



Caitlyn Jenner. Photo: Willy Sanjuan/Invision/AP

NEWS

Gold Medal Grift? Caitlyn Jenner Accused in Crypto Fraud Scheme

“Many retail investors rely on statements that celebrities make in public, which is different than your generic meme coin minted and launched by an anonymous developer,” Peter Grazul of Fitzgerald Monroe Flynn said.

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🕒 4 minute read

Cryptocurrency



By Michael A. Mora

What You Need to Know

- Investors sued former Olympic gold medalist Caitlyn Jenner in a nationwide class action.
- The suit accuses Jenner of violations of federal securities laws and fraudulent misrepresentation in the offering and sale of the meme coin \$JENNER.
- Celebrities using their platform to promote crypto and other digital assets has been a recurring theme in litigation, most prominently seen in the collapse in FTX.

Investors sued an international celebrity and former Olympic gold medalist in a federal district court in Los Angeles in a nationwide class action that their attorneys said underscored the increasing scrutiny celebrities face in promoting cryptocurrencies and broader legal questions surrounding digital asset regulation.

Peter Grazul, Jack Fitzgerald, Melanie Monroe and Trevor Flynn of [Fitzgerald Monroe Flynn](#) in San Diego represent the plaintiffs, Naeem Azad and Mihai Caluseru, who sued the defendants, Caitlyn Jenner and

Sophia Hutchins, over violations of federal securities laws and fraudulent misrepresentation in the offering and sale of the cryptocurrency \$JENNER.



U.S. District Judge Stanley Blumenfeld Jr.

“Many retail investors rely on statements that celebrities make in public, which is different than your generic meme coin minted and launched by an anonymous developer,” Grazul said. “Through social media posts, Jenner attempted to use her celebrity status to lock investors into investing in her crypto project and she made a series of misrepresentations or omissions that significantly harmed them.”

Jenner’s counsel is not listed in the docket. Messages sent earlier this week through her social media channels were not returned by press time.

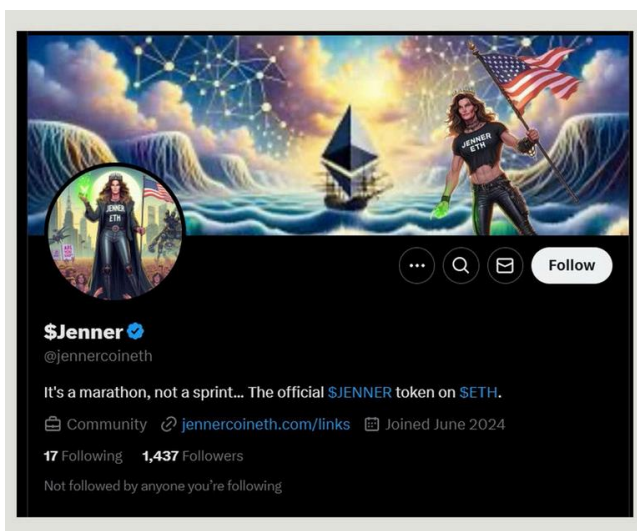
Now, the case is pending before U.S. District Judge Stanley Blumenfeld Jr. of the Central District of California.

Jenner launched \$JENNER in May as a meme coin, a type of digital currency inspired by internet trends and the online presence of celebrities that often experiences monumental increases and decreases in value due to internet culture and viral moments as opposed to any tangible fundamentals.

Jenner used her vast social media presence and repeatedly encouraged her millions of social media followers to invest in the project, which quickly amassed more than \$250 million in trading volume on its debut, according to the complaint. However, investors alleged in the complaint

that she failed to register the crypto as a security with the U.S. Securities and Exchange Commission.

And celebrities using their platform to promote crypto and other digital assets has been a recurring theme in litigation, most prominently seen in the collapse in FTX with ex-NBA star Shaquille O'Neal, supermodel Gisele Bündchen and Shark Tank's Kevin O'Leary. They are all implicated in the sprawling FTX multidistrict litigation for appearing in paid advertising campaigns and endorsing the exchange.



Screenshot of public social media account for the ethereum-based \$JENNER token. Credit: Image from court documents

The lawsuit highlighted several red flags, including Jenner's dual promotion of another coin, \$BBARK, and her alleged reliance on controversial crypto promoter Sahil Arora, who has faced accusations of orchestrating fraudulent schemes in the past. These factors allegedly led to market confusion and distrust among investors, culminating in the crash of the \$JENNER Solana-

based token.

Jenner subsequently launched a second version of \$JENNER on the ethereum blockchain, this time incorporating transaction fees that directly enriched her. Investors argued in the complaint that \$JENNER constitutes a security under the *Howey* test, as investors were led to expect profits derived from Jenner's promotional efforts.

In addition, investors argued that Jenner exploited the lack of investor sophistication in the cryptocurrency space, marketing the asset as a "fun" investment while failing to disclose critical risks. For instance, when a

social media user disclosed that she allocated her “life savings” into the coin, Jenner allegedly responded with disbelief and laughter. “Why would you put your life savings into any meme coin?” Jenner allegedly said on X. “Hahaha, assuming you’re f---ing with me tho.”

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