

**IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION**

**NATIONAL ASSOCIATION OF
CONSUMER ADVOCATES, INC.,**
1629 K St. NW, Suite 604,
Washington D.C. 20006,

Plaintiff,

v.

BLOCKRATIZE, INC. d/b/a POLYMARKET,
1280 Lexington Ave.,
Suite 1448, Front 2, New York, NY 20028,

**ADVENTURE ONE QSS INC. d/b/a
POLYMARKET.COM,** 1280 Lexington Ave.,
Suite 1448, Front 2, New York, NY 20028,

QCX LLC d/b/a POLYMARKET US,
7251 W. Palmetto Park Rd., Suite 102,
Boca Raton, FL 33433,

**QC CLEARING LLC d/b/a POLYMARKET
CLEARING,** 7251 W. Palmetto Park Rd.,
Suite 102, Boca Raton, FL 33433,

QC TECH LLC d/b/a PM US TECH,
7251 W. Palmetto Park Rd., Suite 102,
Boca Raton, FL 33433,

SHAYNE COPLAN, and

MATTHEW MODABBER,

Defendants.

For Corporate Defendants, serve:
C T CORPORATION SYSTEM
28 Liberty Street, 42nd floor
New York, NY 10005

Case No.: 2026-CAB-004388

**COMPLAINT AND
JURY TRIAL DEMAND**

INTRODUCTION

1. This action addresses a pattern of flagrantly deceptive and unfair marketing used to mislead American consumers – including college-aged D.C. residents – to risk their money placing bets on a Polymarket platform.
2. Defendants have used secretive and undisclosed paid endorser posts on social media to raise their profile online.
3. To deceive consumers that they are likely to make money on Polymarket platforms, Defendants have also furtively advertised these platforms with influencer videos using a fake Polymarket site (“influencer ads”). These are paid advertising videos created using a simulated version of a Polymarket platform, which show social media influencers exploring the platform and placing bets. Viewers are led to believe this is organic footage of the influencer using a Polymarket platform, but the videos actually show fake bets on a fake site.
4. Defendants have also paid to make their Polymarket influencer ads go viral on social media through a scheme called “clipping.” Individual “clippers” create short segments of the Polymarket influencer ads, and are paid according to whether they can make these clips go viral; i.e., they are paid by the number of views. Defendants explicitly require that clips of their ads must target people in the U.S., and Defendants instruct the creators on how to drive “engagement and retention” and make the clips deceptive by design.
5. Defendants’ Polymarket influencer ads give viewers, including teens, the impression that:
 - a) content creators and clippers are disinterested consumers posting authentic experiences;
 - b) content creators are typical of traders on Defendants’ platforms;
 - c) content creators have placed genuine trades on Defendants’ platforms; and
 - d) consumers are likely to make money trading on Defendants’ platforms.All of these representations are deceptive.

6. In parallel marketing efforts, Defendants have aggressively targeted college students on U.S. campuses to encourage students to gamble on their platforms.
7. Defendants have engaged in unfair business practices while marketing the opportunity to place bets on the Polymarket platforms. They have used manipulative forms of advertising to promote their gambling opportunity to college-aged Americans, while obscuring the odds that these consumers will lose their money.
8. The number of active bettors on Polymarket.com was approximately 643,000 in April of 2026. In the three months from March to May of 2026, the volume of trading on Polymarket.com was more than \$26 billion and the volume of trading on Polymarket US was more than \$3.3 billion. Many of the bettors on Polymarket US and Polymarket.com are D.C. residents.
9. As a result of Defendants' deceptive and unfair practices, consumers in D.C. and throughout the United States have been harmed.

JURISDICTION AND VENUE

10. This Court has subject matter jurisdiction under D.C. Code § 11-921(a) and D.C. Code §§ 28-3905(k)(1) and (k)(2).
11. This Court has personal jurisdiction over Defendants under D.C. Code § 13-423(a) because Defendants transact business in the District and caused tortious injuries in the District by their acts and omissions. Plaintiff's claims arise from Defendants' purposeful activities directed toward residents of D.C.
12. As summarized here and further explained below, Defendants have directed their deceptive and unfair marketing toward residents of D.C. and have transacted business in the District under two related brand names: "Polymarket" and "Polymarket US."

13. In 2022, Defendant Blockratize, doing business as Polymarket (“Polymarket”), was fined by the Commodity Futures Trading Commission (“CFTC”) for operating illegally, and was ordered to cease and desist offering its services to U.S. residents. Polymarket agreed to block all Americans from using its platform at Polymarket.com.

14. Following the CFTC’s action, Polymarket nominally transferred ownership of the website Polymarket.com to a company based in Panama – Defendant Adventure One QSS Inc. Polymarket and Adventure One QSS Inc. began to “geoblock” users (stop them from using the platform) if their IP addresses indicated a U.S. location.

15. Defendant Polymarket later purchased Defendants QXC LLC and QC Clearing LLC, which had registered with the CFTC as a U.S. event-derivatives platform, along with their affiliate QC Tech LLC. Following this purchase, the CFTC has permitted Defendants to offer event-contract trading to the U.S. public under regulatory oversight. Defendants have begun to transact business with certain consumers across the country, including in D.C., under the brand name “Polymarket US.”

16. Defendants began advertising “Polymarket US” to the public, including D.C. residents, in the summer of 2025. In August, Defendants announced: “BREAKING: Legal football trading is coming to ALL 50 states this fall.”

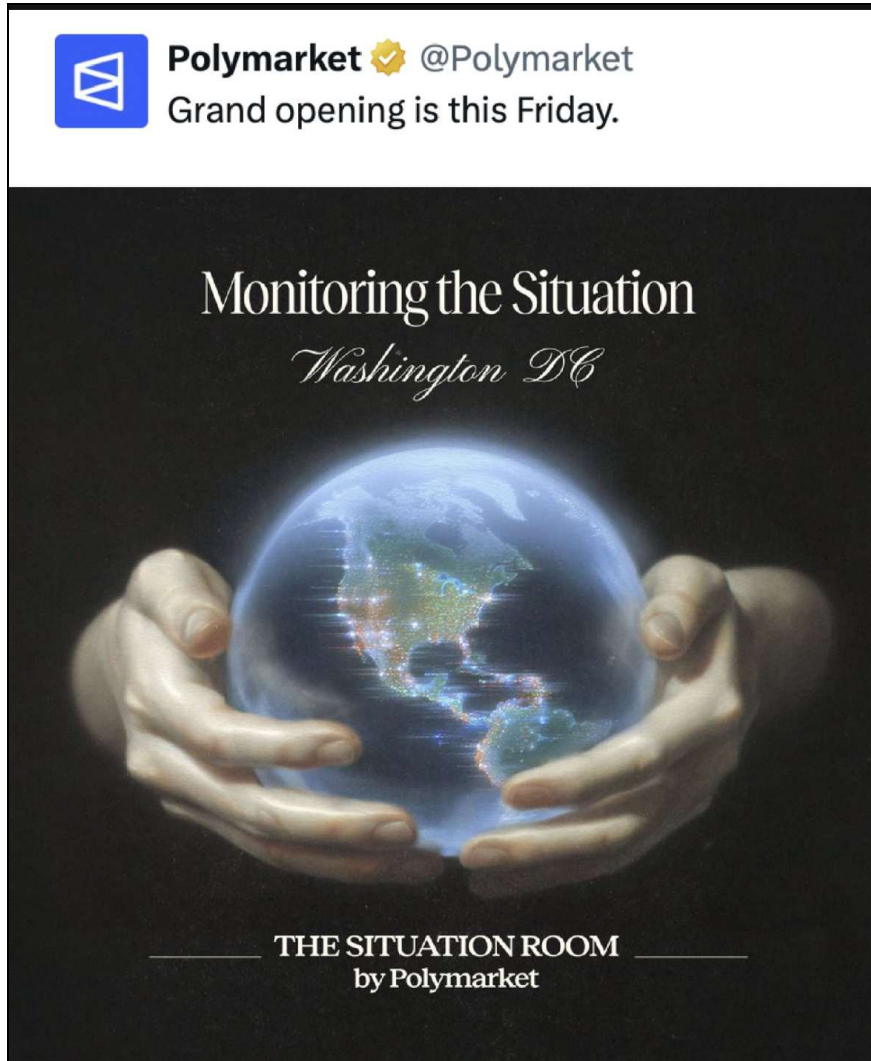
17. On September 26, Defendant Matthew Modabber, Polymarket’s Chief Marketing Officer, posted the following on the platform X: “Yes I was just testing U.S app we’re about to launch, this thing is BUTTER. Soon.” On September 30, Defendant Modabber posted “Heads down focused on the U.S app launch in the coming weeks!”

18. The Polymarket US platform was made available by invitation only in December 2026, with a waitlist. In mid-May 2026, Defendants quietly stopped requiring a code to join the platform.

19. In sum, Polymarket US recently became publicly available, while Polymarket.com is purportedly not available to U.S. residents. Nonetheless, since at least the beginning of 2025, Defendants have intentionally caused effects within and outside D.C. by aggressively marketing both Polymarket platforms to consumers through advertising in D.C. and nationwide.

20. Defendants also disseminate targeted marketing and advertisements to D.C. residents, online and otherwise, with the intent of promoting Polymarket platforms specifically to consumers in this District.

21. For example, Defendants targeted D.C. residents to build buzz about their platforms in March of 2026. Following extensive online advertising, Defendants opened a pop-up brick and mortar establishment called “The Situation Room” at 2033 K Street NW – a block from the CFTC offices. The following image was just one of the related ads posted on LinkedIn by the “@Polymarket” account and reposted by Defendant Modabber:



GRAPHIC A

22. Defendants' marketing has been effective in attracting U.S. consumers, including D.C. residents, to transact business on the global platform Polymarket.com.

23. In the current marketplace, it is trivial to circumvent IP address geoblocking through inexpensive virtual private networks ("VPNs") and other technical workarounds that obscure a user's true location. The impact of straightforward VPN usage on Polymarket.com has been clear since 2022, and became undeniable by 2024. An infamous example was revealed in a recent indictment of a U.S. soldier who allegedly used a VPN to place a bet on the removal of former Venezuelan President, Nicolas Maduro. But until recently, Defendants were not blocking traffic

from well-known VPNs. And Defendants still do not use certain stronger geofencing approaches, such as methods that rely on GPS.

24. Defendants' history of lax geofencing policies has produced tangible results: a recent empirical study estimated that between \$10.6 billion and \$26.7 billion of the trading volume on Polymarket.com can be attributed to users in the United States.

25. In sum, Defendants have been transacting with consumers in this District via Polymarket.com – despite the CFTC ban – in addition to their recent and ongoing transactions with D.C. residents via Polymarket US.

26. The National Association of Consumer Advocates, Inc. (“NACA”) has standing to bring this suit under D.C. Code § 28-3905(k)(1)(D)(i), which provides in relevant part that “a public interest organization may, on behalf of the interests of a consumer or a class of consumers, bring an action seeking relief from the use by any person of a trade practice in violation of a law of the District if the consumer or class could bring an action . . . for relief from such use by such person of such trade practice.” A multitude of consumers in D.C. could bring actions against Defendants for engaging in the deceptive and unfair marketing described below.

27. This action cannot be removed to federal court. *See, e.g., Travelers United v. Hyatt Hotels*, 761 F. Supp. 3d 97 (D.D.C. Jan. 3, 2025) (remanding putative class action brought by Travelers United under the D.C. Consumer Protection Procedures Act (“CPPA”)); *Nat’l Ass’n of Consumer Advocs. v. RentGrow, Inc.*, 2025 U.S. Dist. LEXIS 94421 (D.D.C. May 16, 2025) (remanding a case brought by Plaintiff under the CPPA because Plaintiff lacked Article III standing); *Nat’l Ass’n of Consumer Advocs. v. Gemini Tr. Co., LLC*, 757 F. Supp. 3d 59 (D.D.C. Nov. 18, 2024) (same).

PLAINTIFF

28. NACA is a nonprofit public interest organization. NACA is organized under the laws of the Commonwealth of Massachusetts, and registered as a foreign corporation with the District of Columbia. Its principal place of business is in D.C.

29. NACA is a nonprofit association of attorneys and consumer advocates committed to representing consumers' interests. NACA's primary focus is the protection and representation of consumers.

30. NACA serves as a voice for consumers in the ongoing struggle to curb unfair or abusive business practices that harm consumers. NACA has been instrumental in advocating against consumer abuses both federally and locally in the District.

31. NACA's robust history of consumer advocacy demonstrates a sufficient nexus with the interests of the consumers represented in this case. NACA's mission is to support justice for all consumers. With its members, NACA advocates for a fair and open marketplace that forcefully protects the rights of consumers.

32. NACA brings this suit to enforce the CPPA in light of Defendants' unfair and deceptive practices and the resulting harm that has affected D.C. consumers. The names of the affected District consumers are contained within Defendants' records.

33. This is not a class action, and no class certification will be sought. Rather, NACA brings this suit pursuant to § 28-3905(k)(1)(D) of the CPPA.

DEFENDANTS

34. Blockratize, Inc. (d/b/a Polymarket) ("Polymarket") is a Delaware corporation with its headquarters at 1280 Lexington Avenue, Suite 1448, Front 2, New York, NY 10028. Polymarket developed the software for the Polymarket.com platform, which it licenses to Defendant

Adventure One QSS Inc. for use on Polymarket.com. Defendant Shayne Coplan is the founder of Polymarket and serves as the CEO. Defendant Matthew Modabber joined Polymarket in January 2024 and states that he was the company's 11th employee; he serves as the Chief Marketing Officer. At all times relevant to this Complaint, acting alone or in concert with others, Polymarket has advertised, marketed, and transacted with consumers in this District and throughout the United States.

35. Adventure One QSS Inc. (d/b/a Polymarket.com) ("Adventure One QSS") is incorporated under the laws of Panama and lists its business address as Oceania Business Plaza, 21st Floor, Punta Pacifica, Panama City, Panama. No employees work from this location. Adventure One QSS owns and operates the website Polymarket.com. It shares marketing functions with the other Corporate Defendants, which are led by Defendant Modabber. Defendant Coplan is an Adventure One QSS Director and served as its President between December 2021 and April 2022. Coplan still retains authority over the corporation. The currently-listed President of Adventure One QSS, Harry Jones, is also Polymarket's current Director of Global Affairs. At all times relevant to this Complaint, acting alone or in concert with others, Adventure One QSS has advertised, marketed, and transacted with consumers in this District and throughout the United States.

36. QCX LLC (d/b/a Polymarket US) ("QCX") is a Delaware limited liability company and a subsidiary of Polymarket. It is licensed by the CFTC as an exchange. QCX is incorporated in Delaware but operates out of New York, NY. It uses the brand names "Polymarket" and "Polymarket US." Polymarket's CEO Shayne Coplan controls QCX and Polymarket's Chief Marketing Officer Matthew Modabber markets on its behalf. Beginning in or about July 2025,

acting alone or in concert with others, QCX has advertised, marketed, and transacted with consumers in this District and throughout the United States.

37. QC Clearing LLC (d/b/a Polymarket Clearing) (“QC Clearing”) is a Delaware limited liability company and a subsidiary of Polymarket. It is licensed by the CFTC as a clearinghouse. QC Clearing is incorporated in Delaware but operates out of New York, NY. It uses the brand names “Polymarket” and “Polymarket US.” Polymarket’s CEO Shayne Coplan controls QC Clearing and Polymarket’s Chief Marketing Officer Matthew Modabber markets on its behalf. Beginning in or about July 2025, acting alone or in concert with others, QC Clearing has advertised, marketed, and transacted with consumers in this District and throughout the United States.

38. QC Tech LLC (d/b/a PM US Tech) (“QC Tech”) is a Delaware limited liability company and a subsidiary of Polymarket. It is incorporated in Delaware but operates out of New York, NY. QC Tech uses the brand names “Polymarket” and “Polymarket US.” Polymarket’s CEO Shayne Coplan controls QC Tech and Polymarket’s Chief Marketing Officer Matthew Modabber markets on its behalf. Beginning in or about July 2025, QC Tech has advertised, marketed, and transacted with consumers in this District and throughout the United States.

39. Shayne Coplan is the founder and CEO of Polymarket. At all times relevant to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices described in this Complaint. Coplan has ultimate decision-making authority over all of the Corporate Defendants’ business operations, including its marketing campaigns. He resides in New York and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

40. Matthew Modabber joined Polymarket in January 2024 and serves as its Chief Marketing Officer. Modabber states that in his role at Polymarket, he “Built and led a 50+ person team across marketing, partnerships, and growth.” He also says that he scaled from about \$300k in daily volume to “mid 9-figure daily volume via digital growth hacks.” Beginning in or about January 2024, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices described in this Complaint. He resides in New York and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

**DEFENDANTS OPERATE AS A COMMON ENTERPRISE, COLLECTIVELY
DRIVING POLYMARKET’S IMPACT ON CONSUMERS IN THE U.S.**

41. Polymarket/Blockratize, Adventure One QSS, QCX, QC Clearing, and QC Tech (collectively, “Corporate Defendants”) have operated as a common enterprise while engaging in the deceptive and unfair acts and practices alleged in this Complaint. Corporate Defendants have conducted the business practices described herein through an interrelated network of companies that work under the same leadership, share common business functions, use the same technology, share office space, have common employees, intermingle their marketing, and jointly use the “Polymarket” branding.

42. Individual Defendants Shayne Coplan and Matthew Modabber have formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Corporate Defendants that constitute the common enterprise.

43. Because the Corporate Defendants, under the direction of Coplan and Modabber, have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below.

44. A brief history of the Corporate Defendants will demonstrate their operation as a common enterprise rather than a group of five distinct entities.

45. In 2020, Defendant Coplan founded Polymarket, a cryptocurrency-based prediction market. Individuals could visit the platform and place bets on future outcomes including topics related to the COVID 19 pandemic and the U.S. presidential election.

A. *First Federal Proceeding*

46. On January 3, 2022, the CFTC instituted legal proceedings against Polymarket, accusing it of operating illegally. The CFTC filed and settled charges with the company, which it described as follows:

“The order finds that, beginning in approximately June 2020, Polymarket had been operating an illegal unregistered or non-designated facility for event-based binary options online trading contracts, known as ‘event markets.’ According to the order, through its website, Polymarket offered the public the opportunity to ‘bet on your beliefs’ by buying and selling binary options contracts related to an event taking place in the future that are susceptible to a ‘yes’ or ‘no’ resolution, such as: ‘Will \$ETH (Ethereum) be above \$2,500 on July 22?’; ‘Will the 7-day average COVID-19 case count in the U.S. be less than 15,000 for the day of July 22’; ‘Will Trump win the 2020 presidential election?’. The order further finds that Polymarket has offered more than 900 separate event markets since its inception, while deploying smart contracts hosted on a blockchain to operate the markets. Polymarket creates, defines, hosts, and resolves the trading and execution of contracts for the event-based binary option markets offered on its website.

According to the order, such event market contracts, each of which is composed of a pair of binary options, constitute swaps under the CFTC’s jurisdiction, and therefore can only be offered on a registered exchange in accordance with the [Commodity Exchange Act] and CFTC regulations.”

47. The 2022 CFTC order required Polymarket to pay a civil monetary penalty and wind down its activities in the United States.

B. *Polymarket Uses Entity in Panama as Part of its Common Enterprise*

48. Following the CFTC enforcement action, Polymarket stated that it had blocked U.S. customers from accessing Polymarket.com. It purportedly wound down its U.S. operations and shifted its legal corporate base to Panama, operating under the Adventure One QSS corporation. It did not move its headquarters or workforce from New York City.

49. Defendant Shayne Coplan, Polymarket’s CEO, was listed as the Adventure One QSS President from December 22, 2021 until April 2022. At that point, Coplan’s role was changed to “Director” and Harry Jones was listed as the President. Harry Jones is Polymarket’s current Director of Global Affairs.

50. Polymarket has reportedly confirmed that it has no employees based in Panama.

51. Dan Bernstein, a sports business and technology journalist from *Sportico*, recently conducted an investigation into the relationship between Adventure One QSS and Polymarket, including by traveling to Panama. His findings are relevant here:

Adventure One has virtually no online presence that could help confirm whether it maintains separate day-to-day staff from Polymarket, if it is functionally independent or the percentage stake Polymarket holds in it. Sportico could not locate any LinkedIn profile listing current or past work experience at Adventure One, nor any postings about the company on several Panama job boards. Coplan and Jones do not mention their association with Adventure One in their public profiles.

Adventure One’s website hasn’t been updated since it was first archived by the Wayback Machine in 2023. It features only a homepage with two lines of text. One reads “Web3 Development and Research,” and the other says, “We’re a passionate team building and researching the pioneering use cases for blockchain technology.”

Dan Bernstein, “What is Polymarket Doing in Panama?,” *Sportico* (Feb. 19, 2026).

C. *Second Federal Investigation*

52. As noted in paragraph 23, *supra*, the Polymarket.com platform began blocking bettors that were recognized as having US IP addresses, but without filtering for well-known VPNs or taking other robust approaches to geofencing.

53. On November 13, 2024, the FBI raided Defendant Coplan's home and seized his phone. According to *Bloomberg News*, the Department of Justice was investigating Polymarket for violating the 2022 CFTC settlement by allowing U.S. users to gamble on its platform.

54. Following changes in leadership at the federal level, the criminal probe regarding Defendants' activities in the U.S., as well as a parallel civil investigation by the CFTC, were dropped in July 2025.

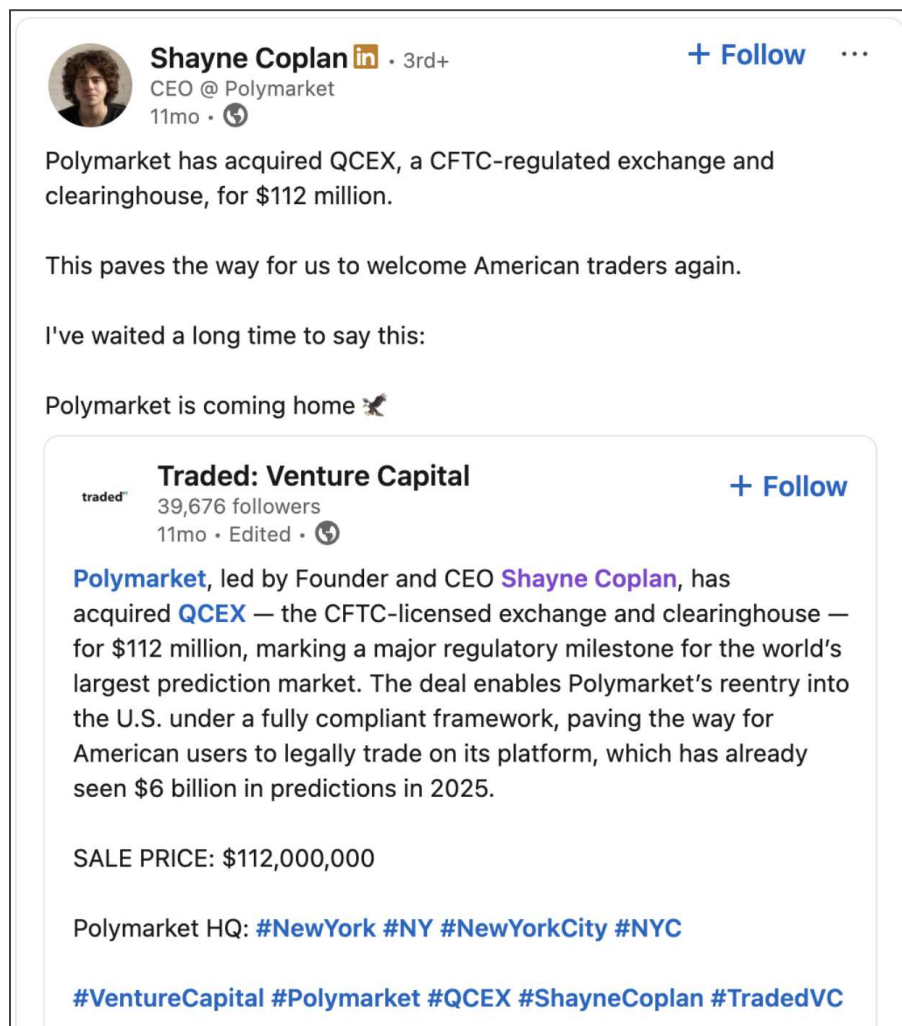
D. *Polymarket Acquires QCX, QC Clearing, and QC Tech as Part of its Common Enterprise*

55. Also in the summer of 2025, Polymarket acquired a group of corporate entities—QCX, QC Clearing, and QC Tech—whose recently-approved CFTC licenses as a Designated Contract Market and Derivatives Clearing Organization cleared the path for Defendants to legally offer event derivative trading in the U.S.

56. Defendants also quietly set up additional Delaware LLCs that summer: they registered A2 QSS LLC and Coming Home GBA LLC on July 7, 2025, and Bootstrat Capital LLC on September 16, 2025. Defendants recently disclosed that these entities are affiliates of Corporate Defendants QCX, QC Clearing, and QC Tech, but the role of the affiliates in operating Defendants' common enterprise is not publicly known.

57. In late 2025, based on the acquisition of the already-licensed entities, CFTC issued an amended order that allowed Polymarket users based in the U.S. to trade certain event contracts.

58. Defendant Coplan posted: “This paves the way for us to welcome American traders again. I’ve waited a long time to say this: Polymarket is coming home”.



GRAPHIC B

59. As of June 2026, Defendants state on their Polymarket.us website that “Polymarket” operates globally with the full range of betting options, whereas “Polymarket US” currently offers markets on sports, with “[p]olitics, culture, finance, and economics coming soon.”

60. The global exchange at Polymarket.com is purportedly run by Adventure One QSS, and Polymarket US is ostensibly run out of QCX, QC Clearing, and QC Tech. But it is difficult to distinguish between these two supposedly separate operations.

61. Both operations are controlled by Defendant Coplan. One data point that seems superficially contradictory is that Justin Hertzberg of Delray Beach, Florida is listed as the CEO of QCX in corporate registration documents spanning from March 2021 through at least April 9, 2026. However, the same Justin Hertzberg is a CEO in the proprietary trading industry who is very active on LinkedIn and yet has never mentioned playing any role whatsoever in Polymarket or Polymarket US. According to journalist Michael Roddan at *The Information*, “current and former Polymarket employees struggled to identify what Hertzberg actually does at Polymarket.”

62. Defendants use the same social media accounts to promote both Polymarket.com and Polymarket US, and work through a single marketing team led by Defendant Modabber, with many common advertisements and campaigns.

63. At first glance, “Polymarket US” appears to have its own General Counsel, but that individual works out of Polymarket headquarters in New York. He recently posted “I’m hiring” and linked to a job posting describing work for a “cutting-edge U.S., CFTC-regulated exchange (DCM) and clearing organization (DCO) operating within the federal commodity derivatives regulatory framework.” That sounds like it describes Polymarket US, but the job posting states explicitly that it’s a job for a “Polymarket” regulatory attorney in New York, NY. Indeed, the “Polymarket US General Counsel” included the following in his post: “Come join me at The World’s Largest Prediction Market™!”

64. In fact, all of Corporate Defendants’ employees who report to an office (i.e., are not remote workers), use the office space at Polymarket’s New York City headquarters: 1280 Lexington Avenue, Suite 1448, Front 2, New York, NY 10028.

65. The website for Polymarket US, at “Polymarket.us”, uses a QR code to send visitors to the only Polymarket-branded app available on App Stores in the U.S., which is called “Polymarket.”

66. The description of this app states that it is “Legal in all 50 states” and states: “Markets on Everything: Trade sports, politics, culture, crypto, & more.” It concludes by saying “Join the tens of millions of Polymarket users & see why there’s been over \$27 billion traded globally.”

67. The “Developer” of the App is listed as “Polymarket” and the “Seller” is listed as “Blockratize Inc”.

68. A link to the “developer’s privacy policy” for the App connects to a policy on the Polymarket.com website, which was last updated on January 11, 2022. The Privacy Policy states: “This website-hosted user interface (this ‘interface’) is made available by Adventure One QSS Inc., a corporation organized and existing under the laws of Panama.” Under “Jurisdiction” the policy states: “The Services, including this Site, is made available by us from Panama and is not intended to subject us to the laws or jurisdiction of any state, country, or territory other than that of Panama.” Under “Contact Us,” the policy states to contact “legal@polymarket.com.”

69. Available evidence points to two conclusions. All five Corporate Defendants are intertwined to operate together under the direction of the Polymarket leaders in New York, and they attempt to avoid accountability by using a confusing corporate structure and at times disclaiming liability under the laws of the United States.

APPLICABLE LAW

70. The D.C. Consumer Protection Procedures Act (“CPPA”) is a remedial statute, which courts construe liberally to “to promote its purpose,” including ensuring that “a just mechanism

exists to remedy all improper trade practices” and promoting “fair business practices throughout the community.” D.C. Code §§ 28–3901(c), (b)(1), (2).

71. The CPPA defines “consumer” broadly to mean “a person who, other than for purposes of resale, does or would purchase, lease (as lessee), or receive consumer goods or services, including as a co-obligor or surety, or does or would otherwise provide the economic demand for a trade practice.” *Id.* § 28-3901(a)(2)(A).

72. The CPPA defines “goods and services” to mean “any and all parts of the economic output of society, at any stage or related or necessary point in the economic process, and includes consumer credit, franchises, business opportunities, real estate transactions, and consumer services of all types.” *Id.* § 28-3901(a)(7).

73. The CPPA makes it illegal for any person to “engage in an unfair or deceptive trade practice, whether or not any consumer is in fact misled, deceived, or damaged thereby.” *Id.* § 28-3904. It goes on to list some examples of unfair and deceptive trade practices, including “represent[ing] that goods or services have ... characteristics ... that they do not have” and misrepresenting “a material fact which has a tendency to mislead.” *Id.* § 28-3904(a), (e).

74. In construing the term “unfair or deceptive trade practice” under the CPPA, “due consideration and weight shall be given to the interpretation by the Federal Trade Commission and the federal courts of the term ‘unfair or deceptive act or practice,’ as employed in Section 5(a) of [the FTC Act].” *Id.* § 28-3901(d) (referencing 15 U.S.C. § 45(a)).

75. As noted above, the CPPA authorizes public interest organizations, such as NACA, to bring claims “on behalf of the interests of a consumer or a class of consumers.” *Id.* § 28–3905(k)(1)(D).

DEFENDANTS' BUSINESS PRACTICES

A. Defendants Use Undisclosed Paid Endorsements on Social Media

76. This case is not focused on whether gambling and gaming laws apply to the Defendants. This case is about deceptive and unfair advertising practices. We adopt the terms “gambling” and “betting” because these are the most accurate descriptions of the opportunity to make money on Defendants’ platforms, from a consumer’s psychological perspective. From this perspective, gambling is the anticipation of a reward under uncertain conditions. *See, e.g.,* L. Clark et al., “Pathological Choice: The Neuroscience of Gambling and Gambling Addiction,” *J. Neurosci.* (Nov. 6, 2013).

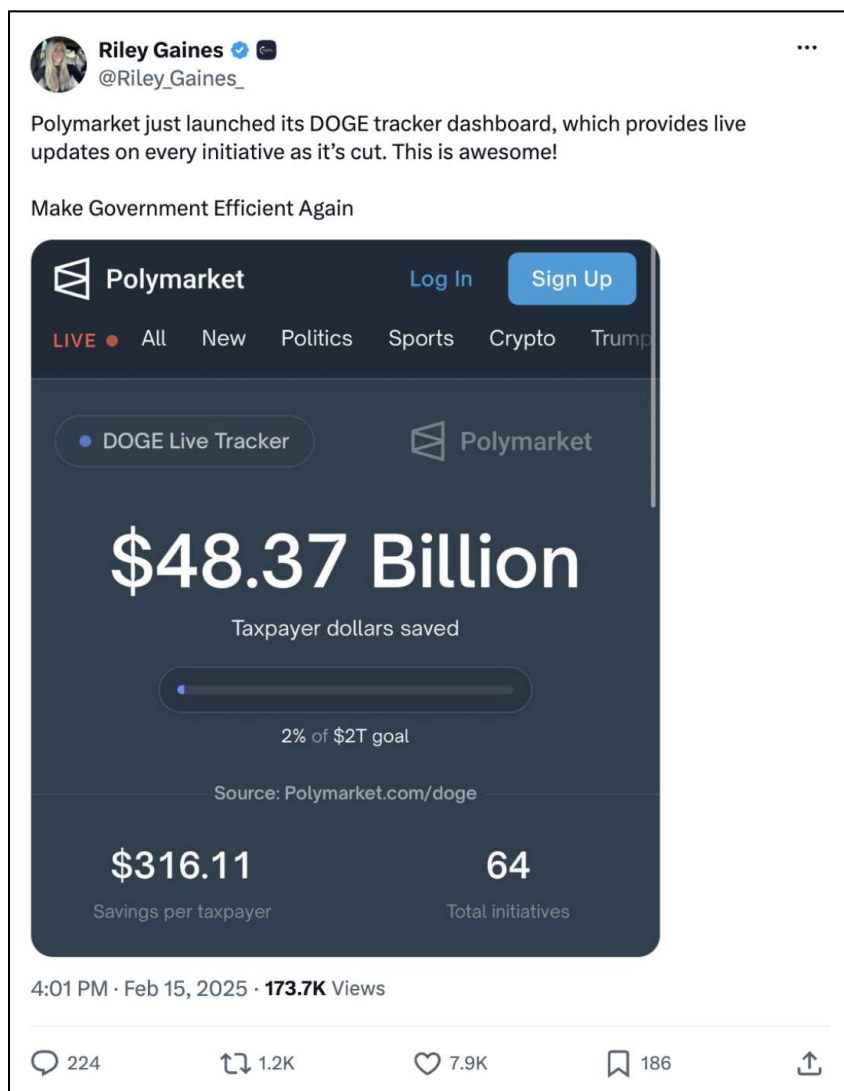
77. Companies that advertise on social media have a well-known obligation to ensure that influencers disclose any “material connection” they have with the advertiser. Of course, “material connections” include the fact that an endorser has received compensation for endorsing a product or service. Yet, Defendants have used deliberately secretive marketing campaigns to raise their brand’s profile through ads by paid endorsers that are disguised as organic content.

78. In fact, individual influencers with hundreds of thousands of followers have secretly received thousands of dollars from Defendants to post about the Polymarket platforms, and have done so without disclosing their affiliation with the brand.

79. Defendants have written posts for social media influencers to share and at times have asked them to promote specific bets.

80. Polymarket’s chief marketing officer, Defendant Modabber, reportedly used a personal PayPal account to send at least \$350,000 to content creators between January 2025 and February 2026. The motive is clear; Modabber has written that the key to growth is “a product people can’t shut up about.”

81. For example, Defendants released a dashboard to track DOGE cuts in early 2025. Political activist Riley Gaines, who received at least \$6,600 from Modabber, posted about the release to over a million followers on the platform “X,” stating: “This is awesome!” The post did not mention a financial relationship with any Polymarket entity or brand, or with Modabber.



GRAPHIC C

82. Similarly, a conservative media figure named Elijah Schaffer received more than \$8,400 from Defendant Modabber and stated of the DOGE dashboard release: “Exciting news!” and that it “would be bookmarked for the next 4 years.” This post did not disclose Schaffer’s material

connection with Defendants. However, Schaffer later admitted in a comment on the post that he is a “long term brand rep” for “Polymarket.”

83. The ads about Defendants’ DOGE dashboard were not an isolated event. For example, Alexander Kaufman, a climate reporter who runs a Substack newsletter, received at least \$1,200 from Modabber and posted on X about the Polymarket.com odds regarding New York City’s Democratic primary.

84. Arash Azizi, a historian who writes for the Atlantic, received at least \$3,000 from Moddaber and wrote in October of 2025: “It’s fascinating how Polymarket numbers are a good guide for the direction of events. Before any polls, it saw the rise of Mamdani for instance!”

85. Political commentator Brian Krassenstein received more than \$9,300 from Modabber and posted the following in October 2025 with no disclosure regarding the sponsorship: “It really is unbelievable how accurate Polymarket has been these last 9 months.”

86. And influencer Alex LoRusso, who received at least \$18,750 from Modabber, posted dozens of times about Polymarket without mentioning his connection with Defendants.

87. These are merely examples; the full extent of Defendants’ secret sponsorship of undisclosed advertisements is not yet known.

B. *Defendants Pay Content Creators to Make Videos Placing Fake Bets on a Fake Site*

88. Defendants have engaged in a clandestine effort to place thousands of undisclosed advertisements on social media platforms such as TikTok, Instagram, YouTube, and X, and then make those ads “go viral” among young users in the U.S.

89. Defendants promote their platforms by paying content creators, including dozens of college students or college-aged individuals, to make videos of themselves placing bets or

talking about Polymarket. Content creators paid by Defendants have reported making \$2,000 to \$3,000 per month on their videos.

90. At times, Defendants have reportedly prohibited these content creators from disclosing they were being paid by Defendants to create the videos.

91. Defendants require the creators to use simulated versions of a Polymarket platform to create their videos. An analysis of the videos by the *Wall Street Journal* uncovered certain tell-tale signs of the fakery, such as spelling the URL as “poimarket” with a capitalized “i” in some of the videos, as well as other indicia of inauthenticity.

92. Defendants’ simulated Polymarket site includes numerous signals that strongly imply the video creator is a profitable trader on the platform.

93. For example, Defendants take collateral for trades in U.S. dollars, which are labelled “pUSD” or “Polymarket USD” in the user’s Polymarket wallet. In some instances, the content creator’s simulated Polymarket site shows them successfully placing bets of thousands of dollars. It is not possible to place a bet of thousands of dollars unless the user has that amount of money in their Polymarket account, so a viewer would believe the content creator had that amount sitting in their Polymarket account in order to place bets with it.

94. Furthering the duplicity, the dummy site that Defendants require creators to use sometimes itself indicates that the creator has thousands or tens of thousands of dollars in their Polymarket wallet.

95. A recent investigative report from the *Wall Street Journal* studied 1,105 social media videos by ten creators reportedly endorsed by the Defendants’ marketing company, Virality. The Journal’s analysis demonstrated that:

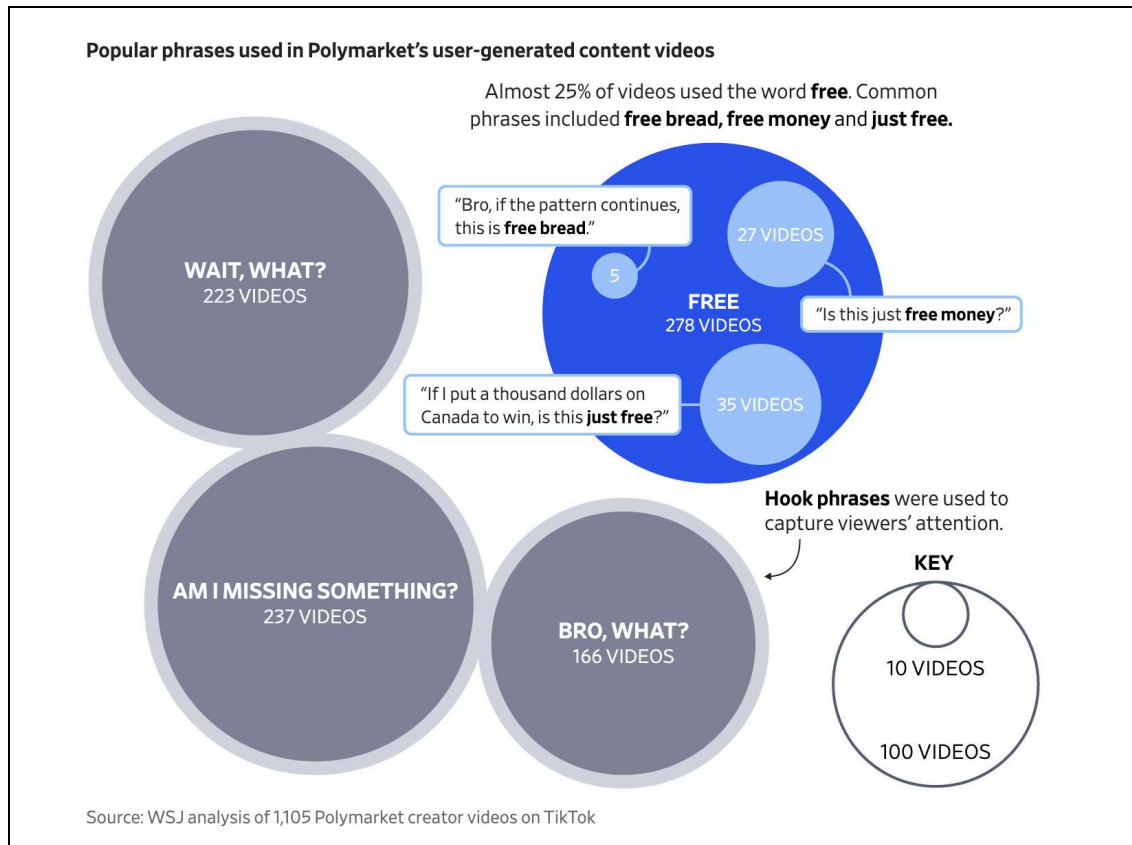
- a. 70% of the videos showed the creators placing a bet;

- b. Video bets were placed in the aggregate amount of \$1.9 million;
- c. 118 of the videos depicted creators winning almost \$900,000; and
- d. None of the video bets were real.

96. Defendants reportedly exert substantial control over the videos, such as sending creators guidance on what to say and what format to use. A common format is to lead with a question expressing disbelief, such as “bro, what?” or “am I missing something?” with a shot of a simulated Polymarket platform on which the creator “places a bet,” with confetti exploding from the transaction button.

97. Once finished, the videos are sent to Defendants for review, and Defendants may ask for the videos to be reshot.

98. Defendants pay content creators to create the impression that winnings are easy, and in fact, creators frequently use the term “free” to suggest the bets will deliver free monetary returns. For example, of the 1,105 videos analyzed by the *Wall Street Journal*, nearly a quarter used the word “free,” sometimes explicitly in connection with high dollar bets.



GRAPHIC D

99. Content creators fake not just their bets, but also their wins. For example, the 118 videos described above, in paragraph 95(c), depicted content creators reacting to events suggesting they had won their trades. But according to the *Wall Street Journal* analysis, the bets depicted in these 118 videos would not have resulted in \$900,000 in wins – they would have led to more than \$166,000 in losses.

100. The losses are more consistent with the experiences of Defendants' typical users. An academic study published in June found that the top 1% of users captured 76.5% of profits, and that about 69% of all users ended up with a loss. An analysis by the *Wall Street Journal* reached a similar conclusion and attributed this to the fact that a small number of sophisticated professionals (including firms using massive data streams) are profiting from Defendants' platforms at the expense of typical consumers.

C. Defendants Use “Clipping” to Secretly Manufacture Virality on Social Media

101. After Defendants pay influencers to make fake betting videos to advertise their platforms, they use a process called “clipping” to push their undisclosed advertisements to millions of people via social media.

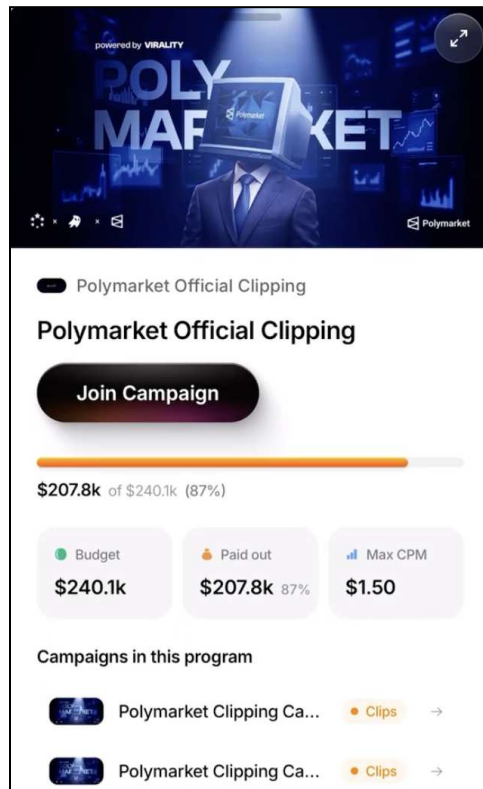
102. Clippers make short ad videos using content that Defendants provide. This content includes online streaming videos of celebrity influencers, in which the influencers discuss Polymarket or place bets on one of Defendants’ platforms.

103. Defendants’ library of influencer content includes materials from many influencers who are known to target young audience demographics, such as Adin Ross, Logan Paul, Clavicular, ConnorSinann, Jacob Nachinson, and NinaDrama to name just a few. Adin Ross, for example, is a 25-year-old celebrity influencer with millions of followers. He reportedly has a multi-million dollar deal with Defendants and devotes about half an hour per week on his livestream to scrolling the site and discussing possible trades.

104. The clippers who repost content can make videos go viral, thus expanding Defendants’ reach into the world of social media users quite substantially. For example, a recent *Wall Street Journal* investigative report showed how a video that received just 151 page views on its own skyrocketed to 2.4 million views following the clipping campaign.

105. To engage with clippers who can make the influencer content go viral, Defendants have spent hundreds of thousands of dollars on a digital marketplace called “Whop.” Whop recruits people to create fake accounts, make clips of Defendants’ ads, and promote these clips on social media using the fake accounts. Defendants state that through this process, they are seeking virality for “authentic, native-feeling clips.” Their purpose is to secretly promote Defendants’ deceptive advertising to a wide array of U.S. consumers, including college-aged consumers.

106. This image shows the home page of one of Defendants' campaigns on the Whop marketplace:



GRAPHIC E

107. According to Defendants, people who join this campaign and create clips to disseminate on social media can get paid \$1 per 1000 views:



GRAPHIC F

108. As shown below, Defendants go on to specify that one requirement for this campaign is that in order to be paid, the clipper must prove that the people who view the clips on social media are: “60% + USA (we want Only USA)”.

109. Defendants’ marketing firm, Virality, has reportedly instructed clippers not to use the term “Polymarket” in the account name, and even to avoid the use of the prefix “poly,” as it would violate their guidelines.

110. Defendants actively discourage clippers from disclosing the clip is an ad. Defendants instruct clippers: “Content must feel natural and native to the platform”. They double down by stating “Do NOT make the videos feel like ads or promotions”. Defendants state that “Strong hooks are mandatory” and that “Strong engagement pages will be prioritized”.

POLYMARKET x VIRALITY — CELEBRITY CLIPPING

Rules

Platforms: TikTok, Instagram Reels
Audience: 60%+ USA (we want Only USA)
English content only
Only use clips from the provided Drive folder
Original edits only — no direct reposting from other creator pages
No low-quality/slop content
No fake analytics or bottled views
Strong hooks are mandatory
Content must feel natural and native to the platform
Do NOT make the videos feel like ads or promotions
Strong engagement pages will be prioritized
Keep posts live for at least 30 days

Content Style

This is a celebrity clipping campaign focused on creating viral short-form content using clips from the provided Drive folder.

GRAPHIC G

111. Defendants then give more instruction on how to “make the content feel organic while maximizing watch time and retention”:

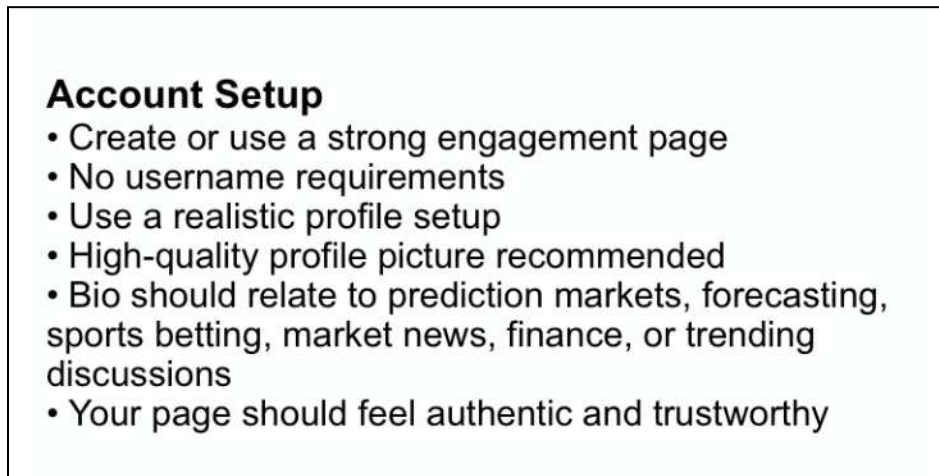
Recommended Editing Style:

- Fast-paced cuts
- Big hooks in the first 1–2 seconds
- Clean subtitles/captions
- Zoom-ins and movement for retention
- Native TikTok/Reels/Shorts editing style
- Keep videos smooth, simple, and engaging

The goal is to make the content feel organic while maximizing watch time and retention.

GRAPHIC H

112. Next, Defendants direct creators to create a “realistic” profile that feels “authentic and trustworthy”:



GRAPHIC I

113. Once the creator has set up a “realistic profile,” Defendants instruct them on how to deceive the social media algorithm and consumers into believing that they are normal users who post organic content rather than paid advertisements. Defendants mandate that creators do this through a “warmup” process for their newly created social media account:

Warmup Process

Day 1

- Scroll normally on the platform
- Do not search anything
- Act like a normal user

Day 2

- Search your niche naturally
- Engage with related content
- Continue normal scrolling

Day 3

- Fully engage with your niche
- Follow similar pages
- Continue building account activity

GRAPHIC J

114. After clippers have spent three days manipulating their accounts to make them look like organic accounts, Defendants instruct them to “[s]tart posting consistently” and “[e]ngage at least 15 minutes daily” to maximize their reach with consumers.

After Day 3

- Start posting consistently
- Engage at least 15 minutes daily before and after posting

Skipping warmup = weak reach.

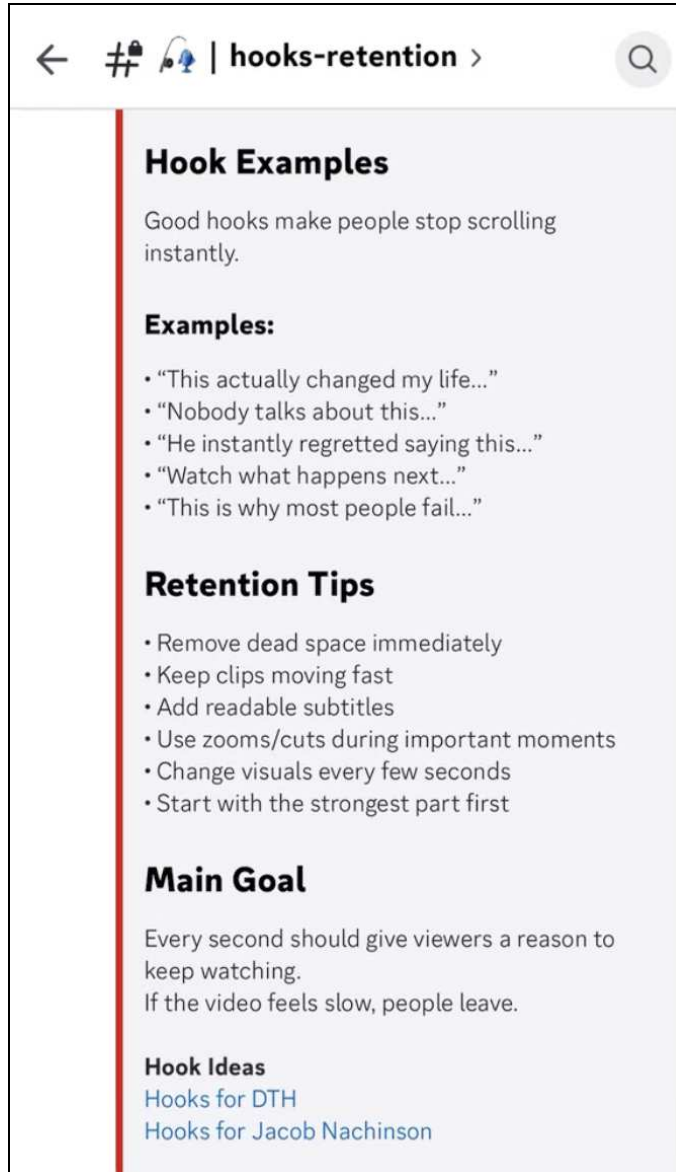
GRAPHIC K

115. Elsewhere on Defendants’ pages within the Whop marketplace, Defendants provide advice about maximizing engagement with the ads. They advise clippers to make “Content that feels organic – not like an ad”:



GRAPHIC L

116. Clippers may also join a discord group called “virality coaching” where they find advice about Defendants’ clipping campaigns, which echoes the tips listed in Graphic H. The Discord materials also lay out the “main goal” of the clipping campaign, which is that “[e]very second should give viewers a reason to keep watching” Defendants’ advertisements.



GRAPHIC M

117. Clippers may also join a discord group called “Polymarket Clipping,” which includes more than five thousand people. There, the clippers are instructed about how to “move forward with the campaign” so that they’ll “make bags.”

118. The fake organic content created through the clipping scheme does appear to drive extensive exposure to consumers on social media. For example, a single one of Defendants’

campaigns on the Whop marketplace showed that Defendants had paid out \$8,892, which corresponded to 4,700 submissions and 9.1 million total views.

D. *Defendants Aggressively Target Students on College Campuses*

119. In addition to hiring college students to make videos, Defendants attempt to reach college-aged individuals through marketing on college campuses.

120. Defendants have collaborated with student organizations at universities nationwide to increase undisclosed endorser advertisements on college campuses.

121. For example, Defendants have worked with a company called CampusGTM that pairs Defendants with college students who get “paid to run real campaigns” on behalf of Defendants.

122. According to CampusGTM, the “ideal candidates” to run these campaigns are: student founders and entrepreneurs, Greek life leaders, hackathon organizers, content creators and influencers, computer science club officers, and student government leaders. These students can earn between \$500 and \$2,000 per campaign to promote the Polymarket platforms to their peers.

123. Defendants have also offered to pay fraternities directly in exchange for signing up users. Defendants’ representatives have reached out to fraternity leadership with messages such as the following:

- a. January 20, 2026: “We’re moving partnerships start dates to Feb. 1 so everything lines up with all the big Super Bowl moments, which should mean way more attention, downloads, and money for your chapter. To match that upside, we’re increasing the payout to \$15 per user for chapters that shift their start date.”
- b. February 24, 2026: “We want to make sure everything runs smooth before you blast it out to your network—so we’re warming up your code so you can get comfortable with the app and dashboard prior to going live. Use the details below to activate up to 10 people ...”
- c. February 24, 2026: “...just FYI, [another fraternity] is also starting on March 1st so yea, will be fun [to see] who has the most traction on campus!”

Remember that you can get creative, don't limit that to just your chapter, but use the chapter to spread to the whole school."

- d. March 3, 2026: "We're offering \$150 total to [the fraternity] (to cover food/drinks) ... in exchange for a 15-minute virtual slot during one of your March chapter meetings. The session itself is structured to be high-value and interactive: short discussion on Polymarket and prediction markets; open Q&A with your members; overview of the Polymarket x [Fraternity] chapter partnership opportunity \$\$; presentation of the Polymarket Ambassador program—an individual role reserved exclusively for members of your organization."

124. In another example, Defendants reportedly invited a delegation of fraternity brothers from Columbia University's Sigma Phi Epsilon chapter to visit the company's office in New York City on November 16, 2025. Around 20 students attended the gathering, which also included Polymarket's CEO, Defendant Coplan. Defendants gave the students pizza and wings along with \$10 each to use on Defendants' platforms. Defendants later sent the students a wooden plaque recognizing them as "the first Polymarket Pledge Class."

125. Defendants also offered a deal to the fraternity, stating that each time someone created an account on Defendants' platforms using the fraternity's referral code, \$10 in cash would go to the fraternity and the new account would be funded with \$10. The chapter reportedly earned \$30,510 in two weeks, some of which was used to throw a party.

126. Defendants have also reached out to other fraternities and university social clubs, offering company-branded beer pong cups and up to \$1,000 for parties. For example, a club named Blockchain at Berkeley accepted the merchandise and also ran a hackathon sponsored by Defendants, during which the students reportedly built a financial product related to Polymarket contracts.

E. *Defendants Use Unfair Tactics to Promote Their Platforms to College-Aged Users*

127. Defendants systematically promote to young Americans the opportunity to place bets on the Internet-enabled websites and Apps Defendants developed and operate.

128. Defendants have used manipulative forms of advertising specifically targeted to college-aged Americans to promote their platforms, while obscuring the risk of losing money.

129. Specifically, Defendants' practice of orchestrating massive social media campaigns using simulated Polymarket sites and college-aged content creators, while concealing that the campaigns are paid advertising, has created the impression that placing bets on Defendants' platforms is a safe and easy way to make money.

130. College-aged consumers have been influenced by these social media campaigns and have suffered financial injury by placing trades on Defendants' platforms. As described below, research suggests that some have suffered further harms by falling prey to a gambling addiction.

131. These injuries are unavoidable by consumers, who have no reasonable ability to detect that the social media videos and clips are paid advertising or that the videos depict false bets on a false platform.

132. The injuries are also not outweighed by countervailing benefits to consumers or competition. There is no benefit to deceptive advertising. In fact, the societal benefit of any intrusive social media advertising of Defendants' platforms to college-aged and younger consumers is unclear at best.

133. As a starting point, gambling is itself associated with certain harms. A 2025 poll by the Siena Research Institute found that among online sports bettors, 20 percent said they lost money they could not afford to lose and 52 percent reported chasing losses – continuing to gamble in an attempt to win back money already lost. Research has indicated that access to gambling displaces

saving and investment, and that legalization of gambling causes a persistent deterioration in the financial stability of vulnerable households.

134. Harms from gambling *addiction* can be much more extreme. A common conceptual framework for these harms – the Langham framework – groups them into seven categories: financial harm, relationship disruption, psychological distress, decrements to health, cultural harm, reduced performance of work or study, and criminal activity.

135. As a result of the potential harms associated with gambling, experts have opined that where a platform involves financial stakes, uncertain outcomes, and repeated participation, it is critical to assess the public health implications and ensure appropriate protections are in place.

136. This holds especially true for young people, who are increasingly exposed to gambling. For example, a 2026 survey found that 11% of individuals 55 and older placed a bet before the age of 21, whereas 33% of 21 to 44-year-olds did so.

137. College-aged consumers can be significantly affected due to less-developed risk evaluation and impulse control. They also tend to exhibit sensation-seeking behaviors, keen interest in novel experiences, and less mature emotional regulation skills.

138. It is thus unsurprising that gambling addictions affect college-aged individuals at a greater rate than the rest of the U.S. adult population. For example, a 2014 meta-analysis estimated that about 10% of college students have a gambling problem, compared with 2-5% of people generally.

139. College-aged individuals today have grown up in an online atmosphere that is permeated with social media engagement.

140. The impact of social media on teens is widely documented, including the influence on their behaviors and their psychological well-being.

141. More and more, social scientists studying the impact of social media on problematic behaviors are sounding the alarm on gaming, gambling, and other betting offers to kids and teens.

142. For example a study released this year demonstrates how social media influences the gambling behaviors of boys. Common Sense Media conducted a nationally representative survey of over 1,000 boys aged 11 to 17 across the United States, and found that 45% of boys who gambled reported viewing gambling videos or streams online. “While 14% report actively searching for gambling content or following accounts that post about it, most exposure is passive: 59% say the content ‘just started showing up’ in their feed, and 24% encountered it through peer sharing.” *See* Michael B. Robb and Supreet Mann, “Betting on Boys: Understanding Gambling Among Adolescent Boys,” Common Sense Media (Jan. 29, 2026).

143. Defendants’ use of popular influencers and manufactured virality is savvy. The Common Sense Media survey found that social networks were highly persuasive in encouraging young men to try betting platforms – 84% of boys whose friends “mostly or all” gambled reported gambling themselves, compared with just 17% of those with no gambling friends.

144. Finally, Common Sense Media found that boys who watched gambling content online “sometimes or often” were more likely to overspend; 28% said they spent more than planned, compared with 5% of nonviewers. Viewers of online gambling content were also more likely to list the following as motivations for gambling: winning money (41% vs. 18% of nonviewers), friends are gambling (26% vs. 5%), and influencers (14% vs. 1%).

145. To summarize, Defendants aimed to attract young people to place bets on their platforms using a method likely to be effective: showing them social media videos of popular and respected young people enjoying a Polymarket platform. But rather than pursue this goal lawfully,

Defendants used many layers of manipulation to trick college-aged consumers, who suffered significant harms as a result. Consumers could not avoid Defendants' tactics, and these tactics served no beneficial purpose except to unfairly boost Defendants' market share as compared with any company that did opt to follow bedrock advertising laws.

LAW VIOLATIONS

146. Defendants have violated the CPPA by:

- A. "represent[ing] that goods or services have . . . characteristics . . . that they do not have";
- B. "represent[ing] that goods or services are of a particular standard, quality, grade, style, or model, if in fact they are of another";
- C. "misrepresent[ing] as to a material fact which has a tendency to mislead";
- D. "fail[ing] to state a material fact if such failure tends to mislead";
- E. "us[ing] innuendo or ambiguity as to a material fact, which has a tendency to mislead";
- F. "advertis[ing] . . . goods or services . . . without the intent to sell them as advertised;" and/or
- G. otherwise "engag[ing] in an unfair or deceptive trade practice."

D.C. Code § 28-3904(a), (d), (e), (f), (f-1), (h).

COUNT I

Deceptive Marketing of the Polymarket Platforms

147. Paragraphs 10 through 145 are incorporated as if set forth herein.

148. In numerous instances, in connection with the advertising, marketing, or promotion of the Polymarket platforms, Defendants have represented, directly or indirectly, expressly or by implication that:

- A. Content creators and clippers are disinterested consumers posting authentic experiences;
- B. Content creators are typical of traders on Defendants' platforms;
- C. Content creators have placed genuine trades on Defendants' platforms;
- D. Consumers are likely to make money trading on Defendants' platforms.

149. The representations set forth in Paragraph 148 were false or misleading and constitute violations of the D.C. CPPA.

COUNT II

Deceptive Failure to Disclose Material Connection

150. Paragraphs 10 through 145 are incorporated as if set forth herein.

151. In connection with the marketing, advertising, promotion and offering for sale of trades on the Polymarket platforms, Defendants have represented directly or indirectly, expressly or by implication, that social media posts by influencers and content creators reflected the true experiences of individuals who used the Polymarket platforms.

152. In numerous instances in which Defendants have made the representation in paragraph 151, Defendants have failed to disclose that the influencers and content creators were paid to endorse or advertise Defendants' prediction market platforms. This fact would be material to consumers in evaluating the risks of using Defendants' platforms.

153. Defendants' failure to disclose the material information identified in paragraph 152, in light of the representation in paragraph 151, is a deceptive act or practice in violation of the D.C. CPPA.

COUNT III

Unfair Promotion of the Polymarket Platforms to College-aged Americans

154. Paragraphs 10 through 145 are incorporated as if set forth herein.

155. Defendants have promoted and offered a gambling opportunity and have specifically targeted college-aged Americans. Defendants have promoted their gambling opportunity using manipulative forms of advertising that obscure the risk of losing money.

156. Defendants' acts or practices have caused or are likely to cause substantial injury to consumers that those consumers could not themselves reasonably avoid and that is not outweighed by countervailing benefits to consumers or competition.

157. Defendants' acts or practices constitute unfair acts or practices in violation of the D.C. CPPA.

CONSUMER INJURY

158. District of Columbia residents have suffered and will continue to suffer substantial monetary losses as a result of Defendants' violations of the CPPA. In addition, Defendants have been unjustly enriched as result of their unlawful acts and practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

REMEDY

159. NACA seeks, on behalf of and for the benefit of D.C. consumers, a declaratory judgment stating that Defendants' conduct described herein violates the CPPA; equitable relief including equitable restitution, disgorgement of profits, and a permanent injunction against Defendants' use of the unlawful trade practices described herein; and its reasonable attorneys' fees and costs of suit.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for the following relief:

1. A declaratory judgment;
2. Equitable relief including disgorgement of all profits and money unlawfully obtained and financial restitution to all harmed consumers in D.C.;
3. Attorneys' fees and costs of suit, including costs of notice, administration, and expert fees;
4. A permanent injunction prohibiting Defendants from continuing to violate the D.C. CPPA; and
5. Such other legal or equitable relief, including injunctive or declaratory relief, as the Court may deem appropriate.

Plaintiff demands a trial by jury of all issues so triable.

Dated: June 26, 2026

Respectfully submitted,

VACA DAFFAN LLP

/s/ Kathleen Daffan

Kathleen Daffan (DC Bar No. 991729)

Monica Vaca (*pro hac vice* to be filed)

VACA DAFFAN LLP

1717 Pennsylvania Ave. NW, Suite 1025

Washington, DC 20006

Phone: (202) 240-7040

kati@vacadaffanlaw.com

*Attorneys for Plaintiff National Association
of Consumer Advocates, Inc.*