

**BEFORE THE UNITED STATES JUDICIAL PANEL ON
MULTIDISTRICT LITIGATION**

IN RE: COINBASE DATA BREACH
LITIGATION

MDL No. _____

**MEMORANDUM IN SUPPORT OF MOTION OF PLAINTIFF ALLEN SHAKIB FOR
TRANSFER AND CENTRALIZATION PURSUANT TO 28 U.S.C. § 1407**

Allen Shakib, the plaintiff in *Shakib v. Coinbase Global, Inc. et al.*, No. 3:25-cv-04207-RFL (N.D. Cal.), respectfully submits this Memorandum in Support of his Motion for Transfer and Centralization pursuant to 28 U.S.C. § 1407 and the Rules of Procedure of the Judicial Panel on Multidistrict Litigation. The eleven cases listed in the Schedule of Actions, all arising from the same Coinbase data breach, and any tag-along cases subsequently filed (collectively, the “Actions”),¹ should be transferred to the United States District Court for the Northern District of California, where five of the eleven Actions are pending.

I. INTRODUCTION

All the cases subject to this motion arise from one nucleus of operative facts: a massive data breach by Coinbase Global, Inc. and Coinbase, Inc. (collectively, “Coinbase”). As was the case in the numerous MDL petitions granted by this Panel arising out of a data breach, this single-defendant data breach should also be centralized to promote the just and efficient conduct of these Actions.

¹ See Attachment A, Schedule of Actions, for a listing of the eleven currently filed federal cases.

II. BACKGROUND

Coinbase is the world's largest cryptocurrency trading platform and exchange, with over 100 million users and a trading volume of \$468 billion.² Its stated purpose is to “increase economic freedom in the world” by “updat[ing] the century-old financial system by providing a trusted platform” to trade cryptocurrencies.³

On May 15, 2025, Coinbase announced via an 8-K filing with the United States Securities and Exchange Commission (“SEC”) that an unknown threat actor claimed to have obtained information regarding Coinbase customers including their names, addresses, phone numbers, email addresses, Social Security numbers (SSN), Coinbase account information, bank account information, governmental-ID images, and account data, among other highly sensitive personal information (collectively, the “PII”) from Coinbase’s internal systems (the “Data Breach”).

The Data Breach involved cybercriminals who recruited and bribed rogue overseas support agents to steal sensitive personal data from Coinbase’s internal systems and then demanded a \$20 million ransom not to publish the stolen information. The cybercriminals obtained information about certain Coinbase customer accounts, as well as internal Coinbase documentation, including materials relating to customer-service and account-management systems. Coinbase announced that it will not be paying the ransom. It made further public statements to indicate that customers may have been defrauded out of their funds.

This Motion involves eleven actions pending in four different federal district courts.⁴ As of this filing, there are five actions pending in the Northern District of California, one action

² See Coinbase Global, Inc., Form 10-K (Feb. 13, 2025), available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001679788/000167978825000022/coin-20241231.htm> (last accessed May 18, 2025).

³ *Id.*

⁴ See Attachment A, Schedule of Actions.

pending in the Central District of California, four actions pending in the Southern District of New York, and one action pending in the Western District of Washington.

A. Plaintiffs

All plaintiffs in the pending Actions have filed class actions arising from the Data Breach and alleged violations of data privacy. The Actions are being pursued on behalf of virtually identical nationwide classes of consumers whose PII was compromised or stolen in the Data Breach and whose accounts may have been syphoned by the hackers.

Each of the pending Actions presents a common core of facts, in that each case (i) alleges that the PII of many potential class members was stolen during the Data Breach; (ii) asserts injury and damages arising from Data Breach; and (iii) alleges the same or similar misconduct by Coinbase. The factual allegations in each complaint are similar in all material respects.

B. Defendants

Coinbase Global, Inc. is one of the world's largest cryptocurrency exchanges with over 100 million users and a trading volume of \$468 billion. Coinbase, Inc. is a wholly owned subsidiary of Coinbase Global, Inc. and operates the Coinbase platform. Until 2020, Coinbase maintained its headquarters in San Francisco, California. Thereafter, Coinbase announced that it had become a "remote-first," "decentralized company, with no headquarters."⁵ While Coinbase maintains several physical offices across the United States, California is home to 1132 of 3458 US employees and the San Francisco Bay Area contains the most employees anywhere in the US.⁶ Recent reporting indicates that Coinbase may be re-establishing its headquarters in San Francisco.⁷

⁵ <https://www.coinbase.com/th/blog/coinbase-is-a-decentralized-company-with-no-headquarters>

⁶ <https://www.linkedin.com/company/coinbase/people/>

⁷ <https://www.sfchronicle.com/realestate/article/coinbase-mission-rock-headquarters-20329291.php>

C. Status of the Actions

The Actions were all filed within days after Coinbase first announced the Data Breach. Based on the scope of the Data Breach, the number of potential impacted Coinbase customers, the potential that the Class consists of many thousands if not millions of individuals, and the extensive press coverage, undersigned counsel anticipates that additional class actions will soon be filed in other federal courts alleging similar claims on behalf of similar classes.

Each of the Actions names Coinbase Global, Inc. and Coinbase, Inc. as the sole or primary defendants. The Actions contain similar causes of action, including claims for negligence, breach of implied contract, breach of fiduciary duty, breach of good faith and fair dealing, breach of third-party beneficiary contract, invasion of privacy, unjust enrichment, and statutory violations.

Each of the Actions is a putative class action, and each is filed on behalf of classes of all individuals whose PII was compromised or stolen in the Data Breach. Those individuals provided their PII to Coinbase. This information, which was transferred and came into Coinbase's possession, was then exposed to criminals during the Data Breach. Based on the same nucleus of facts, each Action alleges a common failure by Coinbase to protect PII compromised in the Data Breach. Each Action alleges substantially similar damages and asserts largely similar causes of action. All Actions are in their infancy and no answers or responses to the complaints have been filed in any of the Actions.

Based on the numerous common questions of fact involved in the Actions, the compelling need to establish uniform and consistent standards in conducting pretrial discovery and motion practice, and to avoid duplication of effort and the possibility of inconsistent rulings, Plaintiff Shakib requests that the cases be transferred to and centralized in the Northern District of California, where 5 out of 11 Actions are pending. The Northern District of California offers the

most efficient and convenient venue given the abundance of highly qualified, diverse judges ready to manage this litigation.

III. ARGUMENT

A. **The Actions And Any Tag-Along Actions Are Appropriate For Transfer And Centralization Pursuant To 28 U.S.C. § 1407(A)**

Transfer and centralization are permitted if civil actions pending in different districts “involv[e] one or more common questions of fact” and the Panel determines that transfer will further “the convenience of parties and witnesses and will promote the just and efficient conduct of such actions.” 28 U.S.C. § 1407(a). “The objective of transfer is to eliminate duplication in discovery, avoid conflicting rulings and schedules, reduce litigation cost, and save the time and effort of the parties, the attorneys, the witnesses, and the courts.” MANUAL FOR COMPLEX LITIGATION (“MCL”), § 20.131 (4th ed. 2004). Transfer and centralization for pretrial proceedings would achieve those objectives in the instant litigation and therefore are appropriate here.

1. The Actions Involve Common, Numerous, and Complex Questions of Fact

Transfer under Section 1407 “does not require a complete identity or even a majority of common factual or legal issues as a prerequisite to transfer.” *In re Rembrandt Techs., LP, Patent Litig.*, 493 F. Supp. 2d 1367, 1370 (J.P.M.L. 2007). Here, this requirement is easily satisfied because all the Actions arise out of and seek to hold Coinbase responsible for the same Data Breach.

The central allegation in every case is that Coinbase failed to safeguard the PII of consumers, leading to unauthorized access of that information. The Actions are based upon virtually identical facts and allegations concerning identical conduct by a common actor – Coinbase. The factual questions common to all Actions are numerous and complex, and include (without limitation):

- Whether Coinbase owed duties to class members to safeguard their PII;
- Whether Coinbase failed to comply with those duties;
- Whether Coinbase’s data security practices resulted in the disclosure of the PII that was compromised in the Data Breach;
- Whether Coinbase violated privacy rights and invaded class members’ privacy;
- Whether class members suffered legally cognizable damages as a result of the Data Breach and, if so, in what amount; and
- Whether plaintiffs and class members are entitled to injunctive relief.

In addition, all Actions rely upon similar legal theories of recovery, each turning on the failure of Coinbase to prevent the Data Breach and safeguard class members’ PII. As the Panel has previously stated, “the presence of additional or differing legal theories is not significant when the actions still arise from a common factual core” *See In re Oxycontin Antitrust Litig.*, 542 F. Supp. 2d 1359, 1360 (J.P.M.L. 2008). Because numerous common issues of fact exist among these Actions, the pending actions clearly satisfy the first element of the transfer analysis under Section 1407.

This Panel frequently finds consolidation warranted where, as here, multiple pending cases arise out of a single data security incident. *See, e.g., In re AT&T Inc. Cellular Customer Data Sec. Breach Litig.*, 753 F. Supp. 3d 1368 (J.P.M.L. 2024) (granting motion to centralize and transfer putative class actions arising out of cybersecurity incidents that resulted in the exfiltration of personal information); *In re AT&T Inc. Customer Data Sec. Breach Litig.*, 737 F. Supp. 3d 1350, 1351-52 (J.P.M.L. 2024) (centralizing and transferring “putative class actions present[ing] common factual questions concerning an alleged data security breach announced by AT&T in March 2024 concerning the personal information of over 70 million former and current AT&T customers released on the dark web”); *In re PowerSchool Holdings, Inc., & PowerSchool Grp.*,

LLC Customer Data Sec. Breach Litig., No. MDL 3149, 2025 WL 1037496 (J.P.M.L. 2025) (finding consolidation and transfer appropriate where 55 putative class actions pending in nine districts alleged violations arising out of a single data breach incident). The benefits of consolidation are clear when discovery in each of the cases will center on the same facts – the cause and circumstances of the Data Breach and the Coinbase’s data security practices.

2. Transfer and Centralization Will Further the Convenience of the Parties and Witnesses

Resolution of these common issues in a single forum will further the convenience of all parties and witnesses. *See* 28 U.S.C. § 1407(a). Because all Actions involve similar allegations and factual questions, the plaintiffs in the Actions will require discovery of the same documents and depositions of the same witnesses. Coinbase likely will raise the same discovery objections and seek the same protective orders or privileges in each case. Absent centralization and transfer, all parties will be subjected to duplicative discovery, and witnesses will face multiple, redundant depositions. *See, e.g., In re Uber Techs., Inc., Data Sec. Breach Litig.*, 304 F. Supp. 3d 1351, 1353 (J.P.M.L. 2018) (“Centralization will eliminate duplicative discovery; prevent inconsistent pretrial rulings, including with respect to class certification; and conserve the resources of the parties, their counsel, and the judiciary.”); *In re Pilot Flying J Fuel Rebate Contract Litig.*, 11 F. Supp. 3d 1351, 1352 (J.P.M.L. 2014) (“Centralization will avoid repetitive depositions of [the defendant’s] officers and employees and duplicative document discovery regarding the alleged scheme”); *In re Uranium Indus. Antitrust Litig.*, 458 F. Supp. 1223, 1230 (J.P.M.L. 1978) (“[Plaintiffs] will have to depose many of the same witnesses, examine many of the same documents, and make many similar pretrial motions in order to prove their . . . allegations. The benefits of having a single judge supervise this pretrial activity are obvious.”).

Absent transfer, the federal court system will be forced to administer — and Coinbase will be compelled to defend — at least eleven related actions across multiple venues, all proceeding on potentially different pretrial schedules and subject to different judicial decision-making and local procedural requirements. Moreover, each plaintiff will be required to monitor and possibly participate in each of the other similar Actions to ensure that Coinbase does not provide inconsistent or misleading information. Many of the same pretrial disputes are likely to arise in each Action. Likewise, due to the similar causes of action in each complaint, the defenses asserted in the Actions will be substantially the same, as will the substance of any motions to dismiss and motions for summary judgment, which will be based on the same claims and the same arguments in each Action.

None of the pending cases have progressed to the point where efficiencies will be forfeited through transfer to an MDL proceeding—each Action is in its infancy. This Panel has routinely recognized that consolidating litigation in one court benefits *both* plaintiffs and defendants. For example, pretrial transfer would reduce discovery delays and costs for plaintiffs, and permit plaintiffs’ counsel to coordinate their efforts and share the pretrial workload. *In re Phenylpropanolamine (PPA) Prods. Liab. Litig.*, 173 F. Supp. 2d 1377, 1379 (2001) (“And it is most logical to assume that prudent counsel will combine their forces and apportion their workload in order to streamline the efforts of the parties and witnesses, their counsel and the judiciary, thereby effectuating an overall savings of cost and a minimum of inconvenience to all concerned.”); *In re Baldwin-United Corp. Litigation*, 581 F. Supp. 739, 741 (J.P.M.L. 1984) (same). As for the defendants, expert depositions will be coordinated, document production will be coordinated, and travel for current and former employees will be minimized, since they will only have to appear in one location rather than multiple districts around the country.

Transfer also will reduce the burden on the parties by allowing more efficient and centralized divisions of workload among the attorneys already involved in this litigation, as well as those who join later. Plaintiffs will reap efficiencies from being able to divide up the management and conduct of the litigation as part of a unified MDL process through a Plaintiffs' Co-Lead Counsel team or similar mechanism, instead of each plaintiff's counsel separately litigating their own cases on distinct and parallel tracks. *In re Marriott Int'l, Inc., Customer Data Sec. Breach Litig.*, 363 F. Supp. 3d 1372, 1374 (J.P.M.L. 2019) ("Centralization will . . . conserve the resources of the parties, their counsel, and the judiciary.").

In sum, transfer of these Actions would serve the convenience of the parties and eliminate duplicative discovery, saving the parties and the courts significant time, effort, and resources.

3. Transfer and Centralization Will Promote the Just and Efficient Conduct of These Actions

Consolidation will promote the just and efficient conducts of these actions for all the reasons discussed above. It will also prevent inconsistent pretrial rulings on many central issues. The prospect of inconsistent rulings encourages forum and judge shopping (including, for example, manipulation of non-congruent discovery limits, approaches to electronically stored information, and protective order issues). By contrast, a single MDL judge coordinating pretrial discovery and ruling on pretrial motions will minimize the potential for conflicting rulings. Centralizing these Actions under Section 1407 "will promote [their] just and efficient conduct." 28 U.S.C. §1407.

There are currently eleven putative class actions pending in four different judicial districts, although more are expected to be filed. The Panel has consistently transferred similar numbers of actions arising out of a single data incident. *See, e.g., In re Cmty. Health Sys., Inc. Customer Data Security Breach Litig.*, 84 F. Supp. 3d 1362, 1362 (J.P.M.L. 2016) (granting petition for

consolidation with five actions pending in a total of five judicial districts); *In re Sonic Corp. Customer Data Security Breach Litig.*, 276 F. Supp. 3d 1382, 1382 (J.P.M.L. 2017) (five actions pending in a total of three judicial districts); *Sprouts Farmers Mkt.*, 232 F. Supp. 3d at 1348 (four actions pending in a total of three judicial districts); *In re VA Data Theft Litig.*, 461 F. Supp. 2d 1367, 1368 (J.P.M.L. 2006) (three actions pending in a total of three judicial districts); *In re Lending Tree, LLC Consumer Data Sec. Breach*, 581 F. Supp. 2d 1367, 1367 (J.P.M.L. 2008) (three actions pending in a total of three judicial districts); *RBS WorldPay*, 626 F. Supp. 2d at 1322 (two actions pending in a total of two judicial districts); *In re Supervalu, Inc. Customer Data Sec. Breach*, 67 F. Supp. 3d 1377, 1377 (J.P.M.L. 2014) (two cases pending in a total of two judicial districts).

Accordingly, transfer to a single district court is appropriate for the just and efficient resolution of these cases.

B. The Northern District Of California Is An Appropriate Transferee Forum

In choosing an appropriate transferee forum, the Panel considers: (1) where the largest number of cases is pending; (2) where discovery has occurred; (3) where cases have progressed furthest; (4) the site of the occurrence of the common facts; (5) where the cost and inconvenience will be minimized; and (6) the experience, skill, and caseloads of available judges. MANUAL FOR COMPLEX LITIGATION, § 20.132 (4th ed. 2004). The Northern District of California presents the most appropriate forum for the transfer and centralization of the Actions.

Here, the first factor favors the Northern District of California, the venue with the most cases pending. The second and third factors are not relevant here because discovery has not yet occurred in any case, and no defendants have answered or otherwise responded to the complaint in any Action.

The fourth and fifth factors favor the Northern District of California. While Coinbase does not have a traditional headquarters, the most important witnesses and evidence will likely be in California, where the company had its headquarters until 2020 and appears to intend to be headquartered again. According to LinkedIn, California employs 1132 out of 3458 employees in the United States and the San Francisco Bay area has 730 employees, the highest anywhere in the U.S.⁸ Coinbase's data security and information technology personnel, and individuals with knowledge about Coinbase's data security practices are likely in the San Francisco Bay Area.

As the Panel has noted many times, the Northern District of California is a convenient location for MDL proceedings. *See, e.g., In re Yahoo! Inc. Customer Data Sec. Breach Litig.*, 223 F. Supp. 3d at 1355 ("parties agree that [the Northern District of California] will serve the convenience of the parties and witnesses."); *In re: Roundup Prod. Liab. Litig.*, 214 F. Supp. 3d 1346, 1348 (J.P.M.L. 2016) ("We select the Northern District of California as the appropriate transferee district for this litigation. Two of the earliest-filed and most procedurally advanced actions are pending in this district. The Northern District of California is both convenient and easily accessible for all parties . . .").

Finally, it is common knowledge that the judiciary in the Northern District is well versed in MDL proceedings and offers some of the most experienced MDL judges in the country.

The totality of circumstances supports transfer and centralization in the Northern District of California.

III. CONCLUSION

For the foregoing reasons, Plaintiff Allen Shakib respectfully requests that the Motion be granted and that the Panel transfer the eleven Actions, as well as any future tag-along actions, to

⁸ <https://www.linkedin.com/company/coinbase/people/>

the Northern District of California for consolidated or coordinated pretrial proceedings under 28 U.S.C. § 1407.

Dated: May 19, 2025

Respectfully submitted,

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