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# Milei-Promoted Crypto Token Buyers Get \$57.6M Freeze

By **Aislinn Keely**

Law360 (June 2, 2025, 9:57 PM EDT) -- A New York federal judge has ordered the freeze of more than \$57 million in proceeds from the crypto project Libra, as a proposed class presses claims that the alleged operators misled them into buying up the token with the help of an endorsement from Argentine President Javier Milei just before it tanked.

New York-based Libra buyer Omar Hurlock won a **temporary restraining order** and preliminary injunction made public Thursday that directs stablecoin issuer Circle to freeze more than \$57.6 million of its dollar-pegged token USDC held in two wallets believed to be associated with the project.

The order also covers any remaining troves of the Libra token held by the defendants or any proceeds obtained from their trading, including \$110 million in \$LIBRA proceeds allegedly controlled by Hayden Davis, CEO of associated venture capital firm Kelsier Ventures.

Hurlock asked U.S. District Judge Jennifer L. Rochon on May 21 to block the alleged operators from selling, moving or otherwise transferring the assets. Hurlock's suit accused Kelsier Ventures, decentralized trading platform Meteora and blockchain infrastructure firm KIP Protocol and their executives of misrepresenting the Libra project as a means to bolster the Argentinian economy while obscuring aspects of the token's launch that were "fundamentally unfair" to buyers.

The suit, which was initially filed in New York state court before being removed to the Southern District, argued the operators used a **promotion from Milei** to "cultivate a veneer of legitimacy," as insiders misled buyers on their plans for the token and left buyers holding the bag when its value tanked by 94% in the hours after it launched.

The motion to freeze the remaining Libra tokens and proceeds argued the defendants deployed a "sophisticated market manipulation scheme" to pump the price of the token and sell their assets before the price collapsed.

"As alleged in the complaint, the defendants stole over \$280 million ... from consumers in New York and elsewhere over the course of a single evening by selling the cryptocurrency \$LIBRA as an investment in Argentina's economy when it was in fact nothing of the sort," said Hurlock.

Judge Rochon said in her Thursday order that there is a likelihood of irreparable harm "given the ease through which these assets could be dissipated, the risks that defendants will do so, and the value of the defined assets in relation to losses alleged to have been suffered by the plaintiff putative class."

Freezing the assets is in the public interest since the litigation could lead to an award for the buyers, and any damage to the defendants is minimal since they'll have the opportunity to challenge the order, said Judge Rochon. As of now, any opposition briefs are due June 27, and the temporary restraining order will remain in effect until a hearing takes place.

Circle is not a party in the action, but Hurlock said in his motion that it has the power to freeze tokens it issued and has done so in response to valid judicial orders.

"Such a freeze would prevent Davis — or any other defendant — from accessing these victim funds while these proceedings are pending," he said.

A blockchain data tool for the Solana blockchain known as Solscan indicates that Circle has frozen the funds in the addresses described in the order.

Circle did not confirm it froze the assets, but told Law360 in a statement Monday that it is a regulated company and conforms to lawful orders and sanctions compliance requirements.

In addition to naming the token's alleged issuer, Kelsier Ventures, and Meteora for its distribution, the suit names Keisler Chief Operating Officer Gideon Davis and Chairman Thomas Davis, as well as Meteora founder Ben Chow and KIP Protocol CEO Julian Peh.

Gideon Davis did not respond to a request Monday seeking comment from the Kelsier executives or Kelsier Ventures. Counsel information for the company and the executives was not immediately available.

KIP Protocol could not be reached for comment on Monday.

Counsel for Chow did not respond to a request for comment Monday. He filed a notice on Thursday that he intends to oppose the temporary restraining order and preliminary injunction. His submission noted that he agrees to honor the order until the matter is resolved.

Hurlock is represented by Timothy J. Treanor of Treanor Law PLLC, and Max Burwick of Burwick Law PLLC.

Chow is represented by Edward Nathaniel Moss, Gregory Stephen Mortenson, Sheila Chithran Ramesh and Samson Enzer of Cahill Gordon & Reindel LLP.

The case is Hurlock v. Kelsier Ventures et al., case number 1:25-cv-03891, in the U.S. District Court for the Southern District of New York.

--Editing by Adam LoBelia.