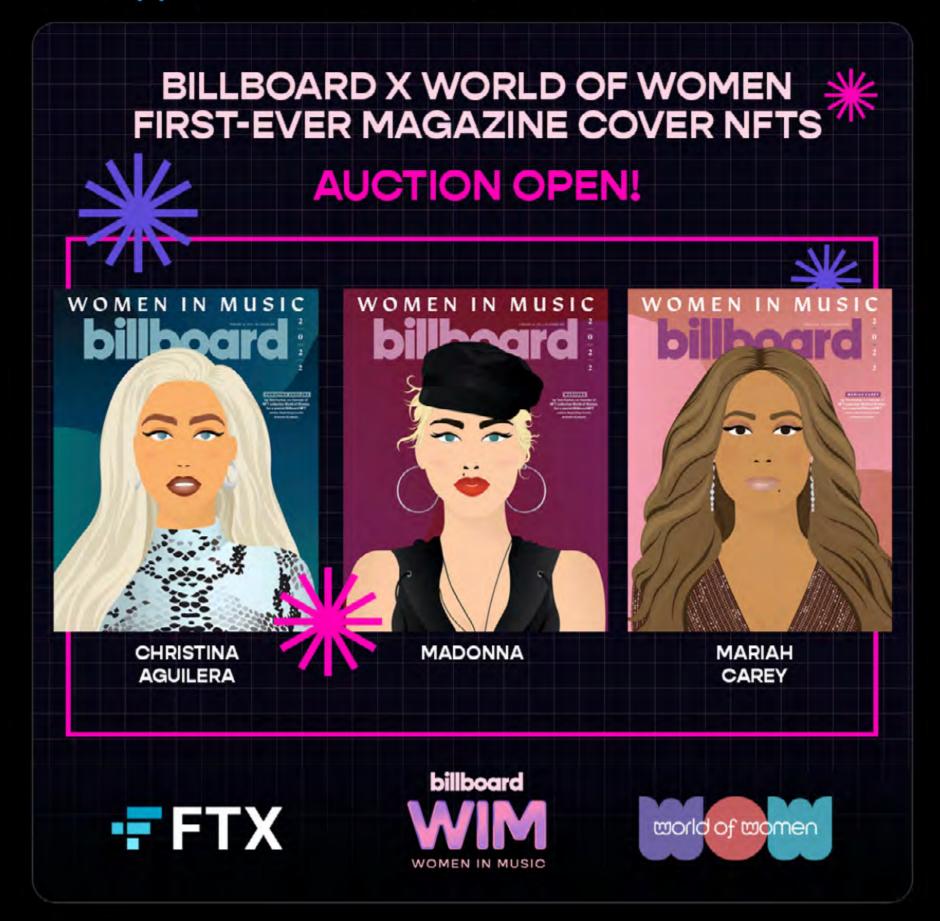
It's not only happening with Yuga Labs & Bored Ape Yacht Club NFTs. Guy Oseary heads another NFT company who he uses the exact same playbook for. World of Women (pictured right) involves undisclosed celebrity endorsements with his industry cohorts, FTX backing, relies on the same nepotistic media connections (Rolling Stone, Billboard, Variety, etc..)

https://twitter.com/billboard/status/1499555119364550670



It's official: the Billboard x @worldofwomennft collection is live! @xtina announced the drop at #BBWomenInMusic 2022.

Bid now on the @ftx_official app. ftxusapp.onelink.me/LKX9/d44a1ee4



5. THE IP / COPYRIGHT CON

When Bored Ape Yacht Club launched, the main selling point was the promise of enterprise: full IP ownership and unregulated to monetize your "art" investment.

The BAYC website claims that purchasers of their NFTs "Own the art completely", however years later, they are now claiming that they actually retain full copyright ownership of the art.

All this, after billions of dollars in sales volume.

https://boredapeyachtclub.com/#/terms

OWNERSHIP

i. You Own the NFT. Each Bored Ape is an NFT on the Ethereum blockchain. When you purchase an NFT, you own the underlying Bored Ape, the Art, completely. Ownership of the NFT is mediated entirely by the Smart Contract and the Ethereum Network: at no point may we seize, freeze, or otherwise modify the ownership of any Bored Ape.



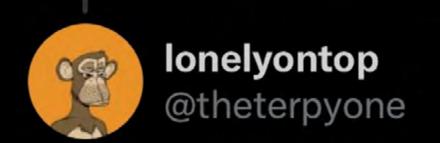
A COMPANY BUILT ON GIVING AWAY THEIR IP...

Since Bored Ape Yacht Club's launch, we have seen countless enterprises following Yuga's encouraged use of the monkey IP. Everything from water, children's toys, marijuana products, alcohol, tobacco vapes, underwear, sex toys, dating services, apparel and music videos.

The list is staggering, but is any of it legal?

https://www.businesswire.com/news/home/20220322006088/en/Yuga-Labs-Closes-450-Million-Seed-Round-of-Funding-Valuing-the-Company-at-

4-Billion-Confirms-Plans-for-Metaverse-Project



Replying to @yugalabs and @jeremyg2k

monetizing my IP daily #wagmi



8:07 PM · 1/31/23 · **309** Views

...ALL MY APES GONE?

After spending years marketing the claim that monkey pictures will unlock endless commercial potential via IP rights, Yuga Labs recently admitted in Federal Court documents that they do not actually hold any Copyright registrations.

Copyright cannot be enforced without registrations. Worse so, several copyright registrations have already been made in by BAYC holders, dating back to 2021.

https://www.artnews.com/art-news/news/yuga-labs-copyright-registration-bored-ape-yacht-club-nfts-1234655279/

https://gizmodo.com/yuga-labs-nfts-bored-apes-copyright-1850042639

https://storage.courtlistener.com/recap/gov.uscourts.cacd.855658/gov.uscourts.cacd.855658.89.0.pdf

interest in the Ape images, Defendants' failure to address their use of Yuga Labs' unmodified logo devastates any plausibility to their claim that the sole DMCA notice did not concern any copyrighted material from Yuga Labs.

E. Counts 2 and 3 Should Be Dismissed for Lack of Subject Matter

Jurisdiction Because Yuga Labs Does Not Have Copyright

Registrations.

Counts 2 and 3 ask the Court to declare that Yuga Labs does not possess a copyright in the Bored Ape images. A copyright exists at the moment copyrightable material is fixed in any tangible medium of expression. *Fourth Estate Public Benefit Corp. v. Wall-Street.com LLC*, 139 S.Ct. 881, 887 (2019). Registration of a copyright is not required to own one; it is required to file suit on one. *Id.* The Court should not wade into whether Yuga Labs has a copyright in its Bored Ape images, because such an opinion would be merely advisory; Yuga Labs does not have a registered copyright, ²⁵ and there is therefore no imminent threat of a lawsuit for copyright infringement. ²⁶

UNITED STATES PATENT AND TRADEMARK OFFICE



5. THE IP / COPYRIGHT CON

THE COPYRIGHT COPY PASTE

Yuga Labs and its community brag that their license is "revolutionary" and paradigm shifting, but the truth is that the entire thing was copy-pasted, word for word, from an older NFT collection called 'The Hashmasks'.

https://twitter.com/Pauly0×/status/1620613167692013568

https://www.thehashmasks.com/terms

https://boredapeyachtclub.com/#/terms

thehashmasks.com/terms

① ☆ □

Hashmasks. Home overview gallery not token my wallet wallet history

3. OWNERSHIP AND RESTRICTIONS

A. Ownership

i. You Own the NFT. Each Hashmask is a NFT on the Ethereum blockchain. When you purchase a NFT, you own the underlying Hashmask, the Art, completely. Ownership of the NFT is mediated entirely by the Smart Contract and the Ethereum Network: at no point may we seize, freeze, or otherwise modify the ownership of any Hashmask. In addition, any NFT holder will be eligible to claim NCT tokens for free from the NCT Contract. The NCT tokens can then, and solely, be used to change the name of the NFT on the Ethereum Blockchain. We strictly prohibit the use of offensive language in the name giving process. Any insulting names will be removed from the User Interface. Since the smart contracts are open to anyone, we cannot hinder a name change on the Ethereum blockchain.

ii. Personal Use. Subject to your continued compliance with these Terms, The Company grants you a worldwide, exclusive, royalty-free license to use, copy, and display the purchased Art, along with any extensions that you choose to create or use, solely for the following purposes: (i) for your own personal, non-commercial use; (ii) as part of a marketplace that permits the purchase and sale of your Hashmask / NFT, provided that the marketplace cryptographically verifies each Hashmask owner's rights to display the Art for their Hashmasks to ensure that only the actual owner can display the Art; or (iii) as part of a third party website or application that permits the inclusion, involvement, or participation of your Hashmask, provided that the website/application

This website and its connected services are provided "as is" and "as available" without warranty of any kind. By using this website you are accepting sole responsibility for any and all transactions involving Bored Ape Yacht Club digital collectibles.

OWNERSHIP

58.

i. You Own the NFT. Each Bored Ape is an NFT on the Ethereum blockchain. When you purchase an NFT, you own the underlying Bored Ape, the Art, completely. Ownership of the NFT is mediated entirely by the Smart Contract and the Ethereum Network: at no point may we seize, freeze, or otherwise modify the ownership of any Bored Ape.

ii. Personal Use. Subject to your continued compliance with these Terms, Yuga Labs LLC grants you a worldwide, royalty-free license to use, copy, and display the purchased Art, along with any extensions that you choose to create or use, solely forthe following purposes: (i) for your own personal, non-commercial use; (ii) as part of a marketplace that permits the purchase and sale of your Bored Ape / NFT, provided that the marketplace cryptographically verifies each Bored Ape owner's rights to display the Art for their Bored Ape to ensure that only the actual owner can display the Art; or (iii) as part of a third party website or application that permits the inclusion, involvement, or participation of your Bored Ape, provided that the website/application cryptographically verifies each Bored Ape owner's rights to display the Art for their Bored Ape to ensure that only the actual owner can display the Art, and provided that the Art is no longer visible once the owner of the Bored Ape leaves the website/application.

iii. Commercial Use. Subject to your continued compliance with these Terms, Yuga Labs LLC grants you an unlimited, worldwide license to use, copy, and display the purchased Art for the purpose of creating derivative works based upon the Art ("Commercial Use"). Examples of such Commercial Use would e.g. be the use of the Art to produce and sell merchandise products (T-Shirts etc.) displaying copies of the Art. For the sake of clarity, nothing in this Section will be deemed to restrict you from (i) owning or operating a marketplace that permits the use and sale of Bored Apes generally, provided that the marketplace cryptographically verifies eachBored Ape owner's rights to display the Art for their Bored Ape to ensure that only the actual owner can display the Art; (ii) owning or operating a third party website or application that permits the inclusion, involvement, or participation of Bored Apes generally, provided that the third party website or application cryptographically verifies each Bored Ape owner's rights to display the Art for theirBored Ape to ensure that only the actual owner can display the Art, and provided that the Art is no longer visible once the owner of the Purchased Bored Ape leaves the website/application; or (iii) earning revenue from any of the foregoing.

MONKEY SEE MONKEY DO..

Even more, regardless of if Yuga or the NFT holders hold the copyright.. are 10,000 nearly identical images even eligible for individual copyrights?

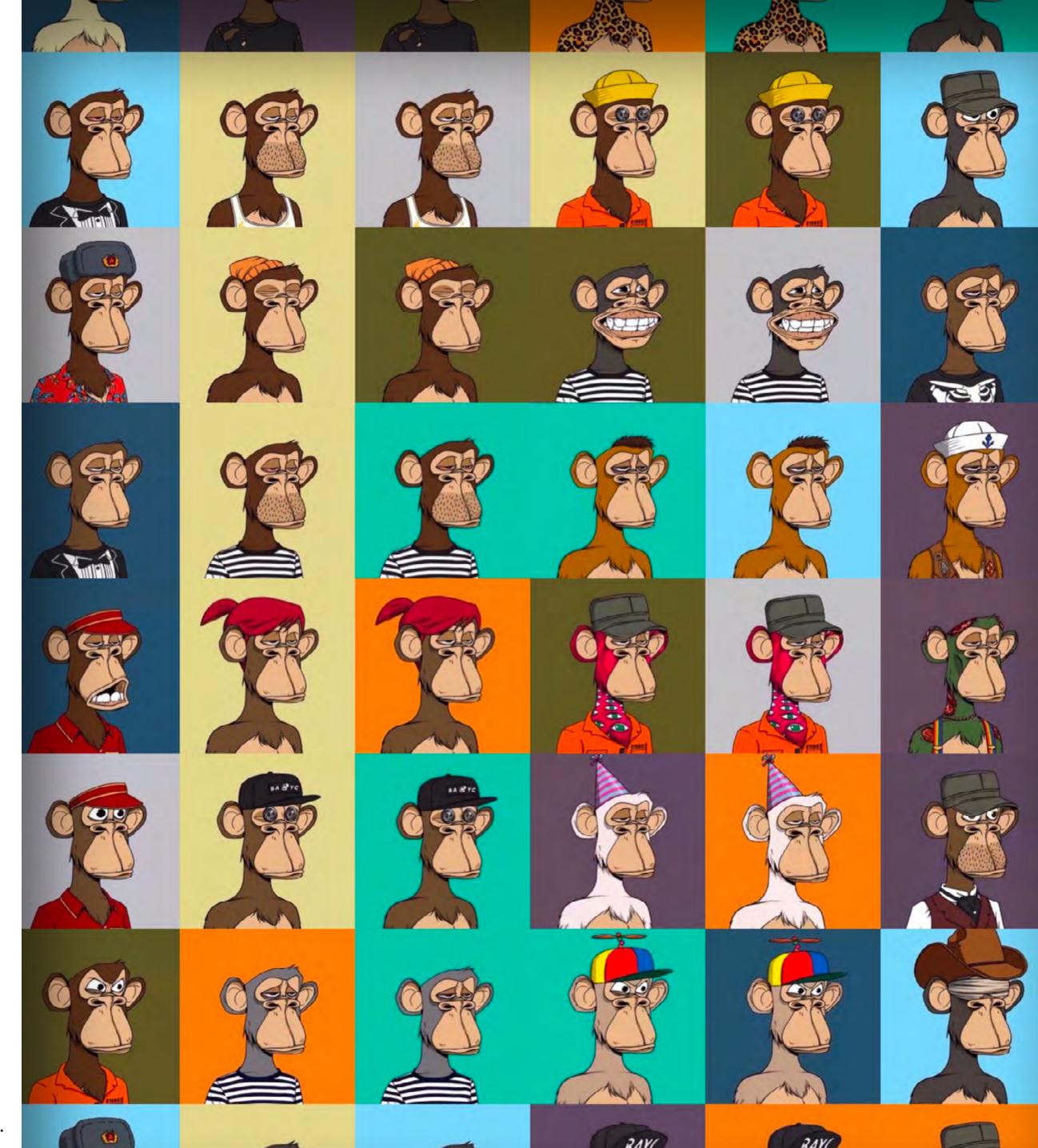
Most of the ape images are very similar and 112 apes are identical twins, with only different background colors. There are two sets of triplets.

https://gist.github.com/furf/726473924b2858f7c9b922957e81642b

https://twitter.com/Pauly0×/status/1622988522767683584/photo/1

https://twitter.com/ryder_ripps/status/1568418330230558720

https://www.thefashionlaw.com/copyright-computer-generated-image-issues-come-up-in-yuga-labs-v-ryder-ripps/



COPYRIGHTS? MONKEYRIGHTS??

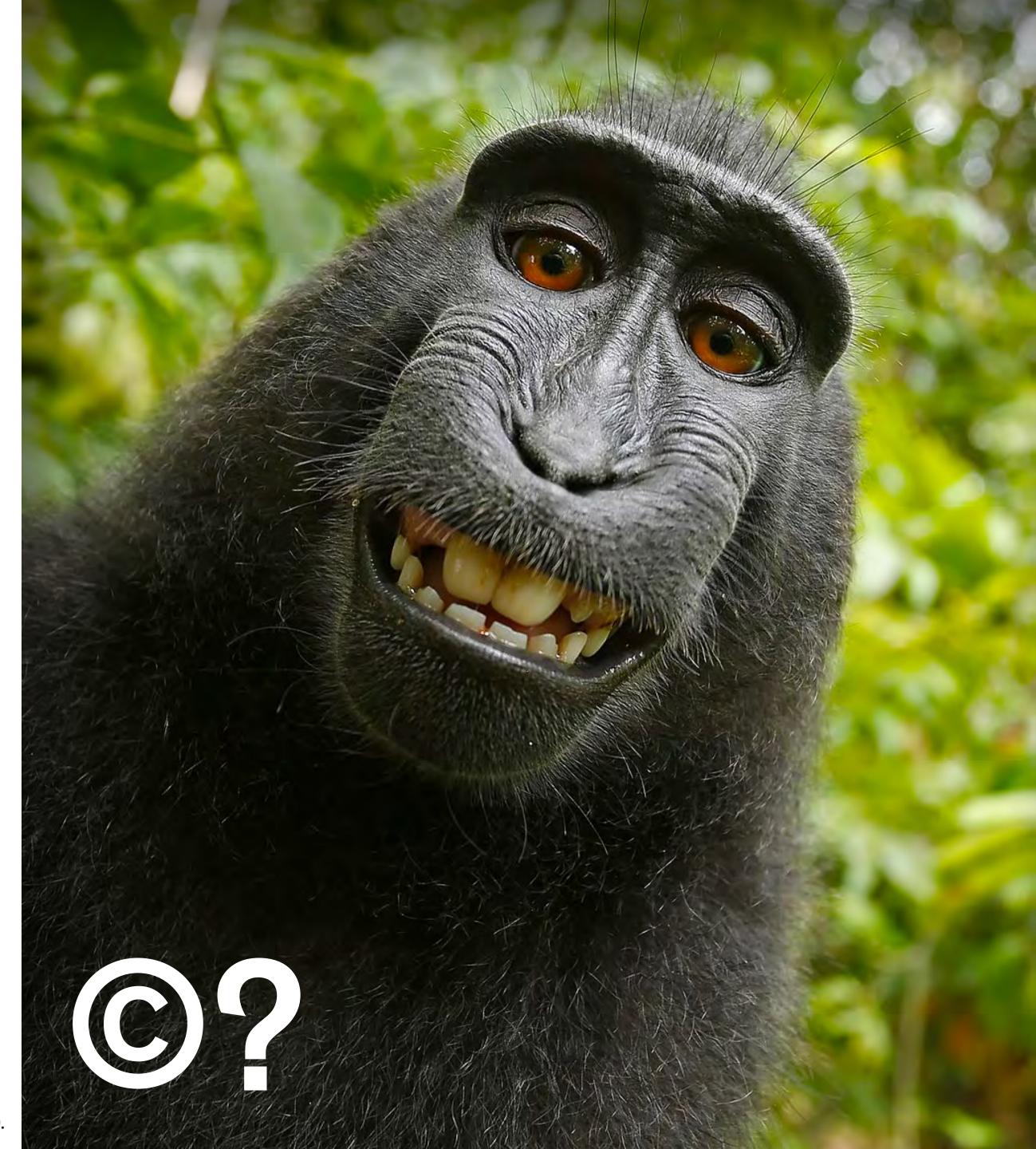
The image pictured right, comes from a famous case involving a photographer trying to copyright a selfie taken by a monkey. The court ruled that the photographer was not allowed to own its rights, because Copyright can only be granted for *human creativity*.

Furthermore, the US Copyright and Review board has ruled that "non-human expression is ineligible for copyright protection."

The BAYC website states that the NFT imagery is programmatically generated, thus likely entirely inelligible for copyright.

https://en.wikipedia.org/wiki/Monkey_selfie_copyright_dispute

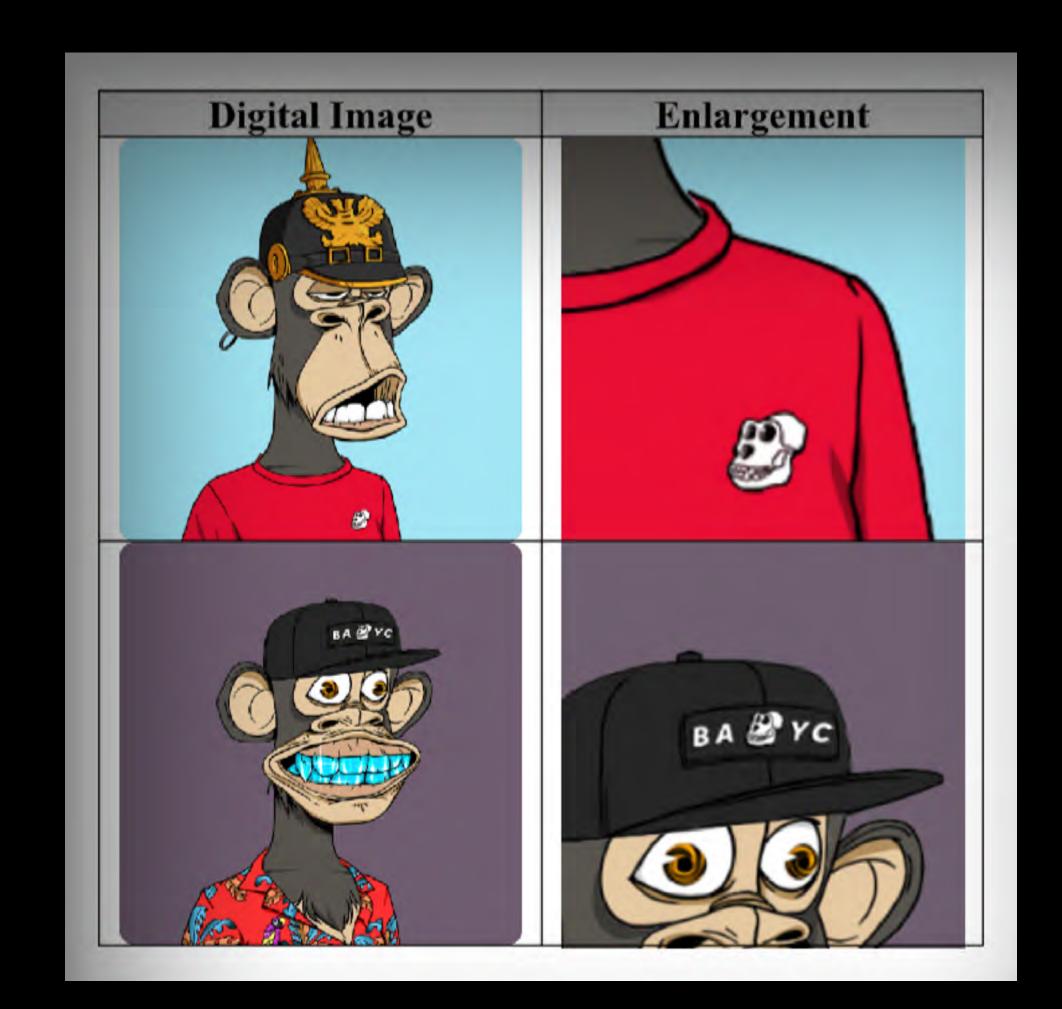
https://nysba.org/bored-apes-and-monkey-selfies-copyright-and-pfp-nfts/



TRADEMARKS GIVEN AWAY

Similar to how they gave away trademark when they transferred the BAYC skull mark to ApeCoin DAO, another rights transferrance took place when customers purchased the NFTs, owning "the art, completely". Contained within that "art" and token are all of the Bored Ape trademarks. These are the same marks that Yuga has been aggressively pursuing litigation over.

https://www.thefashionlaw.com/amid-rr-bayc-case-jeremy-cahen-looks-to-block-yuga-labs-trademark-registrations/



TRADEMARKS STOLEN

Yuga Labs airdropped one of their unregistered securities, Bored Ape Kennel Club, to BAYC members. The logo for the new NFT was blatently stolen from a website on how to draw a wolf skull. Yuga even filed a trademark registration for it. Yuga Labs quickly admitted this.

https://twitter.com/Jdotcolombo/status/1626538005581406208

https://cointelegraph.com/news/yuga-labs-accused-of-ip-theft-for-trademarking-bayc-wolf-skull-logo







Saw the claims today about the BAKC logo. This was news to us and we're still investigating the situation. Have reached out to the freelancer we hired for that design and Easy Drawing Guides. We'll be changing the logo and updating it on our site / ask marketplaces to change as well. This collection was meant from the start to be about raising money for charity and I'm proud of the fact that BAKC raised over \$1m for animal charities. Will debut the new logo soon so we can continue to do some good work for causes we care about.

7:17 PM · Feb 17, 2023 · **2,584** Views

17 Retweets 4 Quote Tweets 116 Likes

JOE CAMEL 2.0

Since Yuga Labs has no restrictions on how people can use the IP, we see illicit products such as Flavored Vapes, Marijuana Products and sexualized games involving beastiality and sodomy explicitly marketed to children via monkey cartoons.

In a similar fashion to when Joe Camel was banned by the US Government in 1992 for marketing to children.

https://www.benzinga.com/pressreleases/22/08/a28696051/get-halfbaycd-the-future-of-web3-cannabis

https://www.theverge.com/2022/2/11/22925408/bored-ape-yacht-clubcannabis-copyright



CONCLUSION: AS THE FRAUD MACHINE SPINS

What turned Yuga Labs into a 4 billion dollar company overnight was not magic. In fact, it was the exact same formula used by the ICO scams of 2017, supercharged by the legitimacy of Guy Oseary and bolstered by the VC concocted jargon of a promised "new era of internet" aka "Web 3".

The immense fraud being conducted by Yuga Labs is ongoing and extremely dangerous. How long will it take regulatory officers to step in and stop the crime?

Only time will tell.



