## UNITED STATES JUDICIAL PANEL
### on
### MULTIDISTRICT LITIGATION

IN RE: COINBASE CUSTOMER DATA
SECURITY BREACH LITIGATION                                    MDL No. 3153

### TRANSFER ORDER

**Before the Panel:**[*] Plaintiff in the action listed on Schedule A (*Teixeira*) moves under Panel Rule 7.1 to vacate the order conditionally transferring *Teixeira* to MDL No. 3153. Defendants Coinbase Global, Inc., and Coinbase, Inc., oppose the motion and support transfer.

After considering the parties' arguments, we find that this action involves common questions of fact with the actions transferred to MDL No. 3153, and that transfer under 28 U.S.C. § 1407 will serve the convenience of the parties and witnesses and promote the just and efficient conduct of the litigation. In our order establishing this MDL, we held that the Southern District of New York was an appropriate Section 1407 forum for actions sharing factual questions concerning allegations that a cybersecurity incident affecting the Coinbase cryptocurrency trading platform compromised the personally identifiable information of its customers. *In re Coinbase Customer Data Sec. Breach Litig.*, 796 F. Supp. 3d 1371 (J.P.M.L. 2025). We concluded that the plaintiffs' allegations "raise common questions of fact, such as how and when the breach occurred, the sufficiency of Coinbase's data security practices, how and when Coinbase notified breach victims, and the nature of the alleged damages." *Id.* at 1372. Plaintiff in *Teixeira*, a Coinbase customer, alleges that the cybersecurity incident affecting Coinbase exposed his personal information to cybercriminals who then stole approximately $400,000 worth of cryptocurrency from his Coinbase account. Plaintiff concedes that his action shares common questions of fact with the MDL actions. With this concession, *Teixeira* falls squarely within the MDL's ambit.

Plaintiff argues that his action nevertheless does not belong in the MDL because it involves unique facts. He contends that, unlike the MDL plaintiffs, he has suffered actual financial loss and he has unique claims that are based on Coinbase's failure to help him when he notified it of his losses. Such factual differences do not preclude transfer. "Transfer under Section 1407 does not require a complete identity of common factual issues or parties as a prerequisite to transfer, and the presence of additional facts or differing legal theories is not significant where, as here, the actions still arise from a common factual core." *In re Auto Body Shop Antitrust Litig.*, 37 F. Supp. 3d 1388, 1390 (J.P.M.L. 2014). Plaintiff's allegations ultimately center on the same factual core underpinning the MDL claims.

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[*] Judges Karen K. Caldwell, Matthew F. Kennelly, and David C. Norton did not participate in the decision of this matter.
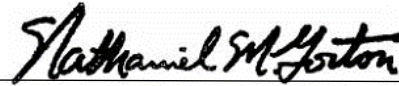
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Plaintiff also raises several procedural objections, none of which weighs heavily against transfer.  Plaintiff argues that he intends to opt out of any class the transferee judge may certify.  Even if he does, we have "long recognized that transfer of opt-out actions to the MDL addressing the proposed class settlement is desirable because of the efficiencies from the transferee court's management of overlapping actions, integration of existing discovery with discovery in the new actions, and the court's expertise in the issues."  Transfer Order at 2 n.4, *In re Payment Card Interchange Fee & Merch. Disc. Antitrust Litig.*, MDL No. 1720 (J.P.M.L. Oct. 16, 2013), Dkt. No. 204.  Plaintiff also argues that the Panel should not transfer his action before the transferee court resolves Coinbase's forthcoming motion to arbitrate the MDL claims.  If anything, that fact weighs in favor of transfer because transfer will ensure consistent interpretation of the arbitration provision in Coinbase's customer user agreements.  *See, e.g.*, *In re Cintas Corp. Overtime Pay Arb. Litig.,* 444 F. Supp. 2d 1353, 1354–55 (J.P.M.L. 2006) (centralizing 70 actions containing motions to compel arbitration with an earlier-filed, significantly-advanced collective action).

Finally, plaintiff argues that transfer is unnecessary because discovery from the MDL can simply be reproduced to him.  That arrangement does not minimize the risk of duplicative discovery and inconsistent pretrial rulings nearly so much as transfer does.

IT IS THEREFORE ORDERED that the action listed on Schedule A is transferred to the Southern District of New York and, with the consent of that court, assigned to the Honorable Edgardo Ramos for inclusion in the coordinated or consolidated pretrial proceedings.

PANEL ON MULTIDISTRICT LITIGATION

Nathaniel M. Gorton
Acting Chair

Roger T. Benitez                    Dale A. Kimball
Madeline Cox Arleo

**IN RE: COINBASE CUSTOMER DATA**
**SECURITY BREACH LITIGATION**                          MDL No. 3153

**SCHEDULE A**

<u>District of South Dakota</u>

TEIXEIRA v. COINBASE GLOBAL, INC., ET AL., C.A. No. 5:25-05074