

THE WOBLING FUND: A CRYPTO CASE STUDY

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1. In late 2016 the trustees of a Jersey family discretionary trust, the Barge Pole Trust (“BPT”), sold its most important asset, shares in the family company, Safehands Properties LLC, and so had USD100m cash to invest.
2. The trustees were advised to invest 80% of the trust fund in three Jersey funds associated with Mr Johann Ludo Wobling (“Je-Lo” to his friends), a high-profile investment manager. Mr Wobling is a close friend of the matriarch of the family and one of the beneficiaries of the BPT, Ms Ana Rodriguez (“A-Rodz” to her friends).
3. Mr Wobling, a Luxembourg national resident in the UK, is an enthusiast for an asset-backed cryptocurrency called Dosh! (D!). The assets backing Dosh! are said to be physical rhodium and shares in companies mining that metal. Coincidentally, Mr Wobling is also an enthusiast for investing in rare metals, particularly rhodium (“If you can plate it, I can rate it” “We’re talking cell phone numbers”).
4. In early 2017, the trustees invest in three funds which have identical investments and policies and were marketed to investors in the Channel Islands, the UK and Luxembourg (but officially not in the US): Wobling Fund LP, a private fund; Wobling Fund Limited, a listed fund; and Wobling Global Fund Unit Trust (“UT”), an expert fund.
5. Between 2017 and early 2019, the three funds apparently perform extremely well and investment floods in. The trustees receive income from the funds which far exceeds their previous annual distributions to beneficiaries of the BPT (half of which goes to Ms Rodriguez). They quickly agree

to pay all the “excess” income to Ms Rodriguez, and she goes on a prodigious spending spree at Selfridges.

6. As at 31st July 2019, 40 per cent of the units of UT were held by the World Amelioration Organisation (“WAO”), a supra-national body headquartered in London and Luxembourg. On the same date, each fund issued a report showing its investment holdings were split as shown in the slides accompanying this case study.
7. On 1st August 2019 Mudslinger.com publishes a story that in an as yet sealed indictment the US SEC alleges Dosh! is a fraudulent pyramid scheme. The value of Dosh! immediately plunges.
8. WAO requests the redemption of its units of UT but the fund responds by stating that redemptions are suspended. Mr Wobling is unavailable for comment.
9. On 1st September 2019 the indictment is unsealed. Mr Wobling and Ms Rodriguez are named in the indictment as co-conspirators.
10. On 1st October 2019 the British National Crime Agency obtain an unexplained wealth order against Ms Rodriguez. The terms of the order require Ms Rodriguez to produce a statement detailing all of the affairs of the BPT since its inception and all documentation connected with the trust, including copies of all correspondence to and from third parties pertaining to the trust. Ms Rodriguez writes to the trustees, requesting their urgent assistance in complying with the order.
11. On 4th November 2019 the trustees receive an unexpected USD5m capital call on a private equity investment in MFOR II, an exciting hemp recycling play. To meet this call they will have to realise at least a portion of BPT’s Wobling investments.

This case study is a fiction loosely based on reported cases and no reference to any real person or entity is intended or should be inferred.