No. 26A___

IN THE SUPREME COURT OF THE UNITED STATES

JAMES L. KOUTOULAS,
Applicant,
v.
ERIC DE FORD, SANDRA BADER, and SHAWN R. KEY,
individually and on behalf of all others similarly situated,
Respondents.

SUPPLEMENTAL APPENDIX TO SUPPLEMENTAL BRIEF FOR APPLICANT

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Note: This Supplemental Appendix is lettered and paginated separately from the Appendix filed with the Application for a Stay on August 4, 2026 (App. A-L, App. 1-122). Citations to these materials appear as "Supp. App." throughout the Supplemental Brief.

SUPPLEMENTAL APPENDIX A

Order granting Plaintiffs' motion for sanctions and directing entry of default judgment (M.D. Fla. Aug. 4, 2026) (Doc. 682)

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

ERIC DE FORD, SANDRA BADER and SHAWN R. KEY,

Plaintiffs,

v. **Case No: 6:22-cv-652-PGB-DCI**

JAMES KOUTOULAS and LGBCOIN, LTD,

Defendants.

_____________________________/

ORDER

This cause is before the Court upon Plaintiffs Eric De Ford, Sandra Bader, and Shawn R. Key's (collectively, the "**Plaintiffs**") Motion for Sanctions. (Doc. 614 the "**Motion**")). Defendant James Koutoulas's ("**Koutoulas**") filed a Response in Opposition (Doc. 626 (the "**Response**")), and, with leave of the Court, the Plaintiffs submitted a Reply (Doc. 635 (the "**Reply**")). Upon due consideration, the Plaintiffs' Motion for Sanctions is granted.

The Court finds that Defendant Koutoulas's conduct,[1] described more fully below, was egregious and was undertaken in bad faith. Accordingly, the Court enters default judgment against Defendant Koutoulas under its inherent authority and Federal Rules of Civil Procedure 37(b), (c). The Court further grants Plaintiffs

1 The Court notes that the Plaintiffs are not seeking sanctions against Defendant LGBCoin, LTD, even though, according to Koutoulas, he was "[a]t all times material hereto . . . acting in his capacity as . . . [LGBCoin,] LTD's director and in-house counsel." (Doc. 248, ¶¶ 17–18).

leave to file a petition for an award of reasonable attorney's fees for Koutoulas's discovery violations set forth herein and for unreasonably and vexatiously multiplying these proceedings. *See* 28 U.S.C. § 1927.

I. BACKGROUND[2]

This class action was initiated on April 1, 2022, and arises from the creation, marketing, and sale of LGBCoin, a cryptocurrency. (*See generally* Doc. 1).

Now, in the instant Motion, Plaintiffs seek sanctions against Defendant Koutoulas, including the entry of default judgment, based on his pattern and practice of vexatious litigation, submission of fabricated legal authority, false discovery responses, and willful disobedience of the Court's Orders. (Doc. 614, p. 1). In his Response, Defendant Koutoulas fails to address the majority of the Plaintiffs' accusations. (Doc. 626). Plaintiffs replied, and the matter is now ripe for the Court's review.

II. STANDARD OF REVIEW

"A district court may impose sanctions for litigation misconduct under its inherent power." *Maus v. Ennis*, 513 F. App'x 872, 877–78 (11th Cir. 2013)[3] (citing *Eagle Hosp. Physicians, LLC v. SRG Consulting, Inc.*, 561 F.3d 1298, 1306 (11th Cir. 2009)) (affirming the district court's entry of default judgment against a *pro*

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2 The lengthy factual and procedural backgrounds of this case are largely laid out in the Court's prior orders. (*See, e.g.*, Docs. 229, 354, 388, 389).

3 "Unpublished opinions are not controlling authority and are persuasive only insofar as their legal analysis warrants." *Bonilla v. Baker Concrete Const., Inc.*, 487 F.3d 1340, 1345 (11th Cir. 2007).

se party for disrespectful conduct and refusal to participate in discovery). "The key to unlocking the inherent power of the Court is a finding of bad faith." *Barnes v. Dalton*, 158 F.3d 1212, 1214 (11th Cir. 1998); *see also Byrne v. Nezhat*, 261 F.3d 1075, 1106 (11th Cir. 2001). Sanctions may be imposed where a party has "acted in bad faith, vexatiously, wantonly, or for oppressive reasons." *Chambers v. NASCO, Inc.*, 501 U.S. 32, 45–46 (1991). Additionally, Federal Rule of Civil Procedure 37 gives district courts "broad discretion to fashion appropriate sanctions for violation of discovery orders." *Taser Int'l, Inc. v. Phazzer Elecs., Inc.*, 754 F. App'x 995 (11th Cir. 2018) (quoting *Malautea v. Suzuki Motor Co.*, 987 F.2d 1536, 1542 (11th Cir. 1993)).

"[I]n fashioning sanctions, courts should ensure that the sanctions are just and proportionate to the offense." *Wallace v. Superclubs Props., Ltd.*, 2009 WL 2461775, at *5 (S.D. Fla. Aug. 10, 2009) (internal quotation marks and citations omitted). The "severe sanction of a dismissal or default judgment is appropriate only as a last resort, when less drastic sanctions would not ensure compliance with the court's orders." *U.S. v. 32%2C Scorpion Go-Fast Vessel*, 339 F. App'x 903, 905 (11th Cir. 2009) (citation and quotations omitted) (noting that the court is not required to first impose lesser sanctions if doing so would be ineffective).

III. DISCUSSION

A. Koutoulas Engaged in Bad Faith Litigation

i. Tampering with the Class Notice

On December 22, 2025, the Court granted in part the Plaintiff's Motion for Approval of the Proposed Class Notice Plan and ordered Defendant Koutoulas to post a link to the summary notice (the "**Summary Notice**") on the LGBCoin Telegram and Discord Channels. (Doc. 534, pp. 12–13 (granting in part and denying in part Doc. 460)). Putting aside for the time being the litany of vexatious pleadings filed prior to this point, Koutoulas's bad faith misconduct and his intent to abuse the judicial process are evident in the steps he took to undermine the Court's authority and the judicial process more generally.

For the Summary Notice, the Court approved the following language:

> This Action was filed on April 1, 2022, and subsequently amended multiple times with the final amendment on April 14, 2023. This Action was brought by Plaintiffs Eric De Ford, Sandra Bader, and Shawn Key ("Plaintiffs") against James Koutoulas and LGBCoin, LTD (collectively, "Defendants"). The claims against all Defendants other than Mr. Koutoulas and LGBCoin, LTD have been dismissed.
>
> Plaintiffs allege that between November 2, 2021 and March 15, 2022 (the "Class Period"), Defendants violated the federal securities laws by engaging in the unlawful sale of unregistered securities in violation of Section 12(a)(1) of the Securities Act of 1933.
>
> Defendants deny these allegations against them. Defendants do not believe that LGBCoin constitutes a security, but instead, Defendants assert that LGBCoin is a meme coin dedicated to conservative advocacy. As such, Defendants contend they are not subject to any portion of the Securities Act of 1933.

(*Id.* at p. 10 (emphasis omitted)).

Instead of using the language ordered by the Court, Mr. Koutoulas posted the following modification:

> Hi guys, big legal update. We are still on track for our hearing January 28 on a new trial. We also have state court appeals ready if that fails, and are working on a class action complaint if that fails. Should be helped by discovery in the MJ case that their president and chairman routinely hate on conservatives.
>
> Also, the Obama-appointed Honorable Judge Byron ignored the SEC's multiple statements to federal courts that they cant [sic] even allege LGBCoin is a security and is trying to make me bear the expense of standing trial. I have filed a motion to reconsider pointing out many of the errors in it which ChatGPT described as "flawed under at least 12 separate legal doctrines." He has also ordered I post this notice in here:
>
> . . .

(Doc. 539, p. 3). Koutoulas quoted the language of the Summary Notice and added the following:

> As of now, the Plaintiffs lawyers have not added instructions on how to opt out or object if you are so inclined to do so, here are instructions: Important: The LGBCoin class action site does not have an opt-out form, but you can still opt out. To exclude yourself, submit a written, signed request stating "I request to be excluded (opt out) from the LGBCoin class action, De Ford v. Koutoulas, Case No. 6:22-cv-652 (M.D. Fla.)," including your name, address, email/phone, and date, before the opt-out deadline, either by filing with the Court via the Middle District of Florida web filing portal (https://apps.flmd.uscourts.gov/cmecf/filings_form.cfm) and/or by sending it to Plaintiffs' counsel (aaron@ziglerlawgroup.com) and the claims agent (info@lgbcoincryptoaction.com) (best practice: also copy Defense counsel at james@koutoulaslaw.com). If you want to stay in the class but object, send a written, signed objection explaining what you oppose and why, with the case info, to the Court, Plaintiffs' counsel, Defense counsel, and the claims agent by the objection deadline. If you do nothing, you stay in the class and are bound by the result. Here is his order on

> summary judgment and my motion to reconsider which explain how egregiously he has erred in his application of the law[.]

(*Id.* at pp. 3–4 (emphasis omitted)).[4]

Rather than post the Summary Notice as ordered, Koutoulas informed class members of a "legal update," underscoring that he, and Defendant LGBCoin, LTD, continue to fight while depicting the presiding judge as the "Obama-appointed" judge who ignored SEC statements that LGBCoin is not a security. (See *id.*). In so doing, Koutoulas attempts to persuade class members that the Plaintiffs' case is flawed, and the presiding judge is politically motivated and biased. Koutoulas doubles down on his efforts to undermine confidence in the Court and the viability of the class action Plaintiffs' suit, by stating, "I have filed a motion to reconsider, pointing out many errors" in the actions and describing it as "flawed under at least 12 separate legal doctrines." (*Id.* at p. 3).

Koutoulas casts himself as the victim of a partisan judge: "the Obama-appointed Honorable Judge Byron ignored the SEC's multiple statements to federal courts that they cant [sic] even allege LGBCoin is a security and [he] is trying to make me bear the expense of standing trial." (*Id.*). In so doing, Koutoulas, a licensed attorney, disparages the Court and doxes the presiding judge by

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4 On January 12, 2026, Defendants submitted evidence of their class notice post on the LGBCoin Discord Channel. (Doc. 548-1). Defendants' submission revealed that Mr. Koutoulas' post on the LGBCoin Discord Channel was identical to his post on the LGBCoin Telegram channel, both of which modified the Court-Approved Summary Notice and deviated from the Order by adding the same preamble and postscript to the Court-Approved Summary Notice. (*Id.* at p. 1; Doc. 539, pp. 3–4).

identifying him by name and by telling LGBCoin purchasers that the judge is an unfair Obama appointee. Koutoulas completes his diatribe by counseling class members that they "can still opt out" or "object" to the class.[5] (*Id.* at pp. 3–4). Koutoulas attaches to the class notice his motion for summary judgment and for reconsideration to show class members how "egregiously [the Judge] has erred in his application of the law."[6] (*Id.*).

Based on the foregoing, the Court entered an Order to Show Cause why Koutoulas should not be held in civil contempt. (Doc. 539). The Court conducted an evidentiary hearing at which Defendant Koutoulas testified. (*See* Docs. 540, 569). The Court thereafter held Koutoulas in civil contempt. (Doc. 658). As discussed below, Defendant Koutoulas remained undeterred by the contempt citation and continued to file motions that contain intentional misrepresentations of law and fact. Koutoulas's efforts to undermine the Court's authority, disparage the judicial system, and encourage class members to opt out or object to the class

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5 The Defendant conveniently omits from his post that the "Obama-appointed" Judge also served on active duty in the Army under Presidents Reagan and George H. W. Bush, served in the Department of Justice as an Assistant U.S. Attorney under both Bush Presidencies, was on the short-list for U.S. Attorney under President George W. Bush, prosecuted war crimes in Europe, and served again under George W. Bush in the Department of Justice advising countries around the world on anti-money laundering and counter-terrorist financing post-911. He also skips the fact that the undersigned was unanimously confirmed by the U.S. Senate. Koutoulas's intent was to play to the biases he believes class members have against Obama appointees and the Judiciary more generally and thus encourage them to opt out or object to class certification.

6 Defendant Koutoulas, who is licensed to practice law and represented to this Court that he is in-house counsel for Defendant LGBCoin, LTD, directs class members to copy Defense counsel at james@koutoulaslaw.com with their opt-out form. (Doc. 539, pp. 3–4; *see also* Doc. 248, ¶¶ 17–18). Defendant Koutoulas is not a mere client in the instant action; he is actively serving as legal counsel for himself.

are sufficiently malicious to warrant entry of default judgment, even setting aside the litany of vexatious pleadings and discovery violations committed before and after the contempt citation.

In *Kleiner v. First National Bank of Atlanta*, the court discussed the deleterious impact on class actions when defense counsel attempts to solicit class exclusion requests to reduce its potential liability. 751 F.2d 1193, 1197–1200 (11th Cir. 1985) The defendant bank in *Kleiner*, like Defendant Koutoulas here, commenced a communications program "to [e]nsure that the class members . . . understood the merits of the dispute and their right to opt out" with an objective to persuade borrowers to opt out. *Id.* at 1198. An evidentiary hearing followed, and the court issued an order declaring the solicitation scheme illegal and finding the defendant had acted in bad faith. *Id.* at 1199.

The *Kleiner* court observed that when confronted with a class action, "it is obviously in defendants' interest to diminish the size of the class and thus the range of potential liability by soliciting exclusions requests." *Id.* at 1202 (citation omitted). However, "[s]uch conduct reduces the effectiveness of the [Federal Rule of Civil Procedure] 23(b)(3) class action for no reason except to undermine the purpose of the rule." *Id.* (citation omitted). The court went on to state that "[a] unilateral communications scheme . . . is rife with potential for coercion." *Id.* "Unsupervised, unilateral communications with the plaintiff class sabotage the goal of informed consent by urging exclusion on the basis of a one-sided presentation of the facts, without opportunity for rebuttal. The damage from misstatements could well be irreparable." *Id.* at 1203. Such schemes also "relegate[] the essential supervision of the court to the status of an 'afterthought.'" *Id.*

In *Kliener*, the court found that the bank's actions "obstructed the district court in the discharge of its duty to 'protect both the absent class and the integrity of the judicial process by monitoring the actions before it.'" *Id.* (quoting *Deposit Guaranty Nat'l Bank v. Roper*, 445 U.S. 326, 331 (1980)). This was precisely what Koutoulas aimed to accomplish. Additionally, in *Maus v. Ennis*, the Court affirmed the entry of default judgment as a sanction for the defendant's "rude and disrespectful conduct," where the defendant accused the district court of "ignorance" and "incompetency" and one plaintiff of being a "bigot" and a "racist." 513 F. App'x. 872, 878 (11th Cir. 2013). Here, Defendant Koutoulas accuses the district court of worse. He claims that the Court intentionally "ignored" SEC statements, issued seriously "flawed" orders, "egregiously" erred in applying the law, and is a biased Obama appointee. As an officer of the Court, Defendant Koutoulas knows he has a duty to refrain from such conduct. Sanctions less severe than entry of default judgment are insufficient to remedy the harm caused by Defendant Koutoulas to this class action litigation and to public confidence in the judiciary.

ii. Intentional Misrepresentations

Defendant Koutoulas has not only engaged in a pattern and practice of disregarding the Court's rulings but has also affirmatively misrepresented the law and the facts to the Court in various pleadings. By way of background, the Court granted partial summary judgment in favor of Plaintiffs on the first two prongs of the *Howey* test[7] for determining whether the offering in question qualifies as a "security" under § 12(a)(1) of the Securities Act. (Doc. 531, pp. 16–17). The Court also rejected Koutoulas's argument that the "SEC's Findings and Guidance Confirm LGBcoin is not a security." (Doc. 477, pp. 5–6; Doc. 531, p. 14).[8]

Having lost on the SEC Staff Statement argument, Koutoulas sought reconsideration of the Court's Order Granting Partial Summary Judgment in Favor of Plaintiffs. (Doc. 624). This time, he argued that the SEC and the Commodity Futures Trading Commission (**"CFTC"**) jointly issued Release Nos. 33-11412; 34-105020, titled "Application of the Federal Securities Laws to Certain Types of Crypto Assets and Certain Transactions Involving Crypto Assets,"[9] constitutes an intervening change in the law warranting reconsideration of the Court's prior order. (*Id.* at p. 1). Defendant Koutoulas attempted to distinguish the "joint release" from SEC Staff Statements by acknowledging — albeit belatedly — that

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7 The canonical test to determine what constitutes an "investment contract" and thus, a security, was established by the Supreme Court in *Securities & Exchange Commission v. W.J. Howey Co.*, 328 U.S. 293, 299 (1946).

8 *See Staff Statement on Meme Coins*, U.S. SECS. & EXCH. COMM'N (Feb. 27, 2025), https://www.sec.gov/newsroom/speeches-statements/staff statement-meme-coins ("This statement, like all staff statements, has no legal force or effect: it does not alter or amend applicable law, and it creates no new or additional obligations for any person.")

9 *See* Application of the Federal Securities Laws to Certain Types of Crypto Assets and Certain Transactions Involving Crypto Assets, Securities Act Release Nos. 33-11412, 34-105020, 17 C.F.R. pts. 231, 241, available at https://www.sec.gov/files/rules/interp/2026/33-11412.pdf (Mar. 17, 2026). For citation purposes, the Court will refer to this release as the "Interpretive Release."

Staff Statements disclaim legal force, while characterizing the "joint release" as having the force of law. (*Id.* at pp. 4, 6–8). However, the interpretive release by the SEC and CFTC includes a disclaimer that "[t]he interpretation in this release does not supersede or replace the Howey test, which is binding legal precedent." Interpretive Release at p. 8. Defendant Koutoulas intentionally misrepresented the joint release in seeking reconsideration of the Order granting summary judgment. (*See generally* Doc. 624).

Another example of Defendant Koutoulas intentionally misleading this Court arises in the context of his Motion for Rule 11 Sanctions. (*See* Doc. 637). Approximately one month after the Plaintiffs filed the instant Motion seeking case-ending sanctions, Defendant Koutoulas filed a motion for sanctions against Plaintiffs' counsel under Rule 11. (*See* Docs. 614, 637). The Court denied the motion as both procedurally flawed and on the merits. (Doc. 675). One of the arguments advanced by Defendant Koutoulas merits discussion herein.

Plaintiffs' counsel alleges in their Motion that Defendant Koutoulas destroyed *Telegram* communications. (Doc. 614, p. 17). Defendant Koutoulas responded that Magistrate Judge Irick "previously adjudicated the broader question of auto-deleting messaging platforms and denied relief." (Doc. 637, p. 6 (citing Doc. 202, pp. 18–21)). Not so. Magistrate Judge Irick observed that a user may opt to have conversations on *Signal* automatically deleted after a set period and noted that if Defendants allowed conversations to be deleted after this litigation started, it could be a spoliation issue. (Doc. 202, 18:24–19:3). Magistrate Judge Irick then ordered:

> To the extent that they [i.e., Signal communications] exist in any format, they need to be turned over and searched. So to the extent they're in an iCloud backup or anything like that... To the extent that that exists, Counsel, you-all have an obligation to look for that and to look everywhere it could exist, including iCloud backups.

(*Id.* 19:21–20:9).

Magistrate Judge Irick was addressing Signal communications that were deleted before this litigation began, not Telegram messages that were deleted after litigation commenced. (*See* Doc. 639, pp. 12–13). While Plaintiffs' Motion discusses Defendant Koutoulas's failure to preserve Signal communications created during this case, Defendant Koutoulas misrepresents Magistrate Judge Irick's order concerning Telegram communications to make it appear the Plaintiff violated Rule 11 by seeking sanctions. (*Id.* at p. 13 (citing Doc. 614); Doc. 637, p. 6)

B. Vexatious Litigation by Koutoulas

i. Waiver and Concession

Plaintiffs contend that Defendant Koutoulas engaged in a pattern and practice of vexatious litigation, submission of fabricated legal authority, false discovery responses, and willful disobedience of the Court's Orders. (Doc. 614, p. 1). In his Response, Defendant Koutoulas only addresses three of the Plaintiffs' grounds for imposition of sanctions, leaving nearly all of the Plaintiffs' accusations unaddressed. (Doc. 626). When a party fails to respond, it indicates the motion is unopposed. *See, e.g., Local Access LLC v. T-Mobil USA, Inc.*, Case No. 6:17-cv-

382-Orl-41-TBS, 2017 WL 3118535, at *1 (M.D. Fla. July 21, 2017) (citing *Foster v. Coca–Cola Co.*, No. 6:14-cv-2102-Orl-40TBS, 2015 WL 3486008, at *1 (M.D. Fla. June 2, 2015)); *Kramer v. Gwinnett Cnty.*, 306 F. Supp. 2d 1219, 1221 (N.D. Ga. 2004) ("[A] party's failure to respond to any portion or claim in a motion indicates such portion, claim or defense is unopposed."); *Hudson v. Norfolk S. Ry. Co.*, 209 F. Supp. 2d 1301, 1324 (N.D. Ga. 2001) ("When a party fails to respond to an argument or otherwise address a claim, the Court deems such argument or claim abandoned.").

In his Response, Koutoulas devoted fifteen pages of his twenty-page response to: complaining that the Plaintiffs were required to proceed under Rule 11 and, thus, provide him a safe harbor (Doc. 626, pp. 1–5); arguing that the timing of Plaintiffs' motion was an aggressive litigation tactic (*Id.* at pp. 6–7); claiming — incorrectly — that Plaintiffs failed to comply with the Local Rules before filing the motion (*Id.* at pp. 7–8); contending that sanctions should be delayed until the conclusion of the case (*Id.* at pp. 8–10); asserting that 28 U.S.C. § 1927 applies to attorneys, not parties (*Id.* at p. 10); and claiming that the Plaintiffs lack "clean hands" to seek sanctions. (*Id.* at pp. 11–14). None of these arguments address the merits of Plaintiffs' Motion.

ii. Defendant's Perfunctory Responses

Defendant did, however, respond to Plaintiffs' assertion that he hid cryptocurrency wallets, albeit in a perfunctory manner. (*Id.* at pp. 15–17). Plaintiffs moved for sanctions in part because Koutoulas failed to disclose pursuant to Rule

26, and following a motion to compel, financial information, including cryptocurrency wallet addresses used for LGBCoin transactions. (*See* Doc. 614, pp. 16–18). In his Response, Defendant Koutoulas contends, without attaching any evidence, that "[t]he wallet-related allegations are factually incorrect." (Doc. 626, pp. 15–17). The Court rejected Defendant Koutoulas's argument as perfunctory and unsupported, finding "[i]t is axiomatic that arguments not supported and properly developed are deemed waived." (Doc. 675, p. 3); *see also See W. Sur. Co. v. Steuerwald*, No. 16-61815-CV, 2017 WL 5248499, at *2 (S.D. Fla. Jan. 17, 2017); *see also U.S. Steel Corp. v. Astrue*, 495 F.3d 1272, 1287 n.13 (11th Cir. 2007) (noting that the court need not consider "perfunctory and underdeveloped arguments" and that such are waived.).

Defendant Koutoulas also addresses in his Response Plaintiffs' assertions that he deleted Telegram documents, albeit by misrepresenting the Magistrate Judge's Order. (Doc. 626, pp. 13, 17). As noted in Section III(A)(ii), the Defendant misstated the Magistrate Judge's order, which addresses lost Signal communications that occurred before the litigation, and is silent on the Plaintiffs' assertion that Defendant destroyed or failed to preserve Telegram communications after the lawsuit was filed. *See* discussion *supra* Section III(A)(ii). Defendant Koutoulas's Response fails to address the Plaintiffs' complaint of misconduct.

The Plaintiffs additionally moved for sanctions because Koutoulas failed to disclose the identity and contact information for class members in response to

Plaintiffs' discovery requests. (Doc. 614, pp. 16–18). Defendant Koutoulas responded, again without supporting evidence, that one undisclosed class member was gifted LGBCoin and another was fully refunded, to justify the non-disclosure in discovery. (Doc. 626, p. 18). Again, the Court found the Defendant's Response to be perfunctory and unsupported. (Doc. 675, pp. 4–5).

Finally, in response to Plaintiffs' assertion that he failed to produce communications between himself and purchasers of LGBCoin, rather than denying improper contact with class members, Defendant Koutoulas argues that a court order is required before such contact is prohibited. (Doc. 614, p. 17; Doc. 626, p. 18). The Defendant does not, however, deny that he communicated with class members, or explain why he failed to disclose his communications in accordance with Plaintiffs' discovery request. Defendant's failure to respond to the Plaintiffs' contention that he engaged in this misconduct constitutes an admission. *Local Access LLC*, 2017 WL 3118535, at *1.

The Court finds Defendant Koutoulas's conclusory, unsupported, and misleading responses to Plaintiffs' Motion constitute a waiver and renders unopposed Plaintiffs' assertions that he hid cryptocurrency wallets, concealed class members' identities, failed to preserve evidence, and improperly communicated with class members. These discovery violations warrant severe sanctions under Rule 37, including entry of default judgment.

iii. *The Uncontested Assertions of Vexatious Conduct*[10]

As discussed *supra*, the majority of the Plaintiff's assertions concerning sanctionable conduct is unrebutted by Defendant Koutoulas. *See* discussion *supra* Section III(B)(i). The Court has nonetheless analyzed the Plaintiffs' arguments to assess their merit. The Court will discuss Defendant Koutoulas's vexatious litigation tactics followed by his discovery violations.

a. Disregard for the Court's rulings

The Plaintiffs argue, and Defendant Koutoulas does not deny, that Defendant has "repeatedly pressed arguments this Court previously rejected across more than a dozen separate motions . . . [and has] submitted fabricated legal authority across at least eight filings — citations to cases that do not exist, quotations from cases that say no such thing, and citations to reversed decisions." (Doc. 614, pp. 1–2). Plaintiffs correctly note that filing a motion that "simply repeats the movant's earlier arguments, without showing that something material was overlooked or disregarded, presenting previously unavailable evidence or argument, or pointing to substantial error of fact or law," is frivolous and sanctionable. (*Id.* at p. 4); *Miller v. Norfold S. Rwy. Co.*, 208 F. Supp. 2d 851, 853–54 (N.D. Ohio 2002); *see also Spolter v. SunTrust Bank*, 403 F. App'x 387, 391 (11th Cir. 2010). The Plaintiffs prepared a chart that accurately recounts

[10] The Plaintiffs present evidence that Defendant Koutoulas used a class member, Mr. Albert Sheeler ("**Mr. Sheeler**"), as a Trojan Horse for his arguments. (Doc. 614, pp. 7–9; Doc. 614-1; Doc. 614-3, ¶¶ 22–36). The Defendant does not refute these allegations. That said, the Court's imposition of sanctions rests on the litany of abuses described in this Order, without relying on actions of Mr. Sheeler directed by the Defendant.

Defendant Koutoulas' repetition of arguments the Court previously rejected. (Doc. 612-1).

Early in this litigation, the Court cautioned Defendant Koutoulas that "any further filings of premature motions for sanctions — or any other improper filing — will be seen as an abuse of the Court's resources and will be resolved accordingly." (Doc. 121, p. 4 n.1). Defendant Koutoulas subsequently filed a Motion for Sanctions and to Strike the Third Amended Complaint on the ground that the Plaintiffs violated the PSLRA. (Doc. 271). The Court denied the motion because the PSLRA does not prescribe specific sanctions for failure to comply with its provisions. (Doc. 284, pp. 3–7). On June 14, 2023, Koutoulas sought reconsideration of the Court's ruling and reiterated arguments previously rejected. (Doc. 293). The same day, Defendant LGBCoin, LTD, for which Koutoulas is general counsel, filed a motion to strike the Third Amended Complaint for violation of the PSLRA (Doc. 294, pp. 6–10). The Court rejected these recycled arguments (Doc. 300 (denying Docs. 293, 294)).

After the Court rejected the PSLRA arguments raised twice by Koutoulas and once by LGBCoin, LTD, Defendant Koutoulas repeated those arguments three days later. (Doc. 301). Koutoulas moved to dismiss the third amended complaint, arguing that the Plaintiffs violated the PSLRA and that LGBCoin is a collectible. (*Id.* at pp. 2–4, 10). The Court entered an Order again rejecting the PSLRA and "collectible" arguments. (Doc. 354, pp. 18–19; *see also* Doc. 229, pp. 33–34). Despite the Court's consistent rulings on the PSLRA issue and its rejection of the notion that LGBCoin is a collectible, Defendant Koutoulas's opposition to class certification raised both issues. (Doc. 403, pp. 2, 9).

The Court again rejected these arguments and chastised Koutoulas for his "approach of throwing every argument at the wall . . . to see what sticks." (Doc. 455, p. 5 n.4). Four days later, Koutoulas and LGBCoin, LTD moved for reconsideration of class certification, arguing that the SEC Staff Statement precludes finding that LGBCoin is a security (Doc. 457, pp. 2–3). Ten days later, Koutoulas and LGBCoin moved for reconsideration of the Order entered a year earlier, which denied their motion to dismiss the third amended complaint. (Doc. 463). Defendants merely recycled their SEC Staff Statement and PSLRA arguments. (*Id.* at pp. 2–4, 6–7).

The Court, again rejecting these arguments, noted that "despite the Court's advisements, Defendants have again thrown every argument at the Court, with little to no citations to legal authority" and that they used "citations [that] do not accurately support Defendants' positions" (Doc. 515, p. 3). "Moreover, [the Court observed], Defendants — as they have done for the past three years of litigation — rehash various arguments that the Court has thoroughly addressed in previous Orders" (*Id.*). The Court also pointed out that Koutoulas misrepresented that "[t]he SEC, following a comprehensive review of discovery in this case and in LetsGoBrandon.com Foundation v. NASCAR, stipulated in the Eleventh Circuit that it could not, in good faith, allege LGBCoin to be a security," when "it is, in fact, a motion filed by Defendant James Koutoulas in a separate case pending before the Eleventh Circuit Court of Appeals." (Doc. 515, p. 5 (quoting Doc. 463, pp. 2–3)).

The Court also directed Defendants to the SEC Staff Statement's position that it "is not a rule, regulation, guidance, or statement of the [SEC] . . . [t]his statement, like all staff statements, has no legal force or effect." (*Id.*). Defendant Koutoulas omitted this disclaimer from his argument.

Despite the Court's pronouncements that SEC Staff Statements have no legal effect, Defendant Koutoulas and LGBCoin LTD argued in their Reply to Plaintiffs' Motion for Summary Judgment that LGBCoin is not a security, citing the SEC Staff Statement. (Doc. 520, pp. 1, 8, 11). As expected, the Court rejected this debunked argument and granted partial summary judgment in favor of Plaintiffs on the first two prongs of the *Howey* test. (Doc. 531, p. 14). Two days later, Koutoulas moved for reconsideration of that Order, claiming, in part, that the Court failed to afford proper deference to the SEC Staff Statements. (Doc. 535, p. 5). The Court rejected this argument, finding "[u]pon thorough review of Defendants' arguments related to *Howey* therein, the Court finds that Defendants' arguments are substantively the same as those presented by Defendants in their Motion for Summary Judgment and in their Reply in Support of the Motion for Summary Judgment." (Doc. 565, p. 9 (*comparing* the arguments in Doc. 477, *with* the arguments in Doc. 520)).

Defendant Koutoulas's intentional disregard for the Court's Orders is nothing short of stunning. The Defendant has vexatiously multiplied this litigation through a campaign of delay and obfuscation. Arguments repeatedly rejected by the Court are renewed, often within days of the Court's rulings. In their Motion, Plaintiffs provide a succinct example of Koutoulas's abusive filings:

> Defendants' argument that the SEC has effectively exonerated them first appeared in the original motion to dismiss (Doc. 18) and has been reasserted in Docs. 439, 445, 463, 468, 469, 470, 477, 520, 535, 543, 547, 561, 574, 576, 577, and 607 — at least seventeen filings over four years. Similarly, Defendants' SEC Staff Statement argument, a subset of this theory, was introduced in February 2025 and has been raised in at least eleven filings. It was expressly rejected in Doc. 515.3 Yet Defendants raised it again in Docs. 520, 535, 547, 561, 574, and 576-577 — at least seven more times after the rejection.

(Doc. 614, pp. 5–6).

Moreover, "Defendants raised PSLRA-related arguments in at least seven separate filings (Docs. 271, 293, 294, 301, 302, 403, 547)—a category so thoroughly rejected that the Court "invite[d] Defendants to review three of its prior Orders" on the subject. (Doc. 455 at 9)." (*Id.* at p. 6). Defendant Koutoulas's litigation strategy is the epitome of bad faith. And he cannot blame this on his lawyer. Koutoulas is a licensed attorney, and he persisted in advancing frivolous arguments *pro se* after his lawyer resigned.[11]

b. Hallucinated Cases

Further, Defendants Koutoulas and LGBCoin LTD submitted fabricated authority across at least eight separate filings: Docs. 403, 463, 470, 477, 490, 535, 545, and 582. (*See* Doc. 614-3). Plaintiffs have catalogued more than forty such instances in a spreadsheet attached to their Motion. (Doc. 614, pp. 9–15; Doc. 614-4). Federal courts around the country are taking a firm stance against AI-hallucinated case citations. This is just one of Defendant Koutoulas's many

[11] A litigant's *pro se* status does not excuse compliance with the Federal Rules of Civil Procedure or the Court's orders. Moon v. Newsome, 863 F.2d 835, 837–39 (11th Cir. 1989).

sanctionable acts, including terminating sanctions. *See e, e.g., O'Brien v. Flick,* 2025 WL 242924, at *5–8 (S.D. Fla. Jan. 10, 2025), *aff'd,* 2025 WL 2731627 (11th Cir. Sept. 25, 2025) (issuing terminating sanctions for, inter alia, the unapologetic citation of nonexistent cases); *Force v. Cap. One, N.A.*, 2025 WL 2930308, at *4 (M.D. Fla. Oct. 15, 2025).

IV. CONCLUSION

The Court finds Defendant Koutoulas's conduct was egregious and was undertaken in bad faith. The Defendant intentionally acted to undermine the Court's Order through his comments accompanying the Class Notice. (*See* Doc. 539). He willfully disparaged the Court to the Class Members. (*Id.*). He has intentionally misrepresented the law and the facts to the Court in various pleadings. Defendant Koutoulas engaged in serious discovery violations, and he perpetrated a multi-year campaign of vexatious litigation designed to delay these proceedings and increase the cost of litigation for opposing counsel. Nothing short of the most severe sanctions is appropriate for this egregious conduct.

Accordingly, it is **ORDERED AND ADJUDGED** as follows:

1. Plaintiffs' Motion for Sanctions (Doc. 614) is **GRANTED**;
2. The Clerk of Court is **DIRECTED** to enter default judgment in favor of the Plaintiffs on their Third Amended Complaint (Doc. 245) against Defendant James Koutoulas.
3. Plaintiffs are entitled to reasonable attorneys' fees and costs as a sanction for Defendant James Koutoulas' discovery violations

described herein in an amount to be determined by the Court upon motion of the Plaintiffs.

DONE AND ORDERED in Orlando, Florida on August 4, 2026.

PAUL G. BYRON
UNITED STATES DISTRICT JUDGE

Copies furnished to:

Counsel of Record
Unrepresented Parties

SUPPLEMENTAL APPENDIX B

Endorsed Order setting a compliance deadline of 5:00 p.m. EST on
August 7, 2026 and noticing criminal contempt proceedings
(M.D. Fla. Aug. 5, 2026) (Doc. 685)

DOCKET REPORT EXCERPT

DOCKET ENTRY 685

United States District Court, Middle District of Florida
De Ford v. Koutoulas, No. 6:22-cv-652-PGB-DCI

Date Filed: 08/05/2026   Document Number: 685 (No document attached)

Docket Text:

ENDORSED ORDER granting in part and denying in part [683] Defendant James Koutoulas's Emergency Motion. By 5:00pm EST on August 7, 2026, Defendant Koutoulas shall comply with the directives set forth in [658] the Court's Order. Failure to timely comply with this Order will result in the initiation of criminal contempt proceedings. The aforementioned [683] Motion is DENIED in all other respects. Signed by Judge Paul G. Byron on 8/5/2026. (JRI)

No separate document was entered on the docket for this order.

SUPPLEMENTAL APPENDIX C

Endorsed Order striking Applicant's Notice of Objection and
Reservation of Rights (M.D. Fla. Aug. 5, 2026) (Doc. 687)

DOCKET REPORT EXCERPT

DOCKET ENTRY 687

United States District Court, Middle District of Florida
De Ford v. Koutoulas, No. 6:22-cv-652-PGB-DCI

Date Filed: 08/05/2026 Document Number: 687 (No document attached)

Docket Text:

ENDORSED ORDER striking [684] Defendant James Koutoulas's Notice of Objection and Reservation of Rights. There is no Local Rule or Federal Rule of Civil Procedure that permits the filing of the aforementioned [684] Notice. The proper remedy is filing an appeal with the Eleventh Circuit Court of Appeals. Signed by Judge Paul G. Byron on 8/5/2026. (JRI)

No separate document was entered on the docket for this order.

SUPPLEMENTAL APPENDIX D

Default Judgment in a Civil Case (M.D. Fla. Aug. 5, 2026) (Doc. 688)

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

ERIC DE FORD, SANDRA BADER and SHAWN R. KEY,
Petitioner,

Case No.: 6:22-cv-652-PGB-DCI

v.

JAMES KOUTOULAS and LGBCOIN, LTD,
Respondents,

DEFAULT JUDGMENT IN A CIVIL CASE

Decision by Court. This action came before the Court and a decision has been rendered.

IT IS ORDERED AND ADJUDGED

that pursuant to the Court's Order, default judgment entered in favor of the Plaintiffs on their Third Amended Complaint (Doc. 245) against Defendant James Koutoulas.

Date: August 5, 2026

MEGAN A. MANN,
CLERK OF COURT

s/J.R., Deputy Clerk

Copy to:

Counsel of Record
Unrepresented Parties

CIVIL APPEALS JURISDICTION CHECKLIST

1. **Appealable Orders**: Courts of Appeals have jurisdiction conferred and strictly limited by statute:

(a) **Appeals from final orders pursuant to 28 U.S.C. Section 1291**: Only final orders and judgments of district courts, or final orders of bankruptcy courts which have been appealed to and fully resolved by a district court under 28 U.S.C. Section 158, generally are appealable. A final decision is one that "ends the litigation on the merits and leaves nothing for the court to do but execute the judgment." Pitney Bowes, Inc. V. Mestre, 701 F.2d 1365, 1368 (11th Cir. 1983). A magistrate judge's report and recommendation is not final and appealable until judgment thereon is entered by a district court judge. 28 U.S.C. Section 636(c).

(b) **In cases involving multiple parties or multiple claims**, a judgment as to fewer than all parties or all claims is not a final, appealable decision unless the district court has certified the judgment for immediate review under Fed.R.Civ.P. 54(b), Williams v. Bishop, 732 F.2d 885, 885-86 (11th Cir. 1984). A judgment which resolves all issues except matters, such as attorneys' fees and costs, that are collateral to the merits, is immediately appealable. Budinich v. Becton Dickinson & Co., 486 U.S. 196, 201, 108 S. Ct. 1717, 1721-22, 100 L.Ed.2d 178 (1988); LaChance v. Duffy's Draft House, Inc., 146 F.3d 832, 837 (11th Cir. 1998).

(c) **Appeals pursuant to 28 U.S.C. Section 1292(a)**: Appeals are permitted from orders "granting, continuing, modifying, refusing or dissolving injunctions or refusing to dissolve or modify injunctions..." and from "[i]nterlocutory decrees...determining the rights and liabilities of parties to admiralty cases in which appeals from final decrees are allowed." Interlocutory appeals from orders denying temporary restraining orders are not permitted.

(d) **Appeals pursuant to 28 U.S.C. Section 1292(b) and Fed.R.App.P.5:** The certification specified in 28 U.S.C. Section 1292(b) must be obtained before a petition for permission to appeal is filed in the Court of Appeals. The district court's denial of a motion for certification is not itself appealable.

(e) **Appeals pursuant to judicially created exceptions to the finality rule:** Limited exceptions are discussed in cases including, but not limited to: Cohen V. Beneficial Indus. Loan Corp., 337 U.S. 541,546,69 S.Ct. 1221, 1225-26, 93 L.Ed. 1528 (1949); Atlantic Fed. Sav. & Loan Ass'n v. Blythe Eastman Paine Webber, Inc., 890 F. 2d 371, 376 (11th Cir. 1989); Gillespie v. United States Steel Corp., 379 U.S. 148, 157, 85 S. Ct. 308, 312, 13 L.Ed.2d 199 (1964).

2. **Time for Filing:** The timely filing of a notice of appeal is mandatory and jurisdictional. Rinaldo v. Corbett, 256 F.3d 1276, 1278 (11th Cir. 2001). In civil cases, Fed.R.App.P.4(a) and (c) set the following time limits:

(a) **Fed.R.App.P. 4(a)(1)**: A notice of appeal in compliance with the requirements set forth in Fed.R.App.P. 3 must be filed in the district court within 30 days after the entry of the order or judgment appealed from. However, if the United States or an officer or agency thereof is a party, the notice of appeal must be filed in the district court within 60 days after such entry. **THE NOTICE MUST BE RECEIVED AND FILED IN THE DISTRICT COURT NO LATER THAN THE LAST DAY OF THE APPEAL PERIOD - no additional days are provided for mailing.** Special filing provisions for inmates are discussed below.

(b) **Fed.R.App.P. 4(a)(3)**: "If one party timely files a notice of appeal, any other party may file a notice of appeal within 14 days after the date when the first notice was filed, or within the time otherwise prescribed by this Rule 4(a), whichever period ends later."

(c) **Fed.R.App.P.4(a)(4)**: If any party makes a timely motion in the district court under the Federal Rules of Civil Procedure of a type specified in this rule, the time for appeal for all parties runs from the date of entry of the order disposing of the last such timely filed motion.

(d) **Fed.R.App.P.4(a)(5) and 4(a)(6)**: Under certain limited circumstances, the district court may extend the time to file a notice of appeal. Under Rule 4(a)(5), the time may be extended if a motion for an extension is filed within 30 days after expiration of the time otherwise provided to file a notice of appeal, upon a showing of excusable neglect or good cause. Under Rule 4(a)(6), the time may be extended if the district court finds upon motion that a party did not timely receive notice of the entry of the judgment or order, and that no party would be prejudiced by an extension.

(e) **Fed.R.App.P.4(c)**: If an inmate confined to an institution files a notice of appeal in either a civil case or a criminal case, the notice of appeal is timely if it is deposited in the institution's internal mail system on or before the last day for filing. Timely filing may be shown by a declaration in compliance with 28 U.S.C. Section 1746 or a notarized statement, either of which must set forth the date of deposit and state that first-class postage has been prepaid.

3. **Format of the notice of appeal**: Form 1, Appendix of Forms to the Federal Rules of Appellate Procedure, is a suitable format. See also Fed.R.App.P. 3(c). A pro se notice of appeal must be signed by the appellant.

4. **Effect of a notice of appeal**: A district court loses jurisdiction (authority) to act after the filing of a timely notice of appeal, except for actions in aid of appellate jurisdiction or to rule on a timely motion of the type specified in Fed.R.App.P. 4(a)(4).

SUPPLEMENTAL APPENDIX E

District court docket entry recording the order of the United States
Court of Appeals for the Eleventh Circuit, No. 26-12606
(M.D. Fla. Aug. 5, 2026) (Doc. 686)

DOCKET REPORT EXCERPT

DOCKET ENTRY 686

United States District Court, Middle District of Florida
De Ford v. Koutoulas, No. 6:22-cv-652-PGB-DCI

Date Filed: 08/05/2026   Document Number: 686

Docket Text:

USCA Order - Appellees filed a motion to dismiss this case for lack of jurisdiction, which is GRANTED IN PART. Appellant's challenge to the sanction of costs and attorney's fees is DISMISSED. Appellant's motion to stay the Contempt Order is DENIED as to [659] Notice of Appeal - Interlocutory filed by James Koutoulas. USCA number: 26-12606. (RN)

No separate document was entered on the docket for this order.

SUPPLEMENTAL APPENDIX F

Notice of Appeal from the Order of Contempt
(M.D. Fla. July 23, 2026) (Doc. 659)

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

ERIC DE FORD, SANDRA BADER, and SHAWN R. KEY, individually and on behalf of all others similarly situated, Plaintiffs, v. JAMES KOUTOULAS and LGBCOIN, LTD, Defendants.	Case No. 6:22-cv-652-PGB-DCI CLASS ACTION

NOTICE OF APPEAL

Notice is hereby given that Defendant James Koutoulas hereby appeals to the United States Court of Appeals for the Eleventh Circuit from the Court's Order entered July 22, 2026 (Doc. 658), holding Defendant in civil contempt and ordering, among other things, that Defendant publish a Court-authored statement within five days and permitting Plaintiffs to seek costs and attorney's fees. The appeal is taken from the Order in its entirety and specifically from its compelled-statement and sanction provisions.

This Court has jurisdiction over the appeal, and the Order is immediately appealable, under 28 U.S.C. § 1292(a)(1) as an order granting an injunction, and independently because the punitive contempt sanction imposed is final and appealable in the nature of criminal contempt.

Dated: July 23, 2026

Respectfully submitted,

/s/ James L. Koutoulas
James L. Koutoulas, Esq.
Pro se
10 N. Dearborn St., Suite 400
Chicago, IL 60602
james@koutoulaslaw.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on July 23, 2026, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will serve all counsel of record.

/s/ James L. Koutoulas

SUPPLEMENTAL APPENDIX G

Notice of Objection and Reservation of Rights
(M.D. Fla. Aug. 4, 2026) (Doc. 684)

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

ERIC DE FORD, SANDRA BADER,
and SHAWN R. KEY,
Plaintiffs,

v. Case No: 6:22-cv-652-PGB-DCI

JAMES KOUTOULAS and
LGBCOIN, LTD,
Defendants.
_______________________________________/

DEFENDANT JAMES KOUTOULAS'S NOTICE OF OBJECTION AND RESERVATION OF RIGHTS

Defendant James Koutoulas respectfully files this Notice to advise the Court, promptly and on the record, of his position as to the Court's Order of July 22, 2026 (Doc. 658), as extended by the Court's Order of July 27, 2026 (Doc. 667). Defendant has not posted the statement ordered at Doc. 658 ¶ 1. His reasons follow, beginning with the constitutional objection that is the reason for his position. Defendant files this Notice on the date performance is due rather than allow the deadline to pass without explanation.

I. THE OBJECTION IS CONSTITUTIONAL

1. Defendant objects to the compelled expression of contrition and esteem required by Doc. 658 ¶ 1. He does not concede that any portion of the ordered statement may properly be compelled, and he reserves that question to the Court of Appeals, which has determined that it is appealable.

2. The ordered text requires Defendant to declare, in his own name and in his own voice: "I should not have made those earlier statements"; "I regret my prior comments and apologize for them"; and "I respect the Court and the judicial process." Doc. 658 at 7–8.

3. Those are not disclosures of fact. They are professions of belief, remorse, and regard. The First Amendment protects the right to decline to profess them.

4. At the show cause hearing on January 16, 2026, the Court struck Defendant's filings responding to the Order to Show Cause. Docs. 553, 554 (striking Docs. 549, 552). Defendant's counsel objected at that hearing that Defendant had not been properly placed on notice of the conduct at issue beyond the Order to Show Cause itself. Doc. 569 at 42.

5. At that same hearing, the Court itself observed: "Maybe it's a First Amendment right to speak not to say anything." Doc. 569 at 31–32. Defendant respectfully invokes that right, and only that right. Defendant further notes that the statement now compelled is punitive rather than coercive or compensatory, and is therefore criminal in substance whatever its label. Federal Rule of Criminal Procedure 42(a)(1) required notice of the essential facts, which was not given. Federal Rule of Criminal Procedure 42(a)(3) required that the matter be heard by a different judge, because the contempt involves criticism of the presiding judge and Defendant did not consent. Neither occurred.

II. THE ORDERED STATEMENT ALSO COMPELS AFFIRMATION OF FINDINGS NOW ON APPEAL

6. The ordered text further requires Defendant to state, as his own declaration, that his earlier commentary was "improper." Doc. 658 at 7. That is neither a disclosure of his interest nor a disclaimer of reliance. It is the adoption, in his own voice and over his signature, of adjudicative findings from which he has appealed and which he disputes.

7. Defendant does not argue the merits of those findings here. They are before the Court of Appeals. He notes only, and solely to make the record complete, that the second and third bases for the contempt finding concern matters the Court addressed at the January 16, 2026 hearing. As to the Discord commentary, the Court stated that it "was not produced on time, but it was produced." Doc. 569 at 9. As to the class member information, the Court stated, "In fairness, I did not put a deadline on that. I should have," Doc. 569 at 4, and that the subject "may be a matter that gets flushed out further in discovery," which the Court would address "at the appropriate time," Doc. 569 at 8.

8. As to the first basis, the Notice Order's decretal paragraph directs Plaintiffs, not Defendant, to provide the class notice "in substantially the form approved by the Court." Doc. 534 at 13 ¶ 4. The only decretal command that Order addressed to Defendants directs them to give the notice administrator contact information in their "possession, custody, or control." Id. ¶ 3. Defendant performed that command. The Court denied Plaintiffs' motion "in all other respects." Id. ¶ 6. The Notice Order imposed on Defendant no duty to post the notice, and a fortiori no duty to post it without accompanying commentary.

9. Defendant nonetheless posted the approved notice verbatim, without altering a word. Doc. 569 at 24; Doc. 658 at 3–4. The Court acknowledged that "the short-form notice was submitted as directed." Doc. 569 at 4. He did so voluntarily, as part of a broader update to the community whose foundation he serves as trustee, several of whom had asked how to request exclusion from or object to the class action because the approved notice contained no such instructions. The added text says so on its face: "As of now, the Plaintiffs lawyers have not added instructions on how to opt out or object if you are so inclined to do so, here are instructions." Doc. 682 at 5. It then told class members how to request exclusion, how to object, and that "[i]f you do nothing, you stay in the

class and are bound by the result." Id. Defendant's court-directed response preserved this point: his posts "were not a violation of the Court's Order as written (which did not order that Koutoulas post only the summary notice)." Doc. 574 at 2 n.1.

10. Requiring a litigant to declare in public that contested findings are correct, while his appeal from those findings is pending and undecided, is different in kind from requiring him to disclose his adverse interest or to disclaim reliance on his earlier statements.

III. THE COMPELLED PROFESSIONS SERVE NO CORRECTIVE PURPOSE

11. Even assuming a corrective posting could properly be compelled, the stated purpose of the ordered notice is to correct the record for class members. The disclosure paragraphs, the disclaimer, the referral to the Notice Administrator and Class Counsel, and the reproduction of the Court-Authorized Notice would accomplish that purpose in full. A class member who read them would learn that Defendant is an adverse party with a financial interest in the outcome, that he does not represent the class, that his earlier commentary should not be relied upon, and precisely where to obtain accurate information.

12. Whether Defendant regrets his earlier statements, and whether he holds the Court in esteem, add nothing a class member needs in order to decide how to proceed. Those sentences correct nothing and compensate no one. Nor is there anything left to correct. Plaintiffs have represented to the Court of Appeals that this Court "noted that no class member had opted out as a result of his commentary." Appellees' Opposition at 20, No. 26-12606 (11th Cir.). The opt-out period has closed. No class member can act on any statement now, and none acted on the earlier one.

IV. DEFENDANT DOES NOT SEEK TO DEFY THE COURT

13. Defendant sincerely believes in freedom of expression. It is the actual mission of the LGBCoin project, it is the principle he has asserted consistently in this litigation for more than four years, and he will not betray it. He does not advance that position here as an argument on the merits of any claim, and this Notice should not be read as doing so.

14. Defendant objects not out of disrespect for this Court, but because he will not be compelled to make public statements that he believes to be false. Defendant serves as Trustee of a foundation whose mission is to protect freedom of expression globally and to defend the legal rights of LGBCoin. Making the ordered statement would require him to act against the mission he is charged with advancing. Defendant is also an officer of the court. Neither role permits him to profess what he does not believe.

15. He will not surrender that right on the basis of a proceeding in which he was denied notice of the conduct he was required to defend, and still less on the basis of an order whose three findings are each erroneous for the reasons set out in Paragraphs 7 through 9 above.

16. Rather than simply decline, Defendant has sought relief in every forum available to him. He sought a stay in this Court. He sought a stay in the Court of Appeals, and sought reconsideration when it was denied. He moved in this Court for a limited extension when the Court of Appeals directed that such relief be sought here. He has applied to the Supreme Court. Defendant remains prepared to comply with any lawful order that does not require him to make a statement he believes to be false.

17. Defendant files this Notice so that the Court knows what he has done, what he has not done, and why, on the day performance is due.

V. PROCEDURAL STATUS

18. Doc. 658 ¶ 1 directs Defendant to post the Notice Regarding Class Action on the LGBCoin Telegram and Discord channels, the LGBCoin website, and the LGBCoin subreddit page. Doc. 667 set the compliance date at August 4, 2026.

19. On August 4, 2026, the Eleventh Circuit denied Defendant's motion for a limited extension of the compliance date to the extent it sought reconsideration of that court's August 3 order, and determined that such relief is "more appropriately sought in the district court." Order, No. 26-12606, Doc. 16 (11th Cir. Aug. 4, 2026). Promptly upon receipt of that Order, and at approximately 5:30 p.m. this evening, Defendant moved in this Court for a limited extension of the compliance date. No ruling has issued.

VI. APPELLATE POSTURE

20. Defendant appealed Doc. 658 on July 23, 2026. Doc. 659. On August 3, 2026, the Eleventh Circuit held that "the part of the Contempt Order that holds Appellant in contempt and requires him to post a retraction is appealable," and denied a stay. Order, *De Ford v. Koutoulas*, No. 26-12606 (11th Cir. Aug. 3, 2026).

21. Defendant has also filed an emergency application for a stay with the Supreme Court of the United States. The application was received at approximately 4:10 p.m. today. Because it was submitted in paper form, it is subject to security screening before it is transmitted, and Defendant does not anticipate that it will be reviewed today. Defendant states, so that there is no misunderstanding, that the application does not of its own force stay this Court's Order, and he does not treat it as having done so.

VII. RESERVATION OF RIGHTS

22. Defendant preserves, and does not argue here, the following: (a) that the compelled statements identified above abridge rights secured by the First

Amendment; (b) that the provisions of Doc. 658 that are punitive rather than coercive or compensatory required the protections attending criminal contempt, including notice of the essential facts and disqualification of the presiding judge where the contempt involves criticism of that judge, see Fed. R. Crim. P. 42(a)(1), (a)(3); (c) that the second contempt finding rests upon conduct first directed by the Order to Show Cause itself, and so was not the subject of any notice; and (d) that jurisdiction over the matters embraced by the pending appeal rests with the Court of Appeals.

Dated: August 4, 2026.

Respectfully submitted,

/s/ James Koutoulas
James Koutoulas
Koutoulas Law, LLC
10 N. Dearborn, #400
Chicago, IL 60604
(312) 836-1180
james@koutoulaslaw.com
Defendant, pro se

CERTIFICATE OF SERVICE

I certify that on August 4, 2026, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will send a notice of electronic filing to all counsel of record.

/s/ James Koutoulas
James Koutoulas