

IN THE CIRCUIT COURT FOR THE SEVENTEENTH JUDICIAL CIRCUIT
IN AND FOR BROWARD COUNTY, FLORIDA

CASE NO.:

LETIDAS LOGISTICS LLC, individually
and behalf of all others similarly situated,

Plaintiff,

v.

CITIBANK, N.A.

Defendant,

and

ROYAL BENGAL LOGISTICS, INC.,

Nominal Defendant.

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CLASS ACTION COMPLAINT

Plaintiff, Letidas Logistics LLC (“Letidas” or “Plaintiff”), individually and on behalf of a class of similarly situated individuals, by and through the undersigned counsel of record, hereby sues Defendant, Citibank, N.A. (“Citi”), and Nominal Defendant, Royal Bengal Logistics, Inc.¹ (“RBL”) (Citi and RBL collectively, “Defendants”), and in support thereof, states as follows:

INTRODUCTION

1. This action arises out of a massive fraud scheme orchestrated by RBL and aided and abetted by Citi. Specifically, RBL orchestrated two overarching schemes: one centered on the

¹ On June 21, 2023, Judge Raag Singhal of the District Court for the Southern District of Florida entered an Order Granting Plaintiff Securities and Exchange Commission’s Emergency Motion for Appointment of Receiver (the “Receiver Order”) in the Securities and Exchange Commission’s (“SEC”) case against RBL largely stemming from the same schemes alleged herein (Case No. 23-61179-CIV-SINGHAL) (the “SEC Action”). Plaintiff is aware that the Receiver Order has enjoined any actions against RBL until further court order. Therefore, RBL is included herein as a nominal defendant only as Plaintiff is required from a pleading perspective to plead RBL’s predicate acts before pleading Citi’s aiding and abetting of such acts. Plaintiff intends to abide by all terms of the Receiver Order as applicable to this action.

fictional sale of a semi-truck or a trailer (the “Equipment Scheme”) and one centered on a long-term or short-term investment with a guaranteed fictional return (the “Loan Scheme”) (the Equipment Scheme and the Loan Scheme collectively, the “Schemes”), and, then, Citi actively participated in helping RBL effectuate the Schemes. In effectuating the Schemes, RBL targeted both minorities and first responders.²

2. In the Equipment Scheme, RBL induced investors to advance funds to purportedly purchase a semi-truck or a trailer. However, in reality, RBL diverted the investors’ funds for other purposes—a classic Ponzi scheme. Similarly, in the Loan Scheme, RBL induced investors to advance funds in the form of a short-term or a long-term loan with a high interest rate. However, once again, in reality, RBL diverted the investors’ funds for other purposes—yet another classic Ponzi scheme.

3. All in all, from approximately August 2019 through June 2023, RBL raised \$112 million from more than 1,500 investors, a majority of which were Haitian-American individuals residing in South Florida, but also included residents from at least seventeen other states, the District of Columbia, Haiti, Canada, and India.³

4. Sadly, RBL did not act alone. Citi not only maintained the account that RBL used to facilitate the fraudulent scheme (the “Account”) but, also, had actual control over each and every deposit made into the Account by unsuspecting investors. Indeed, as elaborated below, Citi flagged the Account for fraud, causing each and every deposit or withdrawal to be specifically approved by Citi before posting.

² For purposes of this Complaint, the focus is on the Equipment Scheme, as it appears that the Loan Scheme class as it pertains to Citi would contain only approximately ten (10) class members at this time. Plaintiff and the Class reserve the right to amend the Complaint should discovery reveal additional Class members.

³ Upon information and belief, nearly 90% of the Class are residents of Florida.

5. Citi monitored and reviewed the activity in the Account and not only failed to intervene but also controlled and approved each deposit to and withdrawal from the Account. Indeed, Citi served as a critical linchpin in the Schemes by legitimizing RBL's plot and facilitating it. Citi had actual knowledge of RBL's fraud and acted in bad faith to provide substantial assistance. In fact, no one knew more about the Schemes or was in a better position to put an end to the schemes than Citi. Yet, driven by Citi's desire to gain more business from and make money on RBL, Citi engaged in a pattern of behavior that demonstrated its knowledge or willful ignorance of the Schemes. In either case, Citi acted in bad faith in enabling the Schemes to continue for months, costing innocent investors millions of dollars in the process.

6. Accordingly, Plaintiff now brings this class action to recover damages caused by RBL's actions in carrying out the Schemes and by Citi's knowledge of, willful indifference to, and bad-faith-driven substantial assistance to with perpetrating the Schemes.

PARTIES, JURISDICTION, & VENUE

7. This is an action for damages more than fifty thousand dollars (\$50,000.00), exclusive of interest, attorneys' fees, and costs.

8. Plaintiff, Letidas Logistics LLC, is a Georgia limited liability company with its principal place of business in Georgia.

9. Defendant, Citibank, N.A., is a National Association chartered with the Office of the Comptroller of the Currency with its principal place of business in Sioux Falls, South Dakota and conducts business throughout Florida. Among other things, Citi engages in the business of providing retail banking services to millions of customers, including customers in Florida.

10. Nominal Defendant, Royal Bengal Logistics, Inc., is a Florida corporation with its principal place of business in Broward County, Florida.

11. The Court has personal jurisdiction over Citi pursuant to Section 48.193(1)(a)(1) of the Florida Statutes because Citi operates, conducts, engages in, and carries on a business venture in Broward County, Florida.

12. The Court has personal jurisdiction over RBL pursuant to Section 48.193(2) of the Florida Statutes because RBL is a Florida corporation with its principal place of business in Broward County, Florida.

13. The Court also has personal jurisdiction over Defendants pursuant to Section 48.193(1)(a)(2) and (a)(7) of the Florida Statutes because they, respectively, committed in a tortious act in Florida.

14. In addition, the Account held with Citi had a *situs* in Florida as the wiring instructions used by many members of the Class specifically provide the ABA/routing number 266086554, which is Citi's ABA/routing number for Florida accounts. As a result, due process is not offended by this Court's exercise of personal jurisdiction over Citi as to the entire Class.

15. Venue in this Court is proper pursuant to Sections 47.011, 47.041, and 47.051 of the Florida Statutes because: (a) RBL resides in this County; (b) at least one claim arose in this County as a result of RBL's actions, the harm to Plaintiff, and the location of RBL's Account; (c) Defendants have or usually keep an office in this County for transaction of their customary business; (d) Defendants acted jointly and in concert as to actions taken in this County; and (e) the agreements at issue between Plaintiff and RBL contain a venue provision requiring venue in this County.

16. All necessary conditions precedent to bringing this action have either occurred or have been excused by Defendants.

GENERAL ALLEGATIONS

A. RBL's Investment "Programs"—the Schemes

17. RBL is a transportation and logistics company registered as a common carrier with the U.S. Department of Transportation and located in Coral Springs, Florida.

18. From at least August 2019 through June 21, 2023⁴ (the "Relevant Period"), RBL operated the Schemes to fraudulently target South Florida's Haitian-American community, purporting to offer high-yield investment opportunities that generate 12.5% to 325% of "guaranteed" returns. RBL duped more than 1,500 persons into investing approximately \$112 million.

19. To further its scheme, RBL offered investors at least two investment programs, promising guaranteed returns ranging from 12.5% to as high as 325% depending on the program. Those investment opportunities pertained to two overarching programs: the Loan Program and the Equipment Program (collectively, the "Programs"), both described below.

20. Touting the success of its business model, RBL promised investors that their money would be used to grow RBL's operations and increase RBL's fleet of semi-trucks and trailers. Among other things, RBL assured investors and prospective investors that their investments were safe, that RBL's business did not depend on investor funds because it generated up to \$1 million per month, and that RBL had a fleet of over 200 semi-trucks and growing.

21. In reality, however, since August 2019, RBL operated its trucking business at a loss of more than \$18 million. Without sufficient revenue to pay returns owed to investors, RBL used approximately \$70 million of new investor funds to pay promised returns and redemptions to existing investors.

⁴ The date on which the Receiver Order was entered.

22. RBL did not disclose to investors and prospective investors RBL's intent to misappropriate investor funds. Nor did RBL disclose that investor funds would be used to trade hundreds of millions of dollars of equities on margin.

23. RBL was unable to pay the interest and principal owed to hundreds of investors absent an influx of new-investor money to perpetuate the Schemes. So, in true Ponzi fashion, RBL decided to rob from Peter to pay Paul.

24. One thing that the above-mentioned Programs had in common was that RBL advertised the Programs to unsuspecting investors as having a guaranteed return on investment.

25. During the Relevant Period, a special relationship existed between RBL, on the one hand, and Plaintiff and Class members, on the other hand.

26. During the Relevant Period, RBL owed a fiduciary duty to Plaintiff and Class members.

27. During the Relevant Period, Plaintiff and Class members were investors in RBL, creating a special relationship between RBL, on the one hand, and Plaintiff and Class members, on the other hand.

i. The Equipment Program—Semi-Trucks and Trailers

28. As part of the Equipment Scheme, investors had the option to purchase a semi-truck ("Semi-Truck Option") or a trailer ("Trailer Sponsorship Option") (collectively, the "Equipment Program") or both.

29. The Semi-Truck Option of the Equipment Program had the longest term and offered the highest potential returns of any of the RBL Programs.

30. The Semi-Truck Option of the Equipment Program was a five-year program that required a minimum investment of \$55,000.00 that RBL purported would be used to purchase a semi-truck on behalf of the investor.

31. RBL represented to prospective investors in the Semi-Truck Option of the Equipment Program that RBL would purchase and operate the semi-truck in the name and on behalf of the investor, including (1) identifying and purchasing the semi-truck; (2) obtaining licensing, registration, and insurance; and (3) maintaining the semi-truck.

32. Most investors in the Semi-Truck Option of the Equipment Program were required to make the investment through a new or existing corporation or limited liability company created and held by the investor (the “Investment Entity”), while some investors were permitted to own the truck in their personal name—regardless, the scheme, documents, and conduct were near identical. RBL claimed that the investor would be the legal owner of the semi-truck.

33. Under the terms of the Semi-Truck Option of the Equipment Program, the investor agreed to lease the semi-truck to RBL for a five-year term. RBL then promised to pay the investor monthly lease payments in the amount of \$3,000.00, which would begin on the third month and continue for fifty-eight months thereafter. At the end of the five-year term, an investor in the Semi-Truck Option of the Equipment Program would have received \$174,000.00 in lease payments, representing a 216% return on investment. RBL also promised that the investor would fully own the truck at the end of the five-year term—meaning that the investor would have the opportunity to keep the semi-truck or sell the semi-truck to RBL or a third party.

34. Investors also had the opportunity to invest \$110,000.00 in the Semi-Truck Option of the Equipment Program to purchase two semi-trucks as opposed to only one. As an incentive to make that investment, RBL promised to pay investors a \$10,000.00 “rebate” thirty days after

receipt of the investment. RBL promised to pay investors who chose the two-semi-truck option a monthly lease payment of \$6,000.00 for fifty-eight months, after which the investor would fully own the trucks. At the end of that lease term, an investor would have received \$358,000.00 in lease payments, representing an approximate 225% return on investment.

35. Similarly, the near identical Trailer Sponsorship Option of the Equipment Program was a six-month program that offered investors the opportunity to sponsor the building and purchase of a tractor-trailer on behalf of RBL.

36. The Trailer Sponsorship Option of the Equipment Program required a minimum investment of \$50,000.00 with a maximum investment of \$200,000.00. The Trailer Sponsorship Option had a 180-day term.

37. Under the Trailer Sponsorship Option of the Equipment Program, RBL represented to investors that the investor's funds were used to build trailers in India, which were then disassembled and shipped to the United States. RBL represented that, upon arriving in the United States, the trailers were then reassembled and added to RBL's fleet or sold for a profit.

38. At the end of the trailer sponsorship, RBL was represented that it would repay investors their principal investment plus thirty percent interest.

39. As noted herein, RBL allowed investors to purchase any number of semi-trucks and/or trailers from RBL so long as the investors had the capital to do so.

40. The governing documents, agreements, representations, circumstances, harm, and victims within the Equipment Program—even between and among the Trailer Sponsorship Option and the Semi-Truck Option of the Equipment Program—are common, typical, and virtually identical in substance.

ii. The Loan Programs—Short- and Long-Term Investments

41. As part of the Loan Scheme, RBL offered investors the opportunity to invest in RBL's business through a Short-Term Investment Program (the "Short-Term Option") and a Long-Term Investment Program (the "Long-Term Option") (the Short-Term Option and the Long-Term Option collectively, the "Loan Program").

42. RBL represented to investors that investments in the Loan Program would be used in RBL's general business operations.

43. RBL's Short-Term Option required a minimum investment of \$25,000.00 with a maximum investment of \$200,000.00. The Short-Term Option had a term of 90 to 365 days depending on the investment amount.

44. At the end of the Short-Term Option loan period, RBL promised to repay investors their principal investment plus interest ranging from 20% to 108%, depending on the investment and term selected by the investor.

45. RBL's Long-Term Option required a minimum investment of \$60,000.00 with a maximum investment of \$250,000.00. The Long-Term Option had a term of thirty-six months.

46. RBL promised to pay investors in the Long-Term Option monthly payments based on a 12.5% annual interest rate.

47. New investors typically began by investing \$25,000.00 in the Short-Term Option, which was a teaser program designed to lure investors into making larger investments over longer periods of time.

48. The investor agreements for the Loan Program are virtually identical in substance.

B. RBL's Misstatements and Omissions

49. RBL solicited investors for the Schemes through sales agents, promotional videos, in-person investor presentations, investor conferences, and word of mouth.

50. Potential investors were provided with offering materials and a brochure, entitled "RBL Investor Plan," which described each of the two overarching Programs—again, the Equipment Program and the Loan Program—along with investment requirements and associated returns.

51. Unbeknownst to the investors, RBL's representations about the success of RBL's trucking company, the safety and security of investor funds, the size of RBL's fleet, and RBL's ability to pay investor returns from the profitability of RBL's trucking enterprise were all false.

52. In reality, RBL was using commingled investor funds to pay RBL's business expenses and, as further explained below, to make Ponzi scheme-like "interest" and "lease" payments and principal redemptions to investors in RBL's investment Programs. Account balances were often reduced to a few hundred thousand dollars until new investor money was deposited, which allowed RBL to continue operating. RBL repeated this vicious cycle over and over to the detriment of innocent investors.

53. Moreover, RBL grossly overstated the number of trucks that it had purchased on behalf of investors in the Equipment Program. The bulk of RBL's fleet was actually comprised of independent contractors who drove their *own trucks* for RBL. To inflate the number of RBL's trucks to potential investors, RBL misrepresented the owner-operated trucks as RBL's own. The semi-trucks that were actually purchased by RBL as part of the Equipment Program were approximately ten to twenty years old and in poor condition. Some Equipment Program investors never even received the semi-trucks or trailers that they were promised.

54. RBL also failed to disclose that RBL executives were misappropriating millions of dollars of investor funds for themselves or diverting such funds for unauthorized and speculative securities trading.

C. RBL’s Misuse and Misappropriation of Investor Funds

55. During the Relevant Period, RBL used investor funds to make Ponzi scheme-like payments of “returns” and redemptions to investors. Also during the Relevant Period, RBL executives misappropriated millions of dollars of investor funds for themselves or diverted such funds for trading on margin in speculative equities.

i. RBL’s Operation of the Ponzi Scheme

56. RBL no doubt operated the Schemes as a Ponzi scheme.

57. RBL represented to prospective investors that it was able to pay the extraordinary returns promised to investors due to the rapid growth and success of RBL’s trucking business. In reality, RBL’s bank records reflect that, from August 2019 through February 2023, RBL operated at an approximate \$18 million loss *and used investor funds to cover the shortfall*.

58. RBL’s bank accounts, including the Citi Account, reflected that, in the absence of sufficient revenues, RBL had been conducting a Ponzi scheme to meet its obligations to investors.

59. In classic Ponzi scheme fashion, RBL paid returns and redemptions to preexisting investors—either interest on the Loan Program or lease payments under the Equipment Program—with money raised entirely from new investors. RBL was also using new investor funds to pay redemptions to preexisting investors because, without new investments, RBL had insufficient funds to pay investors.

60. None of the Programs permitted RBL to engage in this scheme nor did RBL disclose to investors that RBL would be using investor money in this manner.

ii. RBL's Diversion of Investor Funds to RBL Executives

61. From 2019 until the SEC uncovered the scheme and took RBL into receivership, RBL misappropriated *at least* \$13.9 million of investor funds for RBL executives and related parties, which was neither disclosed to nor permitted by investors.

62. None of the Programs permitted RBL to divert investor funds to executives nor did RBL disclose to investors that RBL would be using investor money in this manner.

iii. RBL's Diversion of Investor Funds for Unauthorized Securities Trading

63. From March 2022 through January 2023, RBL diverted approximately \$19.3 million of investor funds to two TD Ameritrade brokerage accounts. The accounts were then used to engage in highly speculative trading of equities on margin, losing more than \$1 million.

64. Due to the volatility of the accounts, TD Ameritrade force-closed both accounts.

65. None of the Programs permitted RBL to use investor funds for such trades, and RBL certainly did not disclose such use to investors.

D. RBL's Efforts to Scam Plaintiff

66. Plaintiff is held and managed by Kenson Dorestin ("Dorestin").

67. Dorestin heard about RBL from members of his community and, like many others, was tricked into believing that he could make money by investing in RBL.

68. Specifically, Plaintiff invested in the Equipment Program and, in turn, entered into various contracts with RBL for the purchase of two semi-trucks. RBL lured Dorestin, through Plaintiff, with a guaranteed return on investment.

69. On March 1, 2022, Plaintiff entered into an Investment & Equipment Operating Lease Agreement (the "Plaintiff 2022 Agreement"). A true and correct copy of the Plaintiff 2022 Agreement is attached hereto as **Exhibit 1**. Pursuant to the terms of the Plaintiff 2022 Agreement,

Plaintiff paid RBL a \$35,000.00 “Start-up Payment” in exchange for the promise of recurring rental payments and the ownership of a semi-truck after the five-year loan period. Exh. 1 § 2.

70. Then, on February 6, 2023, Plaintiff entered into another Investment & Equipment Operating Lease Agreement (the “Plaintiff 2023 Agreement”) (the Plaintiff 2022 Agreement and the Plaintiff 2023 Agreement collectively, the “Plaintiff Agreements”). A true and correct copy of the Plaintiff 2023 Agreement is attached hereto as **Exhibit 2**. Pursuant to the terms of the Plaintiff 2023 Agreement, Plaintiff paid RBL another \$35,000.00 “Start-up Payment” in exchange for the promise of reoccurring rental payments and the ownership of a second semi-truck after the five-year loan period. Exh. 2 § 2.

71. At least one of Plaintiff’s investments was deposited by RBL into the Citi Account. Thus, Citi had control over Plaintiff’s investment(s).

72. The substance of the Plaintiff Agreements is virtually identical to the substance of the agreements of all other victims of the Equipment Scheme.

73. As of the date of this Complaint, Plaintiff has zero semi-trucks and tens of thousands of dollars in outstanding investments to RBL that—if it were up to RBL—Plaintiff would never get back.

74. Plaintiff’s experience is identical to that of all other investors in the Programs.

75. Plaintiff’s story is just the beginning. RBL uniformly tricked more than 1,500 individuals into investing in the fake Programs with the promise of guaranteed returns in order to steal their money. Sadly, the actions of RBL addressed herein were uniform. RBL’s actions were reasonably calculated to confuse or frustrate individuals and to knowingly deprive individuals of their investments.

E. Citi's Control Over the Schemes—Citi Played an Essential Role

76. Citi had actual knowledge of and directly participated in the Schemes.

77. RBL's relationship with Citi began in October of 2021.

78. On October 12, 2021, RBL submitted a Business Deposit Account Application ("Application") to Citi at a Citi branch in Tamarac, Florida, which was signed by RBL's President Sanjay Singh ("Sanjay"). A true and correct copy of the Application is attached hereto as **Exhibit 3**. The Application also named Daniel Sejour ("Daniel"), RBL's Finance Manager, as an authorized signer.

79. In the Deposit Product Selection section of the Application, Sanjay indicated that the "Intended Balance" of RBL's deposit account—which would serve as RBL's operating account (the Account)—would range from \$250,000.00 to \$500,000.00. Therefore, Citi had actual knowledge of RBL's purported business model. Exh. 3 at 1.

80. The first several months of the banking relationship were relatively mundane, with RBL depositing approximately \$10,000.00 and \$100,000.00 in October and November 2021, respectively.

81. The proceeding months were anything but mundane, however. True and correct copies of RBL's Account statements for the Relevant Time Period are attached hereto as **Exhibit 4**.

82. In December of 2021, the activity on the Account began to increase, with debits totaling approximately \$250,000.00 and credits totaling \$204,000.00.

83. In January of 2022, Citi began leaving internal notes on the Account regarding irregular activity. Specifically, as early as January 28, 2022, Citi blocked RBL's Account, noted

a “deposit risk,” and initiated a “PND” or “Post No Debit,” which likely restricted the account from all withdrawals, transfers, or other debits.

84. The debits and credits of the Account also increased significantly in January 2022 to approximately \$558,000.00 and \$870,000.00, respectively.

85. Then, on February 1, 2022, Citi entered a “FRAUD HIGH PRIORITY NOTE” on the Account, indicating that the PND would remain on the account. Therefore, Citi first had actual knowledge of RBL’s fraudulent conduct no later than February 1, 2022. Yet, instead of closing the Account, Citi continued to act with control over the Account and assist RBL in effectuating the Schemes.

86. The debits and credits continued to increase during the month of February 2022, both totaling just under \$1 million.

87. Notably, on February 3, 2022, Citibank entered another “FRAUD HIGH PRIORITY NOTE” that indicated that the deposit risk block had been removed by IRT,⁵ but that the account had a “suspicious deposit,” so bank employees had to “*please consider all deposits.*” Notwithstanding this knowledge, the same internal note indicates “*no action needed.*” Therefore, Citi continued to have actual knowledge of RBL’s fraudulent conduct on February 3, 2022. Yet, instead of closing the Account, Citi continued to act with control over the Account and assist RBL in effectuating the Schemes.

88. In March 2022, Account activity began to significantly increase and surpassed 400 transactions per month. Debits ballooned to approximately \$4,315,000.00, with credits of approximately \$5,335,000. The account balance at the end of March exceeded \$1,375,000.00.

⁵ Citi uses various acronyms, initialisms, and abbreviations in the account notes—many of which Plaintiff has been unable to decipher thus far.

89. Citi placed various internal notes on the account in March 2022, including three “high priority” notes. During this time, the bank began to internally note various returned deposited items (“RDI”) and the reason for the return, such as insufficient funds.

90. In April 2022, Account activity remained inflated with more than 400 transactions per month, debits of approximately \$5,000,000.00, and credits near \$5,500,000.00. The Account balance at the end of April was nearly \$2,000,000.00—almost four times the intended balance indicated on the Application and significantly more than had previously been held in the Account.

91. Citibank placed various internal high priority and fraud notes throughout April 2022, with one specifically noting RBL had “RDI history.” Following this internal note, RBL had at least four additional RDI’s in April. A PND was also posted in April, which was later removed. Therefore, Citi continued to have actual knowledge of RBL’s fraudulent conduct in April 2022. Yet, instead of closing the Account, Citi continued to act with control over the Account and assist RBL in effectuating the Schemes.

92. In May 2022, Account activity continued at approximately 400 transactions per month, with the end-of-month balance falling to approximately \$1,500,000.00. However, debits and credits skyrocketed, with approximately \$7,610,000.00 in debits and \$7,250,000.00 in credits. Throughout the month, Citibank placed various internal high priority notes for returned deposited items, with reasons ranging from insufficient funds to forgery. Other internal notes related to returned deposited items indicate “refer to maker” or list no reason at all. Therefore, Citi continued to have actual knowledge of RBL’s fraudulent conduct in May 2022. Yet, instead of closing the Account, Citi continued to act with control over the Account and assist RBL in effectuating the Schemes.

93. Then, on May 28, 2022, Citibank blocked the Account altogether and indicated that no transactions were permitted.

94. The internal notation that accompanied the block indicated that RBL had *fifteen* returned deposited items since the beginning of March. Importantly, this note also indicated RBL was constantly “wiring out” and “depleting funds” upon deposit. The internal note concluded with “**FIRST PARTY FRAUD – BLOCK ACCOUNT — REFER FOR CLOSURE.**”

95. Almost one month later, on June 27, 2022, the account was approved for closure. At the end of June 2022, the statements reflected a \$0 balance in the business account, with statements reflecting withdrawals of approximately \$1,555,000.00 from the account.

96. Through it all, thanks to its intimate knowledge of RBL’s claimed business and the reality of the transactions at its bank, Citi knew that the actual flow of funds through the Account was inconsistent with representations made by RBL regarding its business model.

97. Citi recklessly ignored the fraudulent activity in the Account, once again signaling its bad-faith acceptance of and participation in the Schemes. The funds invested by Plaintiff and other Class members were placed into this same Account.

98. Had Citi properly exercised its absolute control, the Schemes would have been stifled from the start. Instead, Citi reviewed and permitted the Schemes to occur and, even worse, actively participated in the Schemes and lent credence to the criminal acts of RBL.

F. The Appointment of the Receiver

99. As a direct result of the conduct alleged herein, the SEC filed a Complaint for Injunctive and Other Relief against RBL in the SEC Action. The Court in the SEC Action granted the injunction and appointed a Receiver for RBL. As of the date of this Complaint, the Receivership is still in place.

100. As a result of Defendants' conduct, Plaintiff and members of the Class have suffered damages.

101. Plaintiff has retained the undersigned law firm to represent it in this action and is obligated to pay counsel a reasonable fee for legal services.

CLASS REPRESENTATION ALLEGATIONS

102. Plaintiff brings this action pursuant to Florida Rules of Civil Procedure 1.220(b)(1)(B) and 1.220(b)(3), individually on behalf of itself and the Class of similarly situated individuals. The "Class" is defined as:

All (i) persons or entities in the United States, including all States, territories, protectorates, and federal districts (ii) who entered into an agreement with RBL of the same form or substantially similar form as Exhibits 1 and 2 (iii) whose investment was deposited into the Citi Account (iv) during the Relevant Period.

103. Plaintiff reserves the right to amend the Class definition if discovery and further investigation reveal that the Class should be expanded or otherwise modified.

104. Plaintiff reserves the right to establish sub-classes as appropriate.

105. **Class Exclusions:** The following people are excluded from the Class: (1) any Judge or Magistrate Judge presiding over this action and members of their families; (2) Defendants, Defendants' subsidiaries, parents, successors, predecessors, and any entity in which Defendants or its parents have a controlling interest and their current or former employees, officers, and directors; (3) persons who properly execute and file a timely request for exclusion from the Class; (4) the legal representatives, successors, or assigns of any such excluded persons; and (5) Plaintiff's counsel, Defendants' counsel, and their respective immediate family members.

106. **Numerosity:** Although Plaintiff does not know the exact size of the Class because said information is in the exclusive control of Defendants, it is evident that the Class is so numerous that joinder of all members into one action is impracticable. Based upon the nature and scope of

the conduct involved herein and the information available from public records, the approximate number of Class members exceeds one thousand, and most of them are likely to be geographically dispersed throughout Florida, with some others geographically dispersed elsewhere in the United States.

107. **Typicality:** Plaintiff's claims are typical of the claims of other members of the Class in that proving Plaintiff's claims will simultaneously prove the claims of all Class members. Plaintiff and each Class member are victims of the Schemes alleged herein. Plaintiff and all members of the Class were damaged by the same conduct of Defendants as complained of herein.

108. **Commonality:** Plaintiff and Class members' claims raise common factual and legal questions that can be answered for all Class members in a single Class-wide proceeding. Questions of law and fact arising out of Defendants' conduct are common to all members of the Class. For example, to adjudicate the claims, it would be necessary to resolve the following issues, each of which can be answered through common, generalized evidence:

- a. whether RBL concocted a Ponzi scheme;
- b. whether Citi had control over RBL's Ponzi scheme;
- c. whether RBL breached its fiduciary duties to Plaintiff and Class members;
- d. whether Citi aided and abetted RBL's breach of fiduciary duty;
- e. whether RBL committed constructive fraud;
- f. whether Citi aided and abetting RBL's constructive fraud;
- g. whether RBL converted Plaintiff and the Class's investments;
- h. whether Citi aided and abetted RBL's conversion;
- i. whether Citi was unjustly enriched by Plaintiff and the Class's investments; and

j. whether Plaintiff and the Class suffered harm as a result of Defendants' conduct.

109. **Adequacy:** Plaintiff will fairly and adequately protect the interests of the Class and has no interests that are antagonistic to the interests of Class members. It is in Plaintiff's best interest to prosecute the claims to obtain full redress due to it. Plaintiff's interests do not conflict with the interests of the Class because one or more questions of law and/or fact regarding liability are common to all Class members, and, by prevailing on its own claims, Plaintiff necessarily will establish Defendants' liability to other Class members. Plaintiff has retained counsel experienced in class action litigation and complex civil litigation to prosecute this action on behalf of the Class.

110. **Superiority:** A class action is the superior procedural vehicle for the fair and efficient adjudication of the claims asserted herein because common questions of law and fact predominate over any individual questions that may arise, and significant economies of time, effort, and expense will inure to the benefit of the Court and the parties in litigating the common issues on a Class-wide basis instead of a repetitive, individual basis. Many Class members' individual damage claims are too small to make individual litigation an economically viable alternative, and few Class members have an interest in individually controlling the prosecution of a separate action. Despite the relatively small size of many individual Class members' claims, their aggregate volume, coupled with the economies of scale inherent in litigating similar claims on a common basis, will enable this case to be litigated as a Class action on a cost-effective basis, especially when compared with repetitive individual litigation. Given the size of individual Class members' claims, few Class members could afford to seek legal redress individually for the wrongs Defendants committed against them. When the liability of Defendants is adjudicated, claims of all members of the Class can be determined by the Court. This action will facilitate the orderly

and expeditious administration of the Class's claims, economies of time, effort, and expense will be fostered, and uniformity of outcome will be ensured. Without a class action, the Class members will continue to suffer damages and Defendants' violations of law will proceed without remedy while Defendants continue to reap and retain the proceeds of its wrongful conduct. No unusual difficulties are likely to be encountered in the management of this class action. The forum is desirable because the acts or omissions giving rise to the claims pertained to the Account, which had a *situs* in Broward County, Florida.

111. **Ascertainability:** Members of the Class can be identified and ascertained objectively through Defendants' records. Specifically, Plaintiff will be able to ascertain who invested in RBL during the Relevant Time Period and whose investments were deposited into the Citi Account.

112. Plaintiff satisfies all prerequisites for suing as a representative party pursuant to Florida Rule of Civil Procedure 1.220.

COUNT I⁶
BREACH OF FIDUCIARY DUTY
(Against RBL)

Plaintiff reaffirms, realleges, and reincorporates paragraphs 1 through 112 as if fully set forth herein.

113. Plaintiff and Class members invested in RBL's Programs. RBL promised Plaintiff and Class members that their investments would lead to guaranteed returns.

114. RBL owed fiduciary duties of care, loyalty, and good faith to Plaintiff and Class members as investors in RBL.

⁶ As noted *supra* at n.1, this Count is stayed in light of the injunction barring suits against RBL.

115. Moreover, as an investor in RBL, and in light of the special relationship that existed between RBL and Plaintiff and Class members, a fiduciary duty also is imposed on RBL as a matter of law.

116. RBL breached its duties of loyalty and good faith by, among other things, transferring Plaintiff and Class members' funds to other investors without the knowledge of Plaintiff or Class members just to keep the Schemes running smoothly, paying RBL executives with Plaintiff and Class members' funds without the knowledge of Plaintiff or Class members, and otherwise taking Plaintiff and Class members' investments with an intent to defraud Plaintiff and the Class members.

117. Plaintiff and other Class members have been damaged by RBL's breach of its fiduciary duties.

WHEREFORE, Plaintiff, on behalf of itself and the Class, demands judgment in their favor and against Royal Bengal Logistics Inc. for damages in the amount of all investments, together with interests and costs, and for such other relief as the Court may deem just and proper.

COUNT II
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Against Citi)

Plaintiff reaffirms, realleges, and reincorporates paragraphs 1 through 112 as if fully set forth herein.

118. RBL owed fiduciary duties of care, loyalty, and good faith to Plaintiff and Class members as investors in RBL.

119. Moreover, as an investor in RBL, and in light of the special relationship that existed between RBL and Plaintiff and Class members, a fiduciary duty also is imposed on RBL as a matter of law.

120. RBL breached its duties of loyalty and good faith by, among other things, transferring Plaintiff and Class members' funds to other investors without the knowledge of Plaintiff or Class members just to keep the Schemes running smoothly, paying RBL executives with Plaintiff and Class members' funds without the knowledge of Plaintiff or Class members, and otherwise taking Plaintiff and Class members' investments with an intent to defraud Plaintiff and the Class members.

121. At all times material hereto, Citi had knowledge of RBL's breaches of fiduciary duty and provided substantial assistance or encouragement in the wrongdoing permitted by the Ponzi schemer (RBL) to use Citi's banking platform to engage in the transactions that were the subject of the Schemes.

122. As detailed above, Citi not only permitted the use of its platform despite knowledge of fraud, but also controlled, reviewed, and approved the fraudulent transactions.

123. In other words, without the express approval of Citi, the bad acts at issue do not occur.

124. Citi's knowledge of the Schemes can be seen by Citi's own internal notes on the Account.

125. Citi also provided substantial assistance to RBL's breaches of fiduciary duty by permitting RBL to use Citi Account as a platform for RBL's improper misuse of funds.

126. Citi's permissance of RBL's actions via the Account lent an air of legitimacy to RBL's investment solicitation activities.

127. As a direct and proximate result of the foregoing, the investors (including Plaintiff and Class members) have suffered damages including the loss of assets as a result of the

transactions referenced herein, their increased/deepened insolvency, their increased liabilities, the loss and decrease in value of their assets, and/or corporate waste.

WHEREFORE, Plaintiff, on behalf of itself and the Class, demands judgment in their favor and against Citibank, N.A. for damages in the amount of all investments, together with interests and costs, and for such other relief as the Court may deem just and proper.

COUNT III⁷
CONSTRUCTIVE FRAUD
(Against RBL)

Plaintiff reaffirms, realleges, and reincorporates paragraphs 1 through 112 as if fully set forth herein.

128. RBL had a duty to its investors (including Plaintiff and Class members) under a confidential or fiduciary relationship that was abused or, alternatively, RBL has taken unconscionable advantage of Plaintiff and Class members.

129. Specifically, RBL owed fiduciary duties of care, loyalty, and good faith to Plaintiff and Class members as investors in RBL.

130. Moreover, as an investor in RBL, and in light of the special relationship that existed between RBL and Plaintiff and Class members, a fiduciary duty also is imposed on RBL as a matter of law.

131. RBL made numerous false statements concerning material facts to induce investors (including Plaintiff and Class members) to invest money into RBL. Specifically, among other things, RBL promised investors (including Plaintiff and Class members) high return rates on their investments for the Loan Program and the prospect of owning a semi-truck or a trailer for the Equipment Program when, in reality, RBL was transferring Plaintiff and Class members' funds to

⁷ As noted *supra* at n.1, this Count is stayed in light of the injunction barring suits against RBL.

other investors without the knowledge of Plaintiff or Class members just to keep the Schemes running smoothly, paying RBL executives with Plaintiff and Class members' funds without the knowledge of Plaintiff or Class members, and otherwise taking Plaintiff and Class members' investments with an intent to defraud Plaintiff and Class members.

132. At the time RBL made the misrepresentations to investors (including Plaintiff and Class members), RBL knew or should have known that the representations were false due to RBL's superior knowledge of the way RBL intended to use the investments.

133. As a direct and proximate result of the foregoing, the investors (including Plaintiff and Class members) have suffered damages including the loss of assets as a result of the transactions referenced herein, their increased/deepened insolvency, their increased liabilities, the loss and decrease in value of their assets, and/or corporate waste.

WHEREFORE, Plaintiff, on behalf of itself and the Class, demands judgment in their favor and against Royal Bengal Logistics Inc. for damages in the amount of all investments, together with interests and costs, and for such other relief as the Court may deem just and proper.

COUNT IV
AIDING AND ABETTING CONSTRUCTIVE FRAUD
(Against Citi)

Plaintiff reaffirms, realleges, and reincorporates paragraphs 1 through 112 as if fully set forth herein.

134. RBL had a duty to its investors (including Plaintiff and Class members) under a confidential or fiduciary relationship that was abused or, alternatively, RBL has taken unconscionable advantage of Plaintiff and Class members.

135. Specifically, RBL owed fiduciary duties of care, loyalty, and good faith to Plaintiff and Class members as investors in RBL.

136. Moreover, as an investor in RBL, and in light of the special relationship that existed between RBL and Plaintiff and Class members, a fiduciary duty also is imposed on RBL as a matter of law.

137. RBL made numerous false and fraudulent statements concerning material facts to induce investors (including Plaintiff and Class members) to invest money into RBL. Specifically, among other things, RBL promised investors (including Plaintiff and Class members) high return rates on their investments for the Loan Program and the prospect of owning a semi-truck or a trailer for the Equipment Program when, in reality, RBL was transferring Plaintiff and Class members' funds to other investors without the knowledge of Plaintiff or Class members just to keep the Schemes running smoothly, paying RBL executives with Plaintiff and Class members' funds without the knowledge of Plaintiff or Class members, and otherwise taking Plaintiff and Class members' investments with an intent to defraud Plaintiff and Class members.

138. At all times material hereto, Citi had actual knowledge of and substantial control over the constructive fraud.

139. At all times material hereto, Citi had knowledge of the ongoing transfer of the funds and provided substantial assistance or encouragement in the wrongdoing permitted by the Ponzi schemer (RBL) to use Citi's banking platform to engage in the transactions that were the subject of the Schemes.

140. Citi's knowledge of the Schemes can be seen by Citi's own internal notes on the Account.

141. Citi also provided substantial assistance to RBL's fraudulent transfers by permitting RBL to use the Citi Account as a platform for RBL's improper misuse of funds.

142. Citi's express permissance of RBL's actions via the Account lent an air of legitimacy to RBL's investment solicitation activities.

143. As detailed above, Citi not only permitted the use of its platform despite knowledge of fraud, but also controlled, reviewed, and approved the fraudulent transactions.

144. In other words, without the express approval of Citi, the bad acts at issue do not occur.

145. As a direct and proximate result of the foregoing, the investors (including Plaintiff and Class members) have suffered damages including the loss of assets as a result of the transactions referenced herein, their increased/deepened insolvency, their increased liabilities, the loss and decrease in value of their assets, and/or corporate waste.

WHEREFORE, Plaintiff, on behalf of itself and the Class, demands judgment in their favor and against Citibank, N.A. for damages in the amount of all investments, together with interests and costs, and for such other relief as the Court may deem just and proper.

COUNT V⁸
CONVERSION
(Against RBL)

Plaintiff reaffirms, realleges, and reincorporates paragraphs 1 through 112 as if fully set forth herein.

146. Plaintiff and Class members all made investments in RBL. RBL promised Plaintiff and Class members that their investment would lead to guaranteed returns.

147. RBL converted the property of the investors (including Plaintiff and Class members) by engaging in multiple acts of dominion wrongfully asserted over property of such individuals and inconsistent with ownership in such property.

⁸ As noted *supra* at n.1, this Count is stayed in light of the injunction barring suits against RBL.

148. Specifically, RBL wrongfully asserted dominion over investors' (including Plaintiff and Class members) investments in the Programs inconsistent with ownership therein.

WHEREFORE, Plaintiff, on behalf of itself and the Class, demands judgment in its favor and against Royal Bengal Logistics Inc. for damages in the amount of all investments, together with interests and costs, and for such other relief as the Court may deem just and proper.

COUNT VI
AIDING AND ABETTING CONVERSION
(Against Citi)

Plaintiff reaffirms, realleges, and reincorporates paragraphs 1 through 112 as if fully set forth herein.

149. Plaintiff and Class members all made investments in RBL. RBL promised Plaintiff and Class members that their investment would lead to guaranteed returns.

150. RBL converted the property of the investors (including Plaintiff and Class members) by engaging in multiple acts of dominion wrongfully asserted over property of such individuals and inconsistent with its ownership in such property.

151. Specifically, RBL wrongfully asserted dominion over investors' (including Plaintiff and Class members) investments in the Programs inconsistent with ownership therein.

152. At all times material hereto, Citi had knowledge of the ongoing conversion of the funds and provided substantial assistance or encouragement in the wrongdoing permitted by the Ponzi schemer (RBL) to use Citi's banking platform to engage in the transactions that were the subject of the Schemes.

153. Citi's knowledge of the Schemes can be seen by Citi's own internal notes on the Account.

154. Citi also provided substantial assistance to RBL's conversion by permitting RBL to use the Citi Account as a platform for RBL's improper misuse of funds.

155. Citi's permissance of RBL's actions via the Account lent an air of legitimacy to RBL's investment solicitation activities.

156. As detailed above, Citi not only permitted the use of its platform despite knowledge of fraud, but also controlled, reviewed, and approved the fraudulent transactions.

157. In other words, without the express approval of Citi, the bad acts at issue do not occur.

158. Citi was aware of its role in RBL's scheme, as seen in Citi's own internal notes on the Account.

159. As a direct and proximate result of the foregoing, the investors (including Plaintiff and Class members) have suffered damages including the loss of assets as a result of the transactions referenced herein, their increased/deepened insolvency, their increased liabilities, the loss and decrease in value of their assets, and/or corporate waste.

WHEREFORE, Plaintiff, on behalf of itself and the Class, demands judgment in its favor and against Citibank, N.A. for damages in the amount of all investments, together with interests and costs, and for such other relief as the Court may deem just and proper.

COUNT VII
UNJUST ENRICHMENT
(Against Citi)

Plaintiff reaffirms, realleges, and reincorporates paragraphs 1 through 112 as if fully set forth herein.

160. Citi received a benefit when, during the course of the Schemes, RBL wrongfully caused investors (including Plaintiff and Class members) to transfer money to Citi.

161. Citi knowingly and voluntarily accepted and retained a benefit in the form of those transfers.

162. These benefits include, but are not limited to, interest, fees, charges, rebates, and other benefits associated with maintaining large deposit accounts.

163. The circumstances as alleged herein render Citi's retention of that benefit inequitable and unjust, including to the investors (including Plaintiff and Class members) as a whole, so Citi must pay the investors the value of the benefit received.

164. Citi has been unjustly enriched at the expense of the investors (including Plaintiff and Class members) in the amount of the transfers set forth herein.

165. The investors (including Plaintiff and Class members) are entitled to the return of that money through disgorgement, restitution, or any other applicable remedy.

WHEREFORE, Plaintiff, on behalf of itself and the Class, demands judgment in its favor and against Citibank, N.A. for the value of the benefits conferred on Citi, together with interests and costs, and for such other relief as the Court may deem just and proper.

JURY TRIAL DEMAND

Plaintiff hereby demands a trial by jury on all issues so triable.

Dated: June 30, 2024

Respectfully submitted,

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