

Crypto Co. Gets \$1.56M Final Judgment Against Bitcoin Dealer

By **Kelcey Caulder** · [Listen to article](#)

Law360 (March 28, 2023, 7:42 PM EDT) — A Georgia federal judge on Tuesday granted digital asset trading company GSR Markets Ltd.'s request to waive its \$174,000 fee request for its Robbins Alloy Belinfante Littlefield LLC legal team in a fraud suit against purported bitcoin dealer Valkyrie Group LLC, entering a \$1.56 million final judgment against Valkyrie and its principals.

In his **order**, U.S. District Court Judge Michael L. Brown said GSR had asked to waive its claim for attorney fees "in light of the uncertainty of collecting any amount on the judgment against the Valkyrie defendants and in the interests of efficiency and expediency." Because that left no claims pending against Valkyrie and its principals, Judge Brown confirmed the \$1,562,762.24 default judgment entered against them as the final judgment.

In October, Judge Brown **awarded** the seven-figure damages sum to GSR, granting its fraud claim but denying its conspiracy, conversion and unjust enrichment claims against the Valkyrie defendants. However, at that time, the judge also said he wouldn't grant a default judgment until GSR submitted additional evidence supporting its requested counsel fee.

More information was needed to establish the "reasonableness" of the request, Judge Brown said in his October order, noting that no information was provided about "how much time was billed or what specific services were provided" by Robbins Alloy.

GSR instead **opted to waive the fee request**, saying in November that, given that no claims remained pending against any defendant, there was "no just reason" to delay entry of the final judgment and that the case "should proceed directly to a final judgment as soon as practicable."

Attorney **Richard Robbins**, who represents GSR, told Law360 at that time that the company decided to waive its claims for attorney fees against the Valkyrie defendants in order to "expedite an appeal against Wells Fargo," which **beat** GSR's claims of negligence, aiding and abetting fraud and aiding breach of fiduciary duty via summary judgment last March.

On Tuesday, **Robbins** again told Law360 that GSR waived its request in order to appeal the dismissal of its claims against Wells Fargo but said it also did so in order to move forward with attempts to collect on the judgment.

Speaking about the appeal directly, **Robbins** said he believes that GSR has a good chance of success given prior rulings in the Eleventh Circuit, though he added that he has been practicing "too long to ever try and

predict what a court will do."

"I think the appeal presents a really interesting issue about the potential liability of a bank to a non-customer when they've been put on notice that millions of dollars of a person's money are being fraudulently taken out of an attorney's bank account," Robbins said. "The Eleventh Circuit has previously held in another case that a claim like that is available under Florida law, and so the question is, is it available under Georgia law?"

In the most recent version of GSR's suit, it claimed in April 2019 that the Valkyrie defendants promised to give it a certain amount of bitcoin in exchange for \$4 million, and GSR deposited the requested money into a Wells Fargo interest on lawyer trust account in the name of attorney Diana McDonald of the McDonald Law Group LLC.

While the funds were supposed to be escrowed, GSR claimed, they were instead disbursed from the account.

McDonald and her firm settled with GSR in May, according to court records.

Representatives for Valkyrie could not be reached for comment on Tuesday.

GSR is represented by Richard L. Robbins, Vincent R. Russo and Rachel F. Gage of Robbins Alloy Belinfante Littlefield LLC.

The Valkyrie defendants are representing themselves pro se.

The case is GSR Markets Ltd. v. McDonald et al., case number 1:19-cv-01005, in the U.S. District Court for the Northern District of Georgia.

-Additional reporting by Katryna Perera and Emilie Ruscoe. Editing by Rich Mills.