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Quinn Emanuel Digital Assets and Blockchain Newsletter

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- SEC Commissioner Hester Peirce released a revised proposal for a cryptocurrency "safe harbor" that would exempt those who develop cryptocurrencies with the goal of creating decentralized or functional networks from the securities registration requirements. The safe harbor would protect developers during a three-year initial development period. At the end of that period, the SEC will determine whether the cryptocurrency must be registered as a security, based in part by analyzing a submission from the developers' counsel regarding whether the network has achieved decentralization or functionality. During the three-year period, the developers would need to comply with some specified public disclosure requirements.

- Bitcoin's price dropped following statements by Chinese authorities calling for a "crack down on mining and trading of the cryptocurrency." Among others, Chinese Vice Premier Liu He stated that tighter regulation of cryptocurrency, including bitcoin, was necessary to protect China's financial system. Bitcoin's price also displayed volatility following statements by thought leaders on the environmental impact of the currency.

- A class action lawsuit filed on May 12 in New York against Dapper Labs, Inc. appears to be the first legal challenge to the sale of nonfungible tokens ("NFTs"). The suit, *Friel v. Dapper Labs, Inc. et al.*, alleges that Dapper Labs' sale of NBA Top Shot Moments—NFTs of highlights from NBA basketball games—constitutes a sale of unregistered securities in violation of Section 12(a)(1) of the United States' Securities Act.

- President Joe Biden's administration has proposed to alter reporting rules for tax purposes, including by requiring that transfers of at least $10,000 of cryptocurrency to be reported to the Internal Revenue Service.

- After filing 11 class actions alleging that various cryptocurrencies were unregistered securities in 2020, Selendy & Gay PLLC and Roche Cyrulnik Freedman LLP have withdrawn several of their lawsuits. These firms did so after decisions by Southern District of New York Judges Hellerstein and Cote dismissed two of the suits on several grounds.

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NFTs: Legal Risks from "Minting" Art and Collectibles on Blockchain

Our firm represents clients in some of the world's most significant disputes relating to blockchain, cryptocurrency, film, music, and artworks, and has been closely monitoring the exponential growth in the non-fungible token (NFT) art and collectibles market. This article discusses potential legal issues in the space.

What are NFTs?

An NFT is a digital file on a blockchain that shows who owns a unique piece of digital content. Theoretically, any digital content can be minted into an NFT: photographs and other works of digital art, songs, tweets, even memes. NFTs of NBA player highlight videos are sold through the "Top Shots" online marketplace. NFTs can also be used for items that exist only inside video games (for example, rare character skins, or clothing that can be worn inside Fortnite or Pokemon Go). For purposes of this discussion, each of these is deemed to be a work of art.

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- The U.S. House of Representatives recently passed a bill to create a "digital assets working group" that purports to be designed to help officials from the SEC and CFTC better coordinate their respective regulatory activities. That bill is headed to the Senate.

- Over the past couple of months, the DOJ stepped up efforts to combat purported cryptocurrency-facilitated tax evasion. For example, earlier this month, the DOJ received court authorization for a "John Doe" summons on Circle Internet Financial, a major cryptocurrency exchange. This grants the government access to information about U.S. taxpayers who use Circle. The DOJ has also served John Doe summonses on other providers and begun using data mining to better detect those who fail to pay taxes on their cryptocurrency transactions.

- The DOJ and SEC have also continued investigation and litigation activities related to alleged fraud and money laundering schemes, including the alleged operator of a cryptocurrency-focused money laundering scheme (referred to as a cryptocurrency "mixer"), the promoters of a bitcoin exchange who allegedly deceived the public, and even a purportedly popular Instagram influencer.

- The SEC delayed consideration of a new proposal to launch an exchange-traded fund that will track the value of Bitcoin. For some time, the SEC has rejected proposal after proposal to create a cryptocurrency Exchange Traded Fund ("ETF"). There are currently eight such proposals pending at the SEC.

- Meanwhile, Canada approved its first bitcoin ETF in February and the nation now has six cryptocurrency-based ETFs on the market.

- Not all countries have been as supportive of digital assets. Effective April 30th, Turkey banned its citizens from using cryptocurrencies as forms of payment. The move was especially criticized because nearly one in six people in Turkey use cryptocurrencies due to the Turkish lira's rapidly declining value. On May 1st, Turkey subjected cryptocurrency trading platforms to additional anti-money laundering and terrorism financing rules.

- The government of Nigeria's attempt to reduce the use of cryptocurrency appear not to have been successful. The country issued a prohibition in February barring the country's regulated financial institutions from engaging in transactions involving bitcoin—even though one in three Nigerians use cryptocurrencies. Since then, residents have turned to using "peer to peer" exchanges that permit them to exchange bitcoin directly.

- China's provincial governments have placed increased pressure on the nation's bitcoin mining industry. Although China mines most of the world's bitcoin, several Chinese provinces—including some of those where bitcoin mining is most common—have enacted regulations making mining more difficult. Xinjiang has increased scrutiny of its coal mines, increasing energy costs for bitcoin miners. Inner Mongolia has imposed new energy efficiency requirements that make bitcoin mining less profitable. And Sichuan, which used to make fairly cheap hydropower available to cryptocurrency miners, is ending its "hydropower park" program.

- Other countries have taken a different approach, permitting cryptocurrency transactions but imposing tougher disclosure requirements. For example, Thailand just announced a requirement that citizens who wish to use cryptocurrency exchanges must set up their accounts in-person and show photo ID. And Ireland now requires certain cryptocurrency service providers to register with the country's banking authorities and comply with "know-your-customer" rules. Likewise, South Korea has threatened to shut down any cryptocurrency exchanges that fail to submit a plan to comply with the nation's newly amended anti-money laundering laws.

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(NFTs: Legal Risks from "Minting" Art and Collectibles on Blockchain continued from cover)

NFTs are "non-fungible" because unlike other cryptocurrency, such as Bitcoin or Ether tokens, NFTs are not interchangeable with one another. Rather, NFTs are unique, although there may be multiple "editions" of a particular artwork or collectible available for sale, each evidenced by its own NFT.

An important distinction between traditional works of art and works attested to and sold using NFTs is that the "work" must be either a work created in a digital medium (such as the digital collage that the artist Beeple recently sold for $69 million) or a digital image of a physical work (such as a painting or sculpture). Expect to see new forms emerge. Nike has patented a system in which a customer acquires a virtual version of a shoe. An NFT can thus be ***tied*** to a physical object but it is not the object itself.

When someone "mints" an NFT, they create a file that lives on a blockchain that cannot be edited or deleted. Because the file exists on a blockchain, it can be viewed publicly, meaning the item's provenance is public and verifiable. Typically, NFTs are minted on Ethereum blockchain, although NFTs can also be minted on other blockchain systems (for example, Top Shot NFTs are minted on the Flow blockchain).

NFTs first gained notice as part of the brief CrypoKitties craze in 2017, which allowed buyers to buy and trade digital versions of kittens. The market for the digital kittens rose steeply for certain rare items and then quickly fizzled, but NFTs have remained, and their use has dramatically increased recently. Some in the cryptocurrency and art fields have pointed to NFTs as a game changer for commerce and art. Other industries, from the NBA to sneaker makers, have also taken notice. Mark Cuban, for example, reportedly told USA Today recently that NFTs "could turn into a top 3 revenue source for the NBA over the next 10 years."

Importantly, NFTs can include smart contracts that can specify the rights of the buyer and seller and—unlike most traditional art sales in the United States—can require that the creator or first seller of the NFT receive a certain percentage of the NFT's resale, ***each*** time the work is resold. Marketplaces, including Rarible, OpenSea, SuperRare, and Nifty Gateway, have sprung up for selling and reselling NFTs. The extent to which a secondary market exists depends on the item, and the item's popularity.

NFTs and Art

The growth of NFTs in art has been fueled by its unique attributes. NFTs can allow artists to better monetize their work by selling NFTs directly online without middlemen. Access to a readily accessible online resale market could also mean that works gain value quickly. And unlike the traditional U.S. art market, artists may benefit from the rise in value of their work by incorporating commission requirements in the smart contracts that accompany NFTs (for example, the SuperRare NFT marketplace requires that creators receive a 10% commission when artwork continues to trade on the secondary market).

Some hope that NFTs will open up a new revenue source for artists, including underrepresented artists, either by allowing artists who traditionally do not sell in galleries to sell directly to buyers online, or by allowing artists to sell something in addition to their tangible works. For example, an artist could sell an NFT of the digital image of a painting or sculpture to one buyer, while selling the physical work to another buyer, allowing the artist an additional opportunity to profit from the work.

NFTs are not without potential negatives. As the market for NFTs has exploded, and as buyers have shown an appetite for bragging rights regarding ownership of the NFT associated with popular or even iconic works, some artists have complained that their work has been tokenized into an NFT without their permission. Many NFTs being offered for sale have also been based on other popular works, such as comic book characters, and some have questioned the extent to which the minter of the NFT has profited off the underlying work without the permission of the underlying artist or copyright holder. Many have criticized NFTs for the massive amount of electricity consumed by the blockchain system.

While artists and others debate these concerns, the markets for NFTs have been expanding and rising in price dramatically, particularly in recent months, with well-known artists and musicians, tech leaders, and auction houses participating in the market. Christie's sale of a digital collage consisting of 5,000 works by the artist known as Beeple (aka Mark Winklemann) was Christie's first sale of an NFT, and ranks as the highest price ever for an artwork that exists only digitally. (It also marked the first time Christie's accepted Ether cryptocurrency as payment.)

Other recent high-profile NFTs include 10 digital works by the recording artist Grimes, including a video that sold for nearly $389,000. Grimes' works in toto reportedly sold for approximately $6 million, most of which came from two works which sold hundreds of copies. The band Kings of Leon announced this month that it would sell its latest album for a limited period—two weeks—for $50 as a bundle of a vinyl album and an NFT. After the two week period, Kings of Leon will press no more copies. A market has also emerged for tweets packaged as NFTs, including a sale for charity purposes of a screen shot of Jack Dorsey's first tweet from 2006 (bidding for which had reportedly reached $2.5 million within a few days).

Many NFTs have been based on another work that already exists in another form. For example, a print by street artist Banksy that reportedly sold for $33,000 at Christie's in December was destroyed by fire on video, and the video was reportedly then sold on the OpenSea NFT marketplace for more than 10 times what the buyer paid for the physical print. The seller claimed that by burning the physical artwork, the NFT's value was no longer tied to a physical piece but resided solely in the NFT. A number of other Banksy-inspired NFTs have also been sold, although Banksy has said he is not affiliated with the items or the sales.

Legal Issues Arising From NFTs and Art

Potential Claims by Holders of Rights in Underlying Works

Artists have already made clear on social media that their works have been "minted" into NFTs and offered for sale without their permission. Online marketplaces appear to have developed procedures to address the potential for infringement (for example, OpenSea's Terms of Service invite rights holders to submit complaints, and state the site "will take down works in response to formal infringement claims and will terminate a user's access to the Services if the user is determined to be a repeat infringer.").

Rights holders, however, may resort to litigation. The artist or other rights holders might opt to bring a claim against the sellers or creators of the NFTs for copyright infringement. Who gets to sue will depend on who owns the copyright: the artist or the owner of the physical work. Unless the artist expressly conveyed the copyright to someone else in a signed writing, the artist is the person with the right to sue for infringement of the right to prepare derivative works, such as digital images.

The copyright ownership issue can become even more complex. Potential claims might arise where artists who initially created the work under an employment arrangement with someone else then attempts to create digital works based on the original work using NFTs. The original work may constitute a work for hire, as defined in 17 U.S.C. § 101, in which case the employer (or commissioning party) —not the artist—owns the copyright and the right to base derivative works on it. This is often the case in the creation of comic book characters and related artwork, motion pictures, and some recorded music. In a letter publicized in several media outlets, DC Comics warned its freelancers not to sell NFTs of works based on DC Comics characters, for example. Depending on the terms of the artist's employment agreement or freelance contract, the rights holder might have claims for breach of contract. That will likely involve questions of copyright preemption.

There will also be disputes over whether the NFT constitutes fair use. Some of the issues that will have to be resolved include whether the NFT involves a creative work of expression, copies an entire physical work, and has the potential to deprive the copyright owner of revenue from the exploitation of the work. But this has not been tested. Though no such case appears to have yet been decided regarding sales of NFTs in the United States, rights holders might argue that such appropriation of their work is a copyright violation under existing law. Such disputes would look to the fair use standard articulated in cases such as *Blanch v. Koons*, 467 F.3d 244 (2d Cir. 2006).

Such claims might also involve complex disputes about whether the NFT itself or in its creations violates rights granted to the artist under the 1990 Visual Artists Rights Act, codified in section 106A of the Copyright Act. That statute protects the rights of visual artists to the attribution of their work, protects them from being attributed to works they did not create, and prohibits any intentional distortion, mutilation, or other modification of any work of "recognized stature." For example, the individuals who burned the Banksy print and minted an NFT of the video might be subject to liability. They might also argue that they are protected by the fair use defense because they transformed Banksy's work into a new work or that the burning and creation of the video constituted a commentary on Banksy's underlying work.

Similarly, artists have voiced concern about works that appear to be very similar to their works, even if they are not exact copies. This is not surprising given that digital artists often borrow from other sources to make memes and other works. SuperRare's online copyright explainer page, for example, notes "it's clear that the crypto art movement has continued the practice of reappropriating unoriginal content, often with a symbolic, transformative, or meme-worthy purpose." The site warns that "[a]rtists should never mint a work containing copyrightable elements of another's work unless they are authorized by the copyright owner or a valid fair use defense applies." As in *Cariou v. Prince*, which involved allegations that the artist Prince's appropriation works were too close to the underlying Cariou photographs, artists and other copyright holders whose works are used to create similar works may also sue the sellers or creators of NFTs based on their works for infringement. Such disputes might involve, for example, animations of other existing artworks, or collages that incorporate another work. Determining whether such NFT works constitute fair use will require a "context-sensitive inquiry" of the statutory fair use factors, including consideration of whether the use of the underlying work is transformative, and of whether the NFT artist "had a genuine creative rationale for borrowing" the underlying work. *Blanch v. Koons*, 461 F.3d 244, 251, 255 (2d Cir. 2006).

Name-and-likeness rights constitute a further set of rights that may be infringed by the creation and sale of NFTs. Sports figures, recording artists, and actors may have retained these rights and be able to invoke state statutes and common law to obtain injunctions and damages against those creating and selling works in which their name, likeness, or voice is used without their consent.

Potential Claims by Buyers of NFTs

Because NFTs are a barely developed area of commerce, it is possible that some NFT holders may allege they misunderstood the extent to which they acquired rights when they purchased an NFT. The scope of what is acquired may be defined in a contract or a marketplace's terms of service. But those terms may state (or fail to state) that others may still be able to download, view, or listen to the work that was minted into the NFT. They may also state (or fail to state) that the buyer cannot profit from use of the underlying video clip or image. For many NFT sales, the buyer does not acquire the copyright in the underlying work. SuperRare, for example, warns that buyers do not have a copyright interest in the underlying artworks and that artists do not lose copyright protection over works when they are sold, unless the parties expressly agree in writing to convey a copyright interest. Depending on the circumstances, the terms might also state that other versions, or editions, of the same NFT can be sold. If the buyer believes the scope of what the buyer was acquiring was not fully disclosed, or was misrepresented, and if the value has dropped, the buyer may bring a claim for fraud or seek rescission of the contract. Depending on the specific contracts, a buyer who believes a seller of an NFT violates the contract terms might also bring a claim against the seller or creator of the NFT. For example, if additional copies of a work were sold although the contract called for the work to have been a limited edition NFT, the buyer might sue the seller for breach of contract.

Buyers of NFTs who claim to have been misled about whether they were buying from the artist themselves, or buying authentic works by a particular artist, could also bring claims against the seller for fraud or breach of contract. Although blockchain verification should significantly reduce the ownership risks associated with buying a particular NFT, it will not necessarily eliminate the typical authenticity issues associated with physical works of art. Forgery of physical works is possible because talented forgers have been able to replicate the appearance of the original artists' works; digital creators will attempt to do the same with NFTs. For example, an NFT may depict images by a particular artist and be sold as a creation of that artist, even though the artist had no role in its creation and did not authorize the use of images. Buyers should therefore conduct the same level of authenticity and provenance diligence before buying an NFT that they would before buying a physical work of art.

Given the fast-moving market and steep prices for recent NFT sales, buyers may also become concerned about market manipulation. "Wash trading" is a form of market manipulation used in fungible token markets, predominantly to pump up perceived trading volume of a cryptocurrency exchange, making it more attractive to potential traders and users. Just as in other markets, NFT markets may suffer from manipulation schemes that fabricate perceived demand, giving rise to potential fraud and other claims.

To protect themselves, buyers interested in getting into the NFT market should familiarize themselves first with the terms of what they are buying, and the scope of what will be conveyed. They should also do as much due diligence as possible about the seller and the site. This includes checking the Terms of Use, which may often include arbitration provisions.

The potential for account hacking and loss of NFTs through theft is also an emerging concern. The weekend after the highly publicized Christie's sale of the Beeple work, Twitter users began tweeting to claim that they had lost NFTs in their Nifty Gateway accounts, with one Twitter user claiming to have lost more than $150,000 worth of the collectible tokens. Nifty Gateway responded on Twitter that its "analysis of prior events still indicate that the account takeover was limited in impact, none of the impacted accounts had [two-factor authentication] enabled, and access was obtained via valid account credentials." Users of NFT marketplaces should review the Terms of Use to evaluate what options they may have in the event of a hacked account and whether they are sufficient.

Insurance coverage will also become an important issue, especially in the case of hacking the blockchain. Any buyer of NFTs needs to review relevant policies of asset insurance, such as homeowners and fine art policies, to be sure this asset is covered and not subject to any exclusions. There may also be disputes with the underwriter over the value of the asset and whether the purchase price is sufficient evidence of the insurable value, given the immaturity of the market.

Regulatory Issues with NFTs

Although beyond the scope of this article, NFTs also raise regulatory issues. Sellers and buyers should be aware that NFTs may be subject to compliance and trade regulations, anti-money laundering and bribery laws, and other rules. Because the buyer or seller of an NFT could be anywhere in the world, participants in the NFT market should evaluate whether they are in compliance not only with U.S. law, but also other global and regional laws. Areas to consider include whether blocked persons may be attempting to use NFTs to evade sanctions. In October 2020, the Office of Foreign Asset Control (OFAC) issued an advisory warning that high-value artwork transactions "may play a role in blocked persons accessing the U.S. market and financial system in violation of OFAC regulations" and stating that OFAC does not believe the artwork exemption in the "Berman Amendment" to the International Emergency Economic Powers Act (IEEPA) and the Trading with the Enemy Act (TWEA) "allow[s] blocked persons or their facilitators to evade sanctions by exchanging financial assets such as cash, gold, or cryptocurrency for high-value artwork or vice versa."

Parties to transactions should also consider financial reporting rules. Late last year, the Financial Crimes Enforcement Network (FinCEN) proposed rules to clarify recordkeeping and reporting rules for financial institutions regarding cryptocurrency, which would decrease the reporting threshold from $3,000 to $250 for transactions that begin or end outside the United States. FinCEN issued a notice on March 9, 2021, encouraging financial institution reporting of suspicious activity relating to trade in antiquities and art. Q

Path-Breaking Crypto Victories for Ripple and for BProtocol Foundation and Founders

Quinn Emanuel handles some of the largest and most significant civil disputes and government investigations in blockchain and cryptocurrency. Two recent nine-figure victories for Ripple and for BProtocol Foundation and its founders highlight our capabilities, as well as emerging law governing crypto tokens and companies that handle them.

Tetragon v. Ripple

On March 5, 2021, Quinn Emanuel secured victory in a $175 million dispute for client Ripple Labs Inc. ("Ripple") in Delaware Chancery Court against Ripple shareholder Tetragon Financial Group Limited ("Tetragon").

Tetragon filed the case on January 4, 2021, less than two weeks after the SEC filed a lawsuit against Ripple in the Southern District of New York claiming that Ripple's sales of the digital asset XRP constituted unregistered sales of securities. Tetragon claimed that the SEC's lawsuit and an earlier Wells notice that SEC Staff sent to Ripple constituted "Securities Defaults" under Tetragon's Agreement with Ripple. The Securities Default provision is triggered if the SEC or another governmental authority or agency of similar stature and standing "determine[s] on an official basis" that the cryptocurrency XRP is a security on a current and going forward basis. If triggered, the provision gives Tetragon the right to demand redemption of its Ripple shares for a payment that today would have equaled approximately $175 million.

Ripple has consistently taken the position that there has been no Securities Default. As Ripple explained to Tetragon before the lawsuit was filed, the enforcement action is not a Securities Default because it merely shows that the SEC has put the question of whether XRP is a security to a Court to decide. And the Wells notice is not a default for many reasons, including that it is simply SEC Staff action without Commissioner involvement.

After Tetragon filed the lawsuit, the Court quickly granted Tetragon a narrow TRO and, at Tetragon's request, set an expedited discovery schedule. The parties exchanged documents and took several fact and expert depositions in a compressed timeframe, culminating in a preliminary injunction motion hearing in mid-February. On March 5, the Court issued its opinion denying Tetragon's injunction motion relief and dissolving the TRO.

The Court concluded that the plain language of the Securities Default provision reads as Ripple has asserted, and that the SEC has not determined XRP's status on an official basis. The Court favorably cited expert testimony Ripple presented from two former SEC Commissioners, and observed that: "XRP is no more a security after the SEC filed the enforcement action than it was before it. A determination under [the Securities Default provision] resolves the question of whether XRP is a security. The enforcement action, by contrast, asks that question. The question is not yet resolved, so a determination has not yet been made. And when it is made, it will be made by the District Court."

In delivering its opinion, the Court noted that Tetragon's own expert—who made various admissions when examined under oath by Quinn Emanuel—ultimately offered support for Ripple's positions. And as to Tetragon's theory that the Wells notice was a Securities Default (a theory Tetragon's expert admitted he did not endorse), the Court noted "in its zeal to reach a desired litigation outcome, [Tetragon] finds itself in the awkward position of advancing a position at odds with its own expert . . . ."

Holsworth v. BProtocol

On April 3, 2020, the law firms Selendy & Gay and Roche Cyrulnik Freedman filed eleven class action securities lawsuits in the United States District Court for the Southern District of New York against seven crypto token developers and four crypto exchanges, as well as associated individuals. *See, e.g.,* Reenat Sinay, "Investors Accuse Crypto Firms of Illicit Token Sales," *Law360*, April 6, 2020, https://www.law360.com/articles/1260569/investors-accuse-crypto-firms-of-illicit-token-sales.

All suits allege the same theory: that defendants owe damages or rescission to purchasers who bought crypto tokens, often long after initial offerings and on foreign exchanges, because those tokens were unregistered securities. Quinn Emanuel quickly took up the defense of three of these cases: for BProtocol, Civic, and Quantstamp. In the first of the eleven cases to be decided, on February 22, 2021, Judge Alvin Hellerstein gave BProtocol and its founders a total victory. *Holsworth v. BProtocol Found.*, No. 20 CIV. 2810 (AKH), 2021 WL 706549 (S.D.N.Y. Feb. 22, 2021). The 193-page complaint asserted 102 federal and state causes of action, seeking at least one hundred million, and potentially far more, in damages. The Court granted BProtocol's motion to dismiss, without leave to replead, and did so on virtually all of the grounds Quinn Emanuel argued.

Specifically, the Court ruled that BProtocol won on the grounds of failure to state a claim, personal jurisdiction, standing, *Morrison*, statute of limitations, and even *forum non conveniens*. On failure to state a claim, it has been an open question whether crypto traders who buy tokens from secondary sellers, rather than from issuers themselves, can access Securities Act Section 12(a)(1)'s registration protections merely by pointing out that token issuers made statements, for instance on social media, promoting or explaining a token. The Court ruled that such allegations are not enough. Rather, to plead solicitation under 12(a)(1), plaintiffs must allege that they actually decided to purchase as a result of a statement made by the issuer. Similarly, on personal jurisdiction, the Court found that alleged promotional activities in New York were insufficient because the plaintiff nowhere alleged that he purchased tokens because of these activities, and any jurisdictional discovery would be a mere "fishing expedition."

As to Article III standing, the Court found the complaint insufficient "without real-world, up to date allegations" of damages or that rescission would provide an "appropriate remedy." This important decision will make it more difficult for secondary traders to argue that token issuers should somehow be held responsible for unwinding, through rescission, innumerable later transactions. The Court also reached the logical, but nonetheless novel, conclusion that *Morrison v. Nat'l Australia Bank Ltd.,* 561 U.S. 247, 266-67 (2010), bars the adjudication of disputes relating to crypto transactions that took place on foreign exchanges, even if the purchaser was located in the U.S. when he accessed the foreign exchange online. The Court further reiterated that the statute of limitations for non-registration claims is only one year and cannot be tolled by conclusory concealment allegations. Finally, the Court even dismissed on *forum non conveniens* grounds, ruling that "Wherever the current business location of Bancor, New York is not a reasonable and convenient place to conduct this litigation."

Freed of the weight of this meritless suit, BProtocol and its founders can turn their attention back to what they do best: providing backstop liquidity for decentralized lending platforms, and helping to stabilize the rapidly growing DeFi ecosystem. *See* https://www.bprotocol.org/. Q

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- We are a business litigation firm of more than 875+ lawyers — the largest in the world devoted solely to business litigation and arbitration.
- As of May 2021, we have tried over 2,500 cases, winning 86% of them.
- When we represent defendants, our trial experience gets us better settlements or defense verdicts.
- When representing plaintiffs, our lawyers have garnered over $70 billion in judgments and settlements.
- We have won seven 9-figure jury verdicts and four 10-figure jury verdicts.
- We have also obtained fifty-one 9-figure settlements and nineteen 10-figure settlements.

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