

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

William Wood and Thomas Bush,
Plaintiff(s),

-against-

ADVENTURE ONE QSS, INC. d/b/a
POLYMARKET.COM; BLOCKRATIZE, INC.
d/b/a POLYMARKET; SHAYNE COPLAN;
MATTHEW MODABBER; and JOHN DOES 1-10
and ABC CORP. 1-10,
Defendant(s).

Index No. _____

SUMMONS

Date Index No. Purchased:

To the above named Defendant(s):

ADVENTURE ONE QSS, INC. d/b/a Polymarket.com

c/o Shayne Coplan

530 Broadway, 3rd Floor, New York, New York 10012

You are hereby summoned to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the Plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

The basis of venue is Defendants' residence in New York County under CPLR 503, which is that Defendants Adventure One QSS, Inc. and Blockratize, Inc. maintain their principal place of business in New York County, Defendants Shayne Coplan and Matthew Modabber are domiciled in New York County, and a substantial part of the events giving rise to this action occurred in New York County.

Dated: New York, New York

July 3, 2026

BURWICK LAW, PLLC

by: /s/Rylan Maksoud

Max Burwick

Rylan Maksoud

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New York, New York 10036

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*Attorneys for Plaintiffs William Wood and
Thomas Bush*

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

William Wood and Thomas Bush,
Plaintiff(s),

-against-

ADVENTURE ONE QSS, INC. d/b/a
POLYMARKET.COM; BLOCKRATIZE, INC.
d/b/a POLYMARKET; SHAYNE COPLAN;
MATTHEW MODABBER; and JOHN DOES 1-10
and ABC CORP. 1-10,
Defendant(s).

Index No. _____

SUMMONS

Date Index No. Purchased:

To the above named Defendant(s):

BLOCKRATIZE, INC. d/b/a Polymarket

c/o C T Corporation System

28 Liberty Street, New York, NY 10005

You are hereby summoned to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the Plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

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*Attorneys for Plaintiffs William Wood and
Thomas Bush*

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

William Wood and Thomas Bush,
Plaintiff(s),

-against-

ADVENTURE ONE QSS, INC. d/b/a
POLYMARKET.COM; BLOCKRATIZE, INC.
d/b/a POLYMARKET; SHAYNE COPLAN;
MATTHEW MODABBER; and JOHN DOES 1-10
and ABC CORP. 1-10,
Defendant(s).

Index No. _____

SUMMONS

Date Index No. Purchased:

To the above named Defendant(s):

SHAYNE COPLAN

530 Broadway, 3rd Floor, New York, New York 10012

You are hereby summoned to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the Plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

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Dated: New York, New York
July 3, 2026

BURWICK LAW, PLLC

by: /s/Rylan Maksoud

Max Burwick

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*Attorneys for Plaintiffs William Wood and
Thomas Bush*

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

William Wood and Thomas Bush,
Plaintiff(s),

-against-

ADVENTURE ONE QSS, INC. d/b/a
POLYMARKET.COM; BLOCKRATIZE, INC.
d/b/a POLYMARKET; SHAYNE COPLAN;
MATTHEW MODABBER; and JOHN DOES 1-10
and ABC CORP. 1-10,
Defendant(s).

Index No. _____

SUMMONS

Date Index No. Purchased:

To the above named Defendant(s):

MATTHEW MODABBER

530 Broadway, 3rd Floor, New York, New York 10012

You are hereby summoned to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the Plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

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Dated: New York, New York
July 3, 2026

BURWICK LAW, PLLC

by: /s/Rylan Maksoud

Max Burwick

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*Attorneys for Plaintiffs William Wood and
Thomas Bush*

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
William Wood and Thomas Bush,

Plaintiffs,

-against-

ADVENTURE ONE QSS, INC. d/b/a
POLYMARKET.COM; BLOCKRATIZE, INC. d/b/a
POLYMARKET; SHAYNE COPLAN; MATTHEW
MODABBER; and JOHN DOES 1-10 and ABC CORP.
1-10,

Defendants.

Index No. _____

COMPLAINT

JURY TRIAL
DEMANDED

-----X
Plaintiffs William Wood and Thomas Bush ("Plaintiffs"), through their attorneys, Burwick Law, PLLC, for their Complaint against Defendants Adventure One QSS, Inc. d/b/a Polymarket.com, Blockratize, Inc. d/b/a Polymarket, and ABC Corp. Defendants 1-10 (together, the "Corporate Defendants" or "Polymarket"), and Shayne Coplan, Matthew Modabber, and John Doe Defendants 1-10 (together, the "Individual Defendants") (the Corporate Defendants and the Individual Defendants, collectively, the "Defendants"), allege as follows upon knowledge as to themselves and their own acts, and upon information and belief as to all other matters:

PRELIMINARY STATEMENT

1. A prediction market has one purpose: to reward people for being right about the world. Its entire value to its users and to the public is that it converts verifiable truth into payment. Participants bring their knowledge, research, and judgment; the market prices their collective information into probabilities; and when the event resolves, those who correctly forecast the truth

are paid, and those who did not are not. That is the product, that is the promise, and that is the only thing that makes such a market worth trusting or using.

2. Polymarket sells precisely that promise. It advertises itself as the world's largest prediction market, a place where "markets seek truth,"¹ where "Prices = Probabilities,"² where users can "profit from [their] knowledge,"³ and where "the shares representing the correct, final outcome are paid out \$1.00 . . . each upon market resolution."⁴ The deal Polymarket offers is simple: be right about the fact, and get paid.

3. Plaintiffs were right about the fact. They held "Yes" shares in a market that asked one narrow, binary question: whether Strategy Inc. (formerly MicroStrategy Incorporated) ("Strategy" or "MSTR") would sell any of its Bitcoin by May 31, 2026. Strategy did. And the proof was not a rumor, a tip, or an inference: it was Strategy's own Form 8-K filing with the United States Securities and Exchange Commission (the "SEC"), the most authoritative source of the fact that exists. The SEC filing was the very "information from MSTR" that the market's rule designated as its primary resolution source and it disclosed the sale of 32 Bitcoin during the period ending May 31, 2026.

¹ <https://help.polymarket.com/en/articles/13364060-what-is-polymarket>.

² <https://help.polymarket.com/en/articles/13364488-how-are-prices-calculated>.

³ <https://help.polymarket.com/en/articles/13364060-what-is-polymarket>.

⁴ Id.

4. There was nothing to interpret. The question was binary. The answer was documented by the issuer itself. On the narrow issue this market posed, no reasonable person could reach any conclusion other than “Yes.”

5. Polymarket refused to pay. Presented with the clearest possible proof of the plainest possible fact, it resolved the market “No” by, after the fact, posting new “clarifying” language, converting the question from whether Strategy sold Bitcoin by May 31 into whether the sale was publicly confirmed by May 31.⁵ The sale was the event. The SEC filing was proof of the event. Polymarket used the timing of the proof to defeat the proof of timing.

6. This is not a dispute about a close call or an ambiguous outcome. It is the opposite. If Defendants can impose a confirmation-by-deadline requirement after the fact in a market this objective, then the advertised promise of pre-defined, rules-based resolution is materially misleading. A prediction market that will not honor a proven, unambiguous event does not seek truth; it controls payout.

7. Plaintiffs bring this action to recover what they were owed for being right, and to hold Polymarket to the market it sold. They assert claims for breach of contract, breach of the implied covenant of good faith and fair dealing, money had and received and unjust enrichment (in the alternative), and deceptive, unfair, and abusive acts and false advertising under New York General Business Law (“GBL”) §§ 349 and 350. Plaintiffs seek damages in an amount to be determined at trial, including the denied \$1.00-per-share redemption value of their winning “Yes”

⁵ See <https://polymarket.com/event/microstrategy-sell-any-bitcoin-in-2025/microstrategy-sells-any-bitcoin-by-may-31-2026>.

shares, restitution in the alternative, statutory and treble damages, an injunction against the deceptive practices described herein, interest, attorneys' fees, and costs.

POLYMARKET'S PROMISE OF TRUTH

8. Polymarket's product is not merely a website. Its product is rules-based resolution of the promise that outcomes are determined by fixed, pre-defined rules and that the correct side is paid. A prediction market works only if the rules stay fixed. If the platform can change the rule after the answer is known, the market is not discovering truth; it is controlling payout.

9. Defendants make the following representations to the public, including on Polymarket's website and Help Center, on which users including Plaintiffs rely: that "Polymarket is the world's largest prediction market";⁶ that users can "stay informed and profit from your knowledge";⁷ that "our markets reflect accurate, unbiased, and real-time probabilities";⁸ that "markets seek truth";⁹ that "Prices = Probabilities";¹⁰ that "prediction markets [are] the best source of real-time event probabilities"¹¹; and that "people use Polymarket for the most accurate odds."¹²

⁶ FAQ section of <https://polymarket.com/predictions>.

⁷ <https://help.polymarket.com/en/articles/13364060-what-is-polymarket>.

⁸ *Id.*

⁹ *Id.*

¹⁰ <https://help.polymarket.com/en/articles/13364488-how-are-prices-calculated>.

¹¹ <https://help.polymarket.com/en/articles/13364060-what-is-polymarket>.

¹² *Id.*

10. Defendants represent, as to payment of winning positions, that “[t]he shares representing the *correct, final outcome* are paid out \$1.00 USDC each upon market resolution”¹³; that “[w]hen a market is resolved, holders of winning shares receive \$1 per share”¹⁴; that “losing shares become worthless”¹⁵; and that, upon resolution, “trading of shares is no longer possible.”¹⁶

11. Defendants represent, as to how markets resolve, that “[m]arkets are resolved according to the market’s pre-defined rules”;¹⁷ that markets are “resolved according to the rules set forth on the market page”;¹⁸ that “the rules specify the resolution source”;¹⁹ that “the rules specify . . . the market end date”;²⁰ and that, while “[t]he market title describes the market,”²¹ it is “the rules [that] define how it should be resolved.”²²

12. Defendants represent, as to clarifications and order-book integrity, that a clarification is supposed to address ambiguity rather than change the fundamental intent of the market

¹³ *Id.*

¹⁴ <https://help.polymarket.com/en/articles/13364518-how-are-prediction-markets-resolved>.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ <https://help.polymarket.com/en/articles/13364548-how-are-markets-clarified>.

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

question; that “[w]hen a market is clarified, the order book is cleared,”²³ that “all resting orders [are] cancelled at the time of clarification,”²⁴ and that, “[i]f a clarification is announced in advance, the order book is also cleared at the time of the announcement.”²⁵

13. Defendants represent, as to market integrity, that they maintain the “[r]ules, standards, and . . . principles that keep markets honest”;²⁶ that “[t]he system works because traders are motivated to act on their expertise and trust that no one is gaming the outcome”;²⁷ that Defendants act to “protect the integrity of every market outcome”²⁸ and to “keep our markets free from deceptive, manipulative, and unfair trading practices”²⁹; and that Polymarket offers “[f]air & transparent markets, by design.”³⁰

14. These representations are consumer-oriented, uniform, and disseminated to the public at large. Plaintiffs reviewed and relied upon them in deciding to trade on Polymarket and in purchasing their “Yes” shares in the Strategy Bitcoin Market.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ <https://integrity.polymarket.com>.

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.*

POLYMARKET'S MARKETS REWARD KNOWLEDGE, NOT CHANCE

15. The premise of this Market, and of the rules-based prediction-market product Polymarket sold to Plaintiffs, is that the outcome turns on real-world facts that informed, diligent participants can research, analyze, and forecast. The relevant question here did not turn on chance; it turned on an objective corporate fact: whether Strategy sold any Bitcoin by May 31, 2026.

16. Polymarket says as much. It invites users to “profit from [their] knowledge,”³¹ describes prediction markets as “the best source of real-time event probabilities,”³² and represents that its prices reflect “accurate, unbiased, and real-time probabilities.”³³ The social value Polymarket claims for its platform—and the reason users trust it—is that it aggregates dispersed information into an accurate picture of the truth and pays those whose informed judgment proves correct.

17. The Strategy Bitcoin Market is a paradigm example. Whether a public company sold any of its Bitcoin by a stated date is a matter of objective, documented fact, not a game of chance. The Market required application of a written rule to issuer-provided information, on-chain data, and credible reporting; it did not require subjective judgment, entertainment value, or chance-based game mechanics.

³¹ <https://help.polymarket.com/en/articles/13364060-what-is-polymarket>.

³² *Id.*

³³ *Id.* (emphasis removed)

18. Plaintiffs' "Yes" position was the product of exactly the kind of informed judgment Polymarket purports to reward. Plaintiffs assessed Strategy's conduct and circumstances and correctly forecast that Strategy would sell Bitcoin within the relevant period: a conclusion that Strategy's own SEC filing confirmed. Plaintiffs were right, in precisely the way the platform is designed to reward.

THE POLYMARKET PLATFORM AND DEFENDANTS' CONTROL

19. Users experience one platform: one brand, one market page, one set of rules, one trading interface, one resolution architecture, and one public promise. Plaintiffs did not interact with a visible collection of separate operators. Plaintiffs traded on Polymarket, relied on Polymarket's rules, used Polymarket's Interfaces and Features, and were harmed by Polymarket's administration.

20. Defendants control that platform. By the terms of their own Terms of Use: Adventure One provides the "Interfaces" and "Features," and the Terms "constitute a binding agreement" with Adventure One; the Site "contains a feature" that allows users to trade event-based Contracts; Blockratize "developed" certain Features, "including the Platform"; and Adventure One is "a licensee" of Blockratize's software.³⁴

21. Defendants reserve to themselves sweeping discretion and control over the platform. By the terms of their own Terms of Use, Defendants may "modify, substitute, eliminate, restrict access to, or add to" the Site, the Interfaces, and the Features "at any time," "with or without

³⁴ <https://polymarket.com/tos>.

notice,” including by “deleting or otherwise materially modifying content and information”; may suspend or disable the Features; may act “to only allow open contracts to be closed”; and may determine, “in [their] discretion,” whether trading activity is abusive, improper, or disruptive. Defendants (or their licensors) “own all right, title, and interest” in the Site, Interfaces, Features, content, and technology.³⁵

22. Defendants’ representation that Contracts are “resolved by the UMA Optimistic Oracle . . . in accordance with a Contract’s pre-defined rules”³⁶ does not diminish Defendants’ control; it confirms it. Defendants, not the oracle, draft the market rule, draft and post the “clarifications” that define the question the resolution process is asked to decide, and control the market page, the trading interface, and the payout. The oracle does not write the rule or decide what a market means; it responds to the rule, the clarification, and the framing that Defendants supply. By drafting and posting the after-the-fact “clarification” in the Strategy Bitcoin Market, Defendants controlled the very input that produced the “No” resolution. Defendants cannot outsource responsibility for a rule they wrote and a clarification they posted to a process they framed.

23. The resolution of the Strategy Bitcoin Market turned on conduct that only Defendants controlled. On information and belief, one or more Defendants controlled the market page; drafted the market rule; approved that rule; posted the after-the-fact “clarification”; decided that the market would not resolve “Yes”; decided that trading would remain open; controlled the order

³⁵ *Id.*

³⁶ *Id.*

book and the trading interface; framed the resolution question presented through the UMA process; and accepted, ratified, or gave effect to the “No” outcome and Defendants profited from the market’s activity. The allocation of these functions among Defendants is within Defendants’ knowledge.

24. Each Defendant is directly liable for the conduct it controlled. No disregard of any corporate form is necessary to hold a Defendant liable for its own acts. If Adventure One controlled the Interfaces, it is liable for that conduct; if Blockratize controlled the Platform software, it is liable for that conduct; if any Defendant controlled the rule page, posted the clarification, ratified the “No” resolution, or benefited from the wrongful administration of the market, it is liable for that conduct.

DEFENDANTS AND ENTITY STRUCTURE

25. Plaintiff William Wood is a natural person.

26. Plaintiff Thomas Bush is a natural person.

27. Defendant Adventure One QSS, Inc. ("Adventure One"), doing business as "Polymarket.com," is a corporation organized under the laws of Panama with its principal place of business (nerve center) at 530 Broadway, 3rd Floor, New York, New York 10012 and/or the adjacent building at 540 Broadway, 5th Floor, New York, New York 10012, in the SoHo neighborhood of Manhattan. Adventure One's Panama presence is an unstaffed shell corporation; its operations, personnel, and management are in New York. Public regulatory records state that Adventure One has operated Polymarket since at least January 11, 2022, and that the Polymarket Terms of Use were updated to reflect that Polymarket was made available by Adventure One. By

the terms of Polymarket's own Terms of Use, Adventure One is "the Company" that provides the Polymarket Interfaces and Features, including the website located at Polymarket.com, and is a party to the contract(s) at issue.

28. Defendant Blockratize, Inc. ("Blockratize"), doing business as "Polymarket," is a corporation organized under the laws of Delaware with its principal place of business (nerve center) at 530 Broadway, 3rd Floor, New York, New York 10012 and/or the adjacent building at 540 Broadway, 5th Floor, New York, New York 10012 — the same New York offices from which Adventure One operates. Blockratize owns the "Polymarket" name and brand: it is the record owner of the federally registered trademark POLYMARKET (U.S. Reg. No. 7,297,283, registered February 6, 2024), of additional pending POLYMARKET applications (U.S. Serial Nos. 99617077, 99617084, and 99617086, filed January 27, 2026), and of the marks THE WORLD'S LARGEST PREDICTION MARKET (U.S. Serial Nos. 99599885, 99599890, and 99599893), POLY, and \$POLY, among others. Blockratize developed the Polymarket platform software and, according to public regulatory records, operated Polymarket directly from on or about June 16, 2020 until on or about January 11, 2022 — when, following a January 2022 order of the United States Commodity Futures Trading Commission, operation of Polymarket.com was transferred to Defendant Adventure One QSS, Inc., which licenses Blockratize's software. Blockratize's Chief Executive Officer is Defendant Shayne Coplan. By the terms of the Terms of Use, Blockratize developed the Polymarket "Platform" and related Features, is identified as a "Related Party," and is the developer whose software Adventure One licenses.

29. Defendant Shayne Coplan ("Coplan") is a natural person domiciled in New York County, New York. Coplan is the founder and Chief Executive Officer of Blockratize and a director of Adventure One. Coplan's New York domicile is a matter of public record: in November 2024, the FBI executed a search warrant at his Manhattan residence and seized his electronic devices, in connection with a federal inquiry that was closed without charges in July 2025. At all relevant times, acting alone or in concert with others, he formulated, directed, controlled, had the authority to control, or participated in the acts and practices alleged herein — including Polymarket's public representations and the drafting, "clarification," and resolution of the Strategy Bitcoin Market — and has ultimate decision-making authority over the Corporate Defendants' business operations and representations at issue under GBL §§ 349 and 350.

30. Defendant Matthew Modabber ("Modabber") is a natural person domiciled in New York City, New York, and, since January 2024, has served as Polymarket's Chief Marketing Officer. At all relevant times, acting alone or in concert with others, he formulated, directed, controlled, had the authority to control, or participated in the marketing and advertising of Polymarket alleged herein, including the representations at issue under GBL §§ 349 and 350. On information and belief, Modabber has directed Polymarket's marketing from New York, including publicly-reported marketing campaigns promoting fake winnings and paying content creators to post promotions without disclosing the payments — with at least \$350,000 routed through Modabber's personal PayPal account to such creators.

31. Polymarket presents itself to users as one integrated prediction-market platform. Plaintiffs did not separately contract with a software licensor, an offshore operator, an oracle interface, a website administrator, and a market-clarification team. Plaintiffs traded on

Polymarket; saw Polymarket's market page; relied on Polymarket's rules; used Polymarket's Interfaces and Features; and were harmed by Polymarket's resolution architecture.

32. On information and belief, the Corporate Defendants are operated as a single, integrated business under common ownership and control: they work under the same leadership, share the same New York offices, share business functions, technology, and personnel, intermingle their marketing, and jointly use the "Polymarket" brand. Blockratize owns the Polymarket trademarks and the platform software, which it licenses to Adventure One. Coplan is Blockratize's Chief Executive Officer and a director of Adventure One and holds ultimate decision-making authority over both.

33. The internal allocation of responsibility among Adventure One, Blockratize, UMA-related participants, market administrators, and other affiliated entities is opaque. That opacity was created by Defendants, and information concerning it is uniquely within Defendants' knowledge. Defendants should not be permitted to use their own internal fragmentation to avoid discovery or liability.

34. Each Defendant is liable to the extent that it controlled, operated, authorized, delegated, ratified, or benefited from the conduct at issue. To the extent any Defendant did not itself perform the conduct at issue, Plaintiffs allege, in the alternative, that such Defendant is liable under principles of agency, apparent authority, ratification, and delegated performance, and, in the further alternative, under principles of successor liability and, only as a last alternative, as an alter ego of the entity that performed the conduct.

35. Defendants John Doe 1–10 and ABC Corp. Defendants 1–10 are individuals or entities, whose true identities are presently unknown to Plaintiffs, that own, control, operate, direct, administer, or profit from the Polymarket platform and/or from the resolution of the market at issue, and that are or may be jointly and severally liable to Plaintiffs. Plaintiffs will seek leave to amend to substitute the true names of such defendants when they are ascertained.

JURISDICTION, VENUE, AND NEW YORK NEXUS

36. This Court has subject matter jurisdiction over this action, which seeks damages and related relief in an amount exceeding the jurisdictional limits of all lower courts that would otherwise have jurisdiction.

37. This Court has general personal jurisdiction over Defendants under CPLR 301 because Defendants are "at home" in New York. Blockratize and Adventure One maintain their principal place of business at 530 Broadway, 3rd Floor, New York, New York 10012 and/or 540 Broadway, 5th Floor, New York, New York 10012, in New York County, and Defendants Coplan and Modabber are domiciled in New York.

38. This Court has specific personal jurisdiction over Defendants pursuant to CPLR 302 because, at all relevant times, Defendants transacted business within the State of New York, contracted to supply goods or services in the State of New York, and committed tortious acts within the State of New York or caused injury through New York-directed conduct. On information and belief, Defendants maintain or maintained personnel, offices, and operations in New York, including in New York County; used New York-based personnel and operations in connection with Polymarket's marketing, market-rule drafting, clarification practices, platform

administration, and resolution architecture; and created, approved, disseminated, or ratified the challenged market rule, advertising, and after-the-fact clarification from New York. Plaintiffs' claims arise out of those New York contacts.

39. Venue is proper in New York County pursuant to CPLR 503 and 509 because, on information and belief, Defendants maintain or maintained their principal operations, personnel, or offices in New York County at 530 and 540 Broadway; Defendants' Terms of Use and public-facing materials identify New York contacts for Polymarket-related operations; and a substantial part of the events giving rise to Plaintiffs' claims—including the creation and dissemination of Defendants' advertising, the drafting of the market rule and the after-the-fact clarification, and the administration and resolution of the Market—occurred in or emanated from New York County.

40. The New York nexus for Plaintiffs' GBL §§ 349, 350 claims is not merely Defendants' domicile, headquarters, executive presence, or the place from which Defendants' marketing strategy originated. The challenged transaction occurred at least in substantial part in New York because Plaintiffs purchased, and held shares in, a rules-based market service whose material platform functions—including the Market rule, market page, trading interface, order-book administration, Additional Context, resolution framing, resolution ratification, and refusal to redeem Plaintiffs' "Yes" shares—were created, administered, controlled, approved, ratified, or materially performed through Defendants' New York-based operations.

**THE STANDARD-FORM TERMS AND PLATFORM STRUCTURE DO NOT DEFEAT
PLAINTIFFS' CLAIMS AT THE PLEADING STAGE**

41. Defendants drafted the standard-form Terms of Use, and Defendants also drafted or controlled the market-specific rules. The market-specific rule—not merely the Terms of Use—is the operative promise on which Plaintiffs relied.

42. The Terms of Use themselves identify Adventure One as the provider of the Interfaces and Features; identify Blockratize as the software developer whose software Adventure One licenses; recognize event-based Contracts; recognize that Contracts resolve according to pre-defined rules; and separate the user-company dispute procedures from the procedures governing the resolution of Contracts.

43. Plaintiffs do not concede that any arbitration provision applies to every Defendant, or to every claim asserted here; that Panama law or a Panama forum is enforceable as to these claims; or that any purported \$100 limitation of liability can limit Plaintiffs' statutory claims or claims arising from Defendants' bad-faith conduct.

44. Plaintiffs expressly preserve all objections to and defenses concerning the formation, scope, and delegation provisions of any arbitration agreement, as well as objections based on unconscionability, prospective waiver of statutory rights, enforcement by or against nonsignatories, and public policy, and reserve the right to respond fully in the event Defendants seek to invoke any such provision.

THE STRATEGY BITCOIN MARKET

45. Defendants offered a market concerning whether Strategy—the publicly traded company formerly known as MicroStrategy Incorporated, and the largest corporate holder of Bitcoin—would sell any of its Bitcoin by a date certain. The market presented that question across multiple dates, including May 31, 2026, June 30, 2026, and December 31, 2026 (the “Strategy Bitcoin Market” or the “Market”).

46. The governing rule for the May 31, 2026 Market provided, in relevant part:

This market will resolve to “Yes” if MicroStrategy sells any of its Bitcoin by 11:59 PM ET on the date specified in the title. Otherwise, this market will resolve to “No.”³⁷

The rule further provided:

The primary resolution source for this market will be information from MSTR and on-chain data, however a consensus of credible reporting will also be used.³⁸

47. By its plain terms, the Market asked a single factual question and supplied a single operative condition: the Market would resolve “Yes” if Strategy sold any of its Bitcoin on or before 11:59 p.m. Eastern Time on May 31, 2026. The rule made the sale itself—not the date on which the sale was publicly announced or confirmed—the operative event, and it designated “information from MSTR” as the primary source for resolving that question. On information and belief, Polymarket’s interface and underlying API data also displayed a July 1, 2026 estimated or administrative end date; the interface directed users to the Market rules for specific resolution

³⁷ <https://polymarket.com/event/microstrategy-sell-any-bitcoin-in-2025/microstrategy-sells-any-bitcoin-by-may-31-2026>.

³⁸ *Id.*

details. That administrative end-date field did not replace the May 31 event deadline stated in the rule and did not create a confirmation-before-deadline requirement.

48. Defendants' own customer-service interface confirmed Plaintiffs' understanding of the resolution process. In response to a Plaintiff's inquiry, Polymarket's "Polybot" stated that official confirmation of an event that occurred before the market deadline but was published during an active dispute "can be valid evidence" if submitted during the dispute period, and that new evidence coming out during the dispute period "can be taken into account" for resolution.

49. The question the Market posed was narrow and binary. It did not ask how much Strategy sold, at what price, or on what terms; it asked only whether Strategy sold any of its Bitcoin by the deadline. The answer was capable of only two values, and it turned on a single, verifiable fact.

PLAINTIFFS' PURCHASES

50. In reliance on the Market rule and on Defendants' representations that Polymarket markets resolve according to their pre-defined rules and that correct shares are paid \$1.00, Plaintiffs purchased "Yes" shares in the May 31, 2026 Market through the Polymarket platform. Polymarket's public account interface does not display a complete historical ledger for all Market activity; accordingly, the following allegations are based on Plaintiffs' account records, Polymarket screenshots, and on-chain analytics available to Plaintiffs.

51. After Strategy's SEC Filing became public and before Defendants posted the 1:00 p.m. ET Additional Context, Plaintiff William Wood purchased and held approximately 695,704

“Yes” shares for an aggregate cost basis of approximately \$530,023, at an average price of approximately \$0.762 per share. Plaintiff Wood held those shares when Defendants issued the post hoc clarification and when the Market resolved “No.”

52. Plaintiff Thomas Bush purchased and held approximately 101,494 “Yes” shares in the Market for an aggregate cost basis of approximately \$66,258. Plaintiff Bush’s Polymarket activity records reflect at least seven visible purchases in the Market: approximately 10,424.8 “Yes” shares at 58 cents for \$6,101.87; 17,992.0 “Yes” shares at 56 cents for \$10,177.68; 13,959.7 “Yes” shares at 67 cents for \$9,462.45; 15,111.0 “Yes” shares at 66 cents for \$10,135.29; 14,092.5 “Yes” shares at 71 cents for \$10,116.16; 14,310.9 “Yes” shares at 70 cents for \$10,120.49; and 15,602.7 “Yes” shares at 64 cents for \$10,143.63. After the “No” outcome, Polymarket’s interface showed Plaintiff Bush’s May 31, 2026 position as approximately 101,494 “Yes” shares, a value per share of \$0.00, and a total value of \$0.00.

53. Plaintiffs’ transaction-level records include timestamps, share counts, prices, amounts paid, fees, and resulting balances. Plaintiffs can supply that transaction-level support under seal, through discovery, or through a non-public schedule as needed.

54. Had the Market resolved “Yes” as the rule required, Plaintiff Wood’s approximately 695,704 “Yes” shares would have redeemed at \$1.00 per share, for an aggregate redemption value of approximately \$695,704, exclusive of fees, interest, and costs. Plaintiff Bush’s approximately 101,494 “Yes” shares would have redeemed at \$1.00 per share, for an aggregate redemption value of approximately \$101,494, exclusive of fees, interest, and costs. In the

aggregate, Plaintiffs' denied redemption value is approximately \$797,198. In the alternative, Plaintiffs seek restitution of the amounts paid to acquire those shares, including approximately \$530,023 as to Plaintiff Wood and approximately \$66,258 as to Plaintiff Bush, for an aggregate alternative restitution amount of approximately \$596,281, plus related fees, interest, and costs.

STRATEGY'S SEC FILING CONFIRMED THE "YES" OUTCOME

55. Strategy did, in fact, sell Bitcoin within the Market's timeframe. On or about June 1, 2026, Strategy filed with the SEC a Current Report on Form 8-K disclosing updates with respect to its Bitcoin holdings (the "SEC Filing").

56. On information and belief, Strategy routinely disclosed weekly Bitcoin activity through public filings or issuer communications released the following Monday. Because May 31, 2026 fell on a Sunday, definitive issuer information concerning the final week of May was predictably unavailable until the next business morning, June 1, 2026. The Market rule nevertheless designated "information from MSTR" as the primary resolution source and did not require that such information be published before 11:59 p.m. Eastern Time on May 31, 2026.

57. The SEC Filing identified the relevant period as May 26, 2026 through May 31, 2026. For that period, the SEC Filing reported "BTC Sold" of 32, an aggregate sale price of approximately \$2.5 million, and an average sale price of approximately \$77,135 per Bitcoin.³⁹

³⁹ Strategy Inc., Current Report (Form 8-K), Item 8.01 (June 1, 2026), <https://www.sec.gov/Archives/edgar/data/1050446/000119312526249768/mstr-20260530.htm>.

The SEC Filing further stated that the Bitcoin activity and holdings information was presented “as of May 31, 2026, 4:00 p.m. Eastern Time.”⁴⁰

58. The SEC Filing thus confirmed that Strategy sold Bitcoin within the Market’s timeframe on or before 11:59 p.m. Eastern Time on May 31, 2026. This was not rumor, speculation, or mere on-chain inference; it was the company’s own official disclosure, filed with the SEC. It was “information from MSTR”—the very source the Market rule designated as primary.

59. Because the question was binary and the fact was documented by the issuer itself, there was no room for interpretation. On the narrow issue the Market posed, the only supportable answer was “Yes.” The operative condition of the Market that Strategy sell any of its Bitcoin by May 31, 2026 was satisfied, and Plaintiffs’ “Yes” shares should have redeemed at \$1.00 each.

60. On or about May 31, 2026, at approximately 8:00 p.m. ET, a “No” resolution was proposed and then disputed, extending the resolution process for approximately three days while trading continued.

61. On June 1, 2026, after Strategy’s SEC Filing became public, “Yes” prices increased sharply and substantial trading occurred. The majority of Market volume occurred after the issuer’s confirmation and before Defendants’ 1:00 p.m. ET post hoc Additional Context.

62. At approximately 9:00 a.m. ET on June 1, 2026, Defendants posted an Additional Context notice stating that any clarification would be issued at 1:00 p.m. ET; that, if no statement

⁴⁰ *Id.*

issued then, no clarification would be made; and that the order book would be cleared at 1:00 p.m. ET regardless of whether a clarification was made.

63. At approximately 1:00 p.m. ET on June 1, 2026, after the SEC Filing and after substantial post-filing trading, Defendants posted the new Additional Context stating that confirmation achieved outside of the Market's timeframe did not qualify. "Yes" prices immediately collapsed. On or about June 3, 2026, after the extended dispute period, the UMA process resolved the Market "No."

POLYMARKET CHANGED WHAT COUNTED AS TRUTH

64. Notwithstanding that the operative condition was satisfied and confirmed by Strategy's own SEC Filing, Defendants resolved, or caused the Market to resolve, "No" by retroactively changing the rules of resolution to bind the "UMA Optimistic Oracle." Defendants did not redeem Plaintiffs' "Yes" shares at \$1.00.

65. To cause the "No" resolution, Defendants posted new or "clarifying" language after the underlying event had occurred, after Strategy's SEC Filing confirmed the event, and after substantial trading had occurred on the basis of that confirmation. That after-the-fact language stated that "no information from MSTR, on-chain data, or consensus of credible reporting confirmed that MicroStrategy sold Bitcoin within the market's timeframe,"⁴¹ and that "[c]onfirmation achieved outside of the market's time frame does not qualify."⁴²

⁴¹ <https://polymarket.com/event/microstrategy-sell-any-bitcoin-in-2025/microstrategy-sells-any-bitcoin-by-may-31-2026>.

⁴² *Id.*

66. That language did not appear in, and was inconsistent with, the rule Plaintiffs traded. The original rule turned on whether Strategy sold Bitcoin by May 31. The after-the-fact language turned on whether the sale was publicly confirmed by May 31. Those are two different conditions. The sale is the event; confirmation is evidence of the event. By imposing a confirmation-timing requirement that the Market rule never contained, Defendants rewrote the Market—converting it from the event question Plaintiffs traded into a confirmation-timing question Plaintiffs never agreed to.

67. Defendants' own clarification policy provides that any Additional Context cannot change the fundamental intent of the market question.⁴³ Here, the fundamental intent of the question was whether Strategy sold Bitcoin by the deadline. The 1:00 p.m. ET Additional Context changed that intent by substituting a different condition: whether the sale was confirmed by the deadline.

68. On information and belief, Defendants posted the "clarifying" language after Strategy's SEC Filing and after the outcome had become known, and did so in a manner precisely aligned with the "No" result Defendants reached, demonstrating that the change was outcome-driven rather than a good-faith application of the Market's pre-defined rules. The precise timing, authorship, and circumstances of the clarification are within Defendants' knowledge and will be the subject of discovery, including: whether the clarification was posted after the SEC Filing, and at what time; who posted it; whether trading remained open when it was posted, after the Market's deadline, and after the SEC Filing; whether the order book was

⁴³ <https://docs.polymarket.com/concepts/resolution>

cleared and resting orders cancelled, as Defendants' own clarification policy represents; whether advance notice was given; whether Defendants followed their own clarification policy; and who benefited from the clarification.

69. Defendants' refusal to pay was not a close call that a reasonable administrator got wrong. The question was as narrow, the fact as binary, and the proof as authoritative as a prediction market will ever encounter: the subject company's own SEC filing. If Defendants can impose a confirmation-by-deadline requirement after the fact in a market this objective, then the advertised promise of pre-defined, rules-based resolution is materially misleading, and the platform's central promise that correct predictions are rewarded and that markets seek truth is illusory.

70. Defendants' own public representations condemn their conduct. Defendants say that markets "seek truth,"⁴⁴ yet here they rejected the official truth. Defendants say that "Prices = Probabilities,"⁴⁵ yet here the price became a wager on Defendants' own later rule change. Defendants say that the rules "define how [a market] should be resolved,"⁴⁶ yet here the outcome was justified by language added after the event. Defendants say that correct shares are paid \$1.00, yet here Plaintiffs held the correct side and were not paid. Defendants say that no one should be able to "gam[e] the outcome,"⁴⁷ yet here the platform itself changed what counted as

⁴⁴ <https://help.polymarket.com/en/articles/13364060-what-is-polymarket>.

⁴⁵ <https://help.polymarket.com/en/articles/13364488-how-are-prices-calculated>.

⁴⁶ <https://help.polymarket.com/en/articles/13364548-how-are-markets-clarified>.

⁴⁷ <https://integrity.polymarket.com>.

the outcome. And Defendants say that Polymarket offers “[f]air & transparent markets, by design,”⁴⁸ yet here the decisive condition was not disclosed or transparent until after the answer was already known.

71. Following the disputed resolution, a member of Polymarket's team publicly responded to criticism of the "recent MicroStrategy market drama"—including that Polymarket had ignored traders before May 31, 2026, was not transparent about how it "clarified" the Market, allowed trading to continue during the resolution controversy, and continued collecting fees during the dispute. Posting from the Polymarket-branded account @mustafap0ly, the employee replied that he "totally agree[d]" and that Polymarket was "changing a bunch of stuff internally to make sure this doesn't happen again." That Polymarket pledged to fix its own internal processes so "this doesn't happen again" supports the inference that Defendants located the cause of the dispute in their own market-rule, clarification, trading, and resolution practices—not in any independent determination of the UMA oracle.

72. Event risk is a legitimate feature of a prediction market; rule-change risk is not. Plaintiffs accepted the risk that Strategy might not sell Bitcoin by May 31. Plaintiffs did not accept the risk that Defendants would change the operative rule after the event occurred and was confirmed.

73. On-chain data compiled from a snapshot immediately before Defendants' 1:00 p.m. ET rule update shows that approximately 1,868 traders held one or more “Yes” shares at that time. The same dashboard reports approximately \$3,821,349 in aggregate estimated user funds

⁴⁸ *Id.*

lost on a cost-basis methodology and approximately \$6,525,846 in value if the Market had resolved correctly. Those users held their positions before Defendants changed the operative resolution standard. This market-wide snapshot confirms that the challenged conduct was consumer-oriented and affected the public-facing Market as a whole, not merely a private dispute with Plaintiffs.

DAMAGES

74. As a direct and proximate result of Defendants' conduct, Plaintiffs lost the redemption value of the "Yes" shares that should have been paid at \$1.00 each, together with related fees, interest, and costs.

75. Plaintiff Wood held approximately 695,704 "Yes" shares that should have redeemed at \$1.00 per share, for an aggregate redemption value of approximately \$695,704, exclusive of fees, interest, and costs. In the alternative, Plaintiff Wood seeks restitution of approximately \$530,023 paid to acquire those shares, plus related fees, interest, and costs. Plaintiff Bush held approximately 101,494 "Yes" shares that should have redeemed at \$1.00 per share, for an aggregate redemption value of approximately \$101,494, exclusive of fees, interest, and costs. In the alternative, Plaintiff Bush seeks restitution of approximately \$66,258 paid to acquire those shares, plus related fees, interest, and costs. In the aggregate, Plaintiffs were damaged in an amount to be determined at trial, but not less than approximately \$797,198 in denied redemption value, exclusive of fees, interest, and costs, and in the alternative not less than approximately \$596,281 in acquisition-cost restitution, exclusive of fees, interest, and costs.

FIRST CAUSE OF ACTION**(Breach of Contract Against the Corporate Defendants)**

76. Plaintiffs repeat and reallege each of the foregoing allegations as if fully set forth herein.

77. The market-specific rule of the Strategy Bitcoin Market, together with the Terms of Use and the mechanics of the Polymarket platform, constituted a binding and enforceable contract between Plaintiffs and the Corporate Defendants. The market-specific rule was the operative bargain: it defined the question, the resolution source, the deadline, and the payout.

78. Under that contract, the Market was required to resolve “Yes” if Strategy sold any of its Bitcoin by 11:59 p.m. Eastern Time on May 31, 2026, and winning “Yes” shares were required to be redeemed at \$1.00 per share.

79. Plaintiffs performed all of their obligations under the contract, including by paying for and holding their “Yes” shares.

80. The contractual condition for a “Yes” resolution was satisfied: Strategy sold Bitcoin within the Market’s timeframe, as confirmed by Strategy’s own SEC Filing and by the primary resolution source the rule designated.

81. The Corporate Defendants breached the contract by resolving, or causing the Market to resolve, “No”; by refusing to redeem Plaintiffs’ “Yes” shares at \$1.00 per share; and by unilaterally altering the operative Market rule after the fact in order to reach a “No” result.

82. As a direct and proximate result of the Corporate Defendants' breach, Plaintiffs have been damaged in an amount to be determined at trial, but not less than approximately \$797,198 in denied redemption value, plus interest, fees, and costs, and in the alternative not less than approximately \$596,281 in acquisition-cost restitution.

SECOND CAUSE OF ACTION

(Breach of the Implied Covenant of Good Faith and Fair Dealing Against the Corporate Defendants)

83. Plaintiffs repeat and reallege each of the foregoing allegations as if fully set forth herein.

84. Implied in the contract between Plaintiffs and the Corporate Defendants is a covenant of good faith and fair dealing, pursuant to which neither party may do anything that has the effect of destroying or injuring the right of the other party to receive the fruits of the contract.

85. The Corporate Defendants possessed discretion and practical control over the administration of the Market, including the drafting and posting of "clarifications," the presentation of the operative rule, the timing and manner of resolution, the framing of any question presented through the UMA process, and the content of the market page on which Plaintiffs relied.

86. That discretion, and any delegation of resolution to an oracle process, is not a license to rewrite the Market. The Corporate Defendants were obligated to exercise their discretion in good faith and consistent with the parties' reasonable expectations, and not to use discretion,

delegation, or “clarification” to defeat the bargain by changing the operative condition after the truth had arrived.

87. The Corporate Defendants breached the implied covenant. After Strategy’s SEC Filing made the truth objectively knowable—that Strategy had sold Bitcoin within the Market’s timeframe—Defendants used their discretion and control to convert the operative condition from a sale-by-deadline condition into a confirmation-by-deadline condition, and to resolve the Market “No,” thereby depriving Plaintiffs of the fruits of their contract.

88. The Corporate Defendants’ exercise of discretion was arbitrary, irrational, and in bad faith, as evidenced by the fact that the rule change was made only after the outcome was known and was crafted to align precisely with the “No” result Defendants reached.

89. As a direct and proximate result of the Corporate Defendants’ breach of the implied covenant, Plaintiffs have been damaged in an amount to be determined at trial, but not less than approximately \$797,198 in denied redemption value, plus interest, fees, and costs, and in the alternative not less than approximately \$596,281 in acquisition-cost restitution.

THIRD CAUSE OF ACTION

(Money Had and Received / Unjust Enrichment In the Alternative Against the Corporate Defendants)

90. Plaintiffs repeat and reallege each of the foregoing allegations as if fully set forth herein.

91. This cause of action is pleaded in the alternative to the First Cause of Action, in the event that no enforceable contract is found to govern the parties' relationship or the resolution and payout of the Market.

92. Plaintiffs' transactions were informed positions on verifiable real-world facts. The Strategy Bitcoin Market turned on objective issuer-provided information and on-chain data, not a chance-based game mechanic. To the extent, however, that any contract is deemed void or unenforceable for any reason, equity requires that Defendants not be permitted to retain the benefits they obtained from Plaintiffs' transactions and the Market's operation.

93. Plaintiffs paid money to acquire "Yes" shares in the Strategy Bitcoin Market. The Corporate Defendants received fees, revenues, data, order-flow benefits, reputational benefits, and other economic benefits from the Market, and controlled or materially influenced the platform architecture, market page, clarification process, and resolution inputs that determined whether collateral backing winning positions would be released to "Yes" holders.

94. Strategy sold Bitcoin within the Market's timeframe, as confirmed by its SEC Filing, and Plaintiffs held the correct, winning position. The Corporate Defendants received and retained money or other economic benefits, including the value that should have been paid to Plaintiffs' winning "Yes" shares and/or the amounts Plaintiffs paid to acquire them, that in equity and good conscience belong to Plaintiffs.

95. It would be against equity and good conscience to permit the Corporate Defendants to retain that money or those benefits. Plaintiffs are entitled to restitution in an amount to be

determined at trial, including not less than approximately \$596,281 in aggregate acquisition-cost restitution, plus interest.

FOURTH CAUSE OF ACTION

(Deceptive Acts and Practices Under GBL § 349 Against All Defendants)

96. Plaintiffs repeat and reallege each of the foregoing allegations as if fully set forth herein.

97. GBL § 349 prohibits unfair, deceptive, or abusive acts or practices in the conduct of any business, trade, or commerce, or in the furnishing of any service, in the State of New York.

98. Defendants' conduct was consumer-oriented. Defendants market, advertise, and operate the Polymarket platform to the public at large on standardized terms and through standardized representations applicable to all users. The challenged conduct affected the public-facing Market as a whole, including approximately 1,868 traders who held "Yes" positions immediately before the 1:00 p.m. ET rule update, and was not a private contractual dispute unique to Plaintiffs.

99. On information and belief, Defendants' unfair, deceptive, or abusive acts and practices occurred in New York because the challenged conduct was part of a New York-administered platform transaction, not merely advertising or corporate policy that originated in New York. Defendants created and disseminated the representations at issue from New York and drafted, approved, administered, disseminated, or ratified the Market rule, the market page, the trading interface, the order-book and clarification process, the after-the-fact Additional Context, the resolution framing, the "No" resolution, and the refusal to redeem Plaintiffs' "Yes" shares

through Defendants' New York-based operations. Plaintiffs' injuries arise from those New York-administered transaction functions.

100. Defendants engaged in materially misleading, unfair, and abusive acts and practices, including by representing that Polymarket is a rules-based, truth-seeking marketplace in which markets resolve according to pre-defined rules and in which correct shares are paid \$1.00, while in fact retaining and exercising the practical ability to rewrite the operative rule after a market's outcome has become known; and by representing that the Strategy Bitcoin Market would resolve in accordance with its stated rule while resolving the Market contrary to that rule. The deception lay not merely in the ultimate "No" resolution, but in Defendants' sale of a purportedly rules-based, truth-seeking market while retaining the ability to change the operative rule after the answer was already known. The conduct was unfair because it caused substantial injury that Plaintiffs and other Market participants could not reasonably avoid and that was not outweighed by countervailing benefits. The conduct was abusive because it materially interfered with users' ability to understand the operative resolution condition and took unreasonable advantage of users' reasonable reliance on Defendants to administer the Market according to its stated rule.

101. The Individual Defendants are liable because they personally participated in, directed, controlled, approved, ratified, or had actual knowledge of the deceptive acts, practices, advertisements, and omissions at issue.

102. Defendants' acts and practices were likely to mislead a reasonable consumer acting reasonably under the circumstances.

103. As a direct and proximate result of Defendants' deceptive acts and practices, Plaintiffs suffered actual injury, including the loss of the value of their "Yes" shares and the sums they paid for them.

104. Pursuant to GBL § 349(h), Plaintiffs are entitled to recover their actual damages, statutory and treble damages as permitted by statute, and reasonable attorneys' fees and costs, and to an order enjoining Defendants from continuing the unfair, deceptive, or abusive acts and practices alleged herein, including the practice of marketing rules-based, truth-seeking prediction markets while retaining and exercising the ability to alter the operative resolution rule after a market's outcome has become known.

FIFTH CAUSE OF ACTION

(False Advertising Under GBL § 350 Against All Defendants)

105. Plaintiffs repeat and reallege each of the foregoing allegations as if fully set forth herein.

106. GBL § 350 prohibits false advertising in the conduct of any business, trade, or commerce, or in the furnishing of any service, in the State of New York.

107. Defendants advertised Polymarket to the public through specific statements, including that "[m]arkets seek truth"⁴⁹; that "[o]ur markets reflect *accurate, unbiased, and real-*

⁴⁹ <https://help.polymarket.com/en/articles/13364060-what-is-polymarket>.

time probabilities”⁵⁰; that “Prices = Probabilities”;⁵¹ that “[m]arkets are resolved according to the market’s pre-defined rules”;⁵² that “the *correct, final outcome*”⁵³ is “paid out \$1.00 . . . each upon market resolution”⁵⁴; and that Polymarket offers “[f]air & transparent markets, by design.”⁵⁵

108. Those advertisements were false and materially misleading because Defendants could, and did, change the operative resolution condition after the underlying event had occurred, after the outcome had been officially confirmed, and after substantial trading occurred in reliance on the original rule, thereby resolving a market contrary to the truth that Defendants’ own designated resolution source had established.

109. The Individual Defendants are liable because they personally participated in, directed, approved, ratified, or had actual knowledge of the false or materially misleading advertisements and omissions at issue, including Polymarket’s public-facing representations concerning pre-defined market rules, specified resolution sources and dates, and payment of \$1.00 for shares representing the correct final outcome.

110. Defendants’ false advertising occurred in New York because the challenged advertisements were part of the same New York-administered platform transaction alleged above. The advertisements were not merely brand statements originating in New York and later

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² <https://help.polymarket.com/en/articles/13364518-how-are-prediction-markets-resolved>.

⁵³ <https://help.polymarket.com/en/articles/13364060-what-is-polymarket>.

⁵⁴ *Id.*

⁵⁵ <https://integrity.polymarket.com>.

viewed elsewhere; they were public-facing representations used to induce participation in a rules-based Market whose rule, administration, clarification, resolution, ratification, and payout refusal were materially performed through Defendants' New York-based operations.

111. Defendants' advertisements were likely to mislead a reasonable consumer acting reasonably under the circumstances, and Plaintiffs reasonably relied on those advertisements in purchasing their "Yes" shares.

112. As a direct and proximate result of Defendants' false advertising, Plaintiffs suffered actual injury, including the loss of the value of their "Yes" shares and the sums they paid for them.

113. Plaintiffs are entitled to recover their actual damages, statutory and treble damages as permitted by GBL § 350-e, reasonable attorneys' fees and costs, and injunctive relief.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that this Court enter judgment in their favor and against Defendants, jointly and severally, as follows:

- (a) Awarding compensatory damages in an amount to be determined at trial, including not less than approximately \$797,198 in denied redemption value, plus interest, fees, and costs;
- (b) In the alternative, awarding restitution of the money had and received and benefits unjustly retained by Defendants, in an amount to be determined at trial, including

not less than approximately \$596,281 in acquisition-cost restitution, plus interest, fees, and costs;

(c) On the Fourth and Fifth Causes of Action, awarding statutory and treble damages as permitted by GBL §§ 349(h) and 350-e;

(d) Enjoining Defendants, pursuant to GBL § 349(h), from continuing the unfair, deceptive, or abusive acts and practices alleged herein, including the practice of marketing rules-based, truth-seeking prediction markets while retaining and exercising the ability to alter the operative resolution rule after a market's outcome has become known;

(e) In the alternative, awarding specific performance requiring Defendants to redeem Plaintiffs' "Yes" shares at \$1.00 per share;

(f) Awarding pre-judgment and post-judgment interest pursuant to CPLR 5001, 5002, 5003, and 5004;

(g) Awarding Plaintiffs their reasonable attorneys' fees and costs of suit, including as permitted by GBL §§ 349(h) and 350-e; and

(h) Granting such other and further relief as the Court deems just and proper.

JURY DEMAND

Plaintiffs hereby demand a trial by jury on all issues so triable.

Dated: New York, New York
July 3, 2026

Respectfully submitted,

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