

RECENT DEVELOPMENTS

ARBITRATION

DEFENDANT WAIVED ANY RIGHT TO ENFORCE ITS CONTRACTUAL RIGHT TO ARBITRATION WITH ITS TWO-PLUS YEARS OF LITIGATION

Jonna v. GIBF GP, Inc., No. 24-1537, 2025 U.S. App. LEXIS 11966 (6th Cir. 2025).

<https://law.justia.com/cases/federal/appellate-courts/ca6/24-1537/24-1537-2025-05-14.html>

FACTS: Plaintiffs Raymond Jonna, Simon Jonna, and Farid Jamardov (collectively, “Plaintiffs”) invested over \$500,000 in Defendant Bitcoin Latinum’s (“Latnum”) cryptocurrency “Token” at the recommendation of Defendant Kevin Jonna. Plaintiffs wired their money to Latinum and to a third party, Jason Otto. Plaintiffs never received their Tokens and, suspecting fraud, filed a lawsuit against Kevin Jonna and Latinum.

Latinum moved to compel arbitration based on its Simple Agreement for Future Tokens (SAFT), which included an arbitration provision. Plaintiffs never signed the SAFT, but Latinum argued they were bound because Kevin

Jonna executed it and Plaintiffs funneled money through him. The district court denied the motion, concluding that the Plaintiffs never assented to the SAFT and that Latinum waived its right to enforce arbitration. Latinum appealed.

HOLDING: Affirmed.

REASONING: The court affirmed the district court’s denial of Latinum’s motion to compel arbitration, holding there was no evidence indicating that Plaintiffs knew the SAFT existed or agreed to its terms, demonstrating a lack of assent. Even if there had been assent, the court held that Latinum waived any right to enforce arbitration through its two-plus years of litigation. Latinum filed dispositive motions, participated in extensive discovery, and took an appeal regarding a disqualification order. Under Sixth Circuit precedent, this conduct constituted waiver of a contractual right to arbitrate, as it prejudiced the opposing party and is inconsistent with the intent to rely on arbitration.

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