

**STATE OF FLORIDA
DIVISION OF ADMINISTRATIVE HEARINGS**

OFFICE OF FINANCIAL REGULATION,

Petitioner,

v.

**BAM TRADING SERVICES INC. D/B/A
BINANCE.US and CHANGPENG ZHAO,**

Respondents.

Case No. 25-0831

**BAM TRADING SERVICES INC. D/B/A
BINANCE.US,**

Petitioner,

v.

OFFICE OF FINANCIAL REGULATION,

Respondent.

Case No. 25-2411RU

**RESPONDENT CHANGPENG ZHAO’S RESPONSE TO QUINN EMANUEL’S
MOTION FOR LEAVE TO WITHDRAW AS COUNSEL AND/OR QUALIFIED
REPRESENTATIVES AND REQUEST FOR ADJOURNMENT**

Respondent, Changpeng Zhao, hereby writes in response to the Motion of Quinn Emanuel Urquhart & Sullivan, LLP (“Quinn Emanuel”) to withdraw as counsel. The motion, which is hastily filed, materially false and misleading, and ethically improper, reflects a retaliatory and prejudicial departure that violates multiple provisions of the District of Columbia Rules of

Professional Conduct¹ and Florida Rules of Professional Conduct.² While he does not oppose the relief requested, Mr. Zhao must correct the record and the material inaccuracies in the statements of Quinn Emanuel and respectfully requests (i) an adjournment of the hearing date, currently set for July 31, 2025, in light of Quinn Emanuel’s sudden departure; (ii) immediate return of all his client files without lien, delay, or condition; and (iii) all other remedial relief Your Honor deems just to prevent further abuse.³

1. In addition to this matter, Mr. Zhao is a Respondent in a certain foreign arbitration action brought by another client of Quinn Emmanuel (“QE’s Other Client”) in 2020 (“Foreign Arbitration”).

2. In August 2023, Mr. Zhao retained William Burck and Quinn Emanuel to defend a prosecution brought by the United States (the “Prosecution”). In Mr. Zhao’s engagement letter, Quinn Emanuel acknowledged that it represented QE’s Other Client in the Foreign Arbitration against Mr. Zhao. Quinn Emanuel thus included a conflict waiver, where the firm represented that “we are not currently aware of any adversity between you and [QE’s Other Client] as it relates to [Mr. Zhao’s] Engagement [of Quinn Emanuel]” and that the two different matters—the arbitration and the Prosecution defense—were “unrelated.” Mr. Zhao continued to retain Mr. Burck and Quinn Emanuel and later additionally retained Avi Perry of Quinn Emanuel to represent him in a number of civil matters that relate to the original Prosecution.

¹ Including Rules 1.1 (competence), 1.3 (diligence and zeal), 1.4 (communication), 1.5 (fees), and 1.6 (confidentiality of information). The District of Columbia Rules of Professional Conduct govern Quinn Emanuel’s representation of Mr. Zhao generally.

² Including Rules 4-1.1 (competence), 4-1.3 (diligence), 4-1.4 (communication), 4-1.5 (fees), and 4-1.16(d) (protection of client’s interest in withdrawal). The Florida Rules of Professional Conduct additionally govern Quinn Emanuel’s representation of Mr. Zhao in this forum.

³ Mr. Zhao met and conferred with BAM Trading Services, Inc. (“BAM Trading”), regarding this motion. BAM Trading advised that it does not intend to object to the request for adjournment sought herein. Mr. Zhao also conferred with the Florida Office of Financial Regulation (“OFR”), which indicated that it objects to the requested adjournment.

3. In November 2023, Mr. Zhao and Binance accepted a plea agreement to resolve the Prosecution, with William Burck as one of the co-signatories to Mr. Zhao's plea agreement.

4. In January 2024, Mr. Zhao asked Quinn Emanuel attorneys, William Burck and Avi Perry, to provide Mr. Zhao with advice about the plea agreements as part of his defense in the Foreign Arbitration. In March 2024, Quinn Emanuel rendered a position memorandum ("Position Memorandum"), which Mr. Zhao indeed relied on and continues to rely on in the Foreign Arbitration.⁴

5. While the facts of the Foreign Arbitration are confidential and cannot be included herein, Quinn Emanuel came into conflict, as it was essentially on both sides of the arbitration, asserting conflicting positions to their adverse clients on the same issue, and thus violated District of Columbia Rule of Professional Conduct 1.7(a), which provides that "[a] lawyer shall not advance two or more adverse positions in the same matter."⁵ Under these applicable rules, this conflict is not waivable.

6. Ultimately, Mr. Zhao was forced to institute an arbitration, the agreed-upon dispute resolution forum under the parties' engagement agreement, against Quinn Emanuel to remedy the conflict ("Conflict Arbitration").

7. On the afternoon of Sunday, June 8, 2025, Quinn Emanuel threatened Mr. Zhao that it would terminate its engagement of all matters, including the Prosecution as well as multiple civil and regulatory matters in which Quinn Emanuel represented Mr. Zhao, if Mr. Zhao did not end the Conflict Arbitration.

⁴ For the avoidance of doubt, the subject of that Position Memorandum is privileged, and nothing herein waives the privilege because Mr. Zhao is not addressing the specific legal advice provided. Mr. Zhao waives no privileges and reminds Quinn Emanuel of its obligation of confidentiality that it still owes to Mr. Zhao.

⁵ The District of Columbia Rules of Professional Conduct govern Quinn Emanuel's representation of Mr. Zhao.

8. Approximately 24 hours later, on the afternoon of Monday, June 9, 2025, Quinn Emanuel notified Mr. Zhao that it had indeed terminated its engagement with Mr. Zhao.

9. Quinn Emanuel's conclusory accusations (at ¶ 1) that Mr. Zhao did not comply with his engagement letter and created adversity against Quinn Emanuel by filing the Conflict Arbitration are materially false and misleading. Instead, it was Quinn Emanuel's decision to advance "two or more adverse positions in the same matter" and violate the D.C. Rules of Professional Conduct that led to the dispute between Quinn Emanuel and Mr. Zhao.

10. Quinn Emanuel has further prejudiced Mr. Zhao by the manner of its withdrawal from this case, as well as its simultaneous withdrawal from five other pending litigation matters. Quinn Emanuel is weaponizing Your Honor's permission to withdraw as a tool of punishment and retaliation against its own client—abandoning him on the eve of critical litigation deadlines, asserting baseless breach claims, threatening improper liens and to withhold or destroy critical litigation files and discovery materials in other actions unless paid—all while litigation is ongoing and deadlines are active.⁶ For more than a year prior to its decision to terminate representation, Quinn Emanuel served as sole counsel for Mr. Zhao in this matter and in connection with the related prior OFR proceedings against BAM Trading. BakerHostetler entered an appearance as co-counsel a mere four weeks ago on May 7, 2025. Even after BakerHostetler joined as co-counsel, Quinn Emanuel served as lead counsel and the chief legal strategist for Mr. Zhao in this matter.

11. Quinn Emanuel's sudden withdrawal appears designed to maximize harm, interfere with the client's due process rights, and coerce payment through procedural sabotage. Up until Mr. Zhao filed the Conflict Arbitration, Quinn Emanuel was aggressively pitching for new litigation

⁶ For example, in *Gonzalez v. BAM Trading Services, et al.*, Case No. 2:24-CV-10286 (D.N.J.), Mr. Zhao now has no substitute counsel due to the manner of Quinn Emanuel's withdrawal and Mr. Zhao has now been ordered to appear personally, despite not yet having been served in that matter. *See* ECF No. 48.

matters from Mr. Zhao. Additionally, up until Quinn Emanuel threatened to terminate its representation of Mr. Zhao on June 8, 2025, Quinn Emanuel did not advise BakerHostetler that it would seek to withdraw from this matter, particularly on such unreasonably short notice. Far from giving any indication that it would need to resign, as recently as *this past week, Quinn Emanuel represented that it had done the vast majority of the work on this matter and, in fact, requested that Mr. Zhao terminate BakerHostetler's representation.* This would have left Quinn Emanuel as sole counsel for Mr. Zhao in this proceeding, just *days* before it planned to file its motion for leave to withdraw.

12. In these circumstances, Mr. Zhao agrees that it is no longer advisable that Quinn Emanuel represent him in the instant matter. Nonetheless, given the prejudicial and needlessly hasty manner of Quinn Emanuel's withdrawal, there is no way at this late date, that Mr. Zhao can proceed with the hearing as scheduled on July 31, 2025, without suffering severe prejudice. Given the extreme circumstances described above and the prejudicial manner in which Quinn Emanuel chose to terminate its representation, Mr. Zhao respectfully requests that the hearing, which is currently scheduled for July 31, 2025, be adjourned by six months. This will allow reasonable time for BakerHostetler to adequately prepare for the hearing and obtain necessary materials from Quinn Emanuel in connection with not only this matter but other matters which are directly relevant to OFR's allegations in the Administrative Complaint.

13. Further, Quinn Emanuel's withdrawal is not a matter of logistics. Avi Perry and Quinn Emanuel are not merely trying to exit this case—they are trying to cripple the client on the way out by publicly making materially false and misleading accusations as to the reasons for their withdrawal. The prejudice flowing from their false statement is demonstrated by OFR's response to the request for an adjournment in advance of the filing of this motion, which read in part “[i]f

either of the reasons that Quinn Emanuel gave for moving to withdraw is true – and I doubt that Mr. Perry would fabricate those reasons – your problem is of Mr. Zhao’s making, and he should not benefit from delaying the hearing.” Email from George Bedell, June 12, 2025. This case is about more than one client and one firm. It is about whether officers of the court can abuse their power of withdrawal to punish their own clients. This is not a typical dispute between attorney and client when counsel withdraws in such a way as to minimize disruption and prejudice to the client’s interests. Quinn Emanuel’s coordinated withdrawal across a range of matters is designed solely to inflict maximum harm and prejudice against Mr. Zhao as retribution for Mr. Zhao exercising his legal right to institute the Conflict Arbitration.

14. Accordingly, Mr. Zhao respectfully requests that Your Honor order an adjournment of the hearing date, currently set for July 31, 2025, in light of Quinn Emanuel’s sudden departure; and further order Quinn Emanuel to immediately return all client documents and files, without lien, delay, or condition, and any other relief Your Honor deems just to prevent further abuse. Mr. Zhao reserves his right to seek additional remedies in this or any other forum against Quinn Emanuel.

15. Because of the urgency here, Mr. Zhao respectfully requests that the Your Honor rule as soon as possible regarding Mr. Zhao’s request for an adjournment of the July 31, 2025 hearing date.

Dated: June 12, 2025

Respectfully submitted by,

/s/ Teresa Goody Guillén

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CHANGPENG ZHAO

CERTIFICATE OF FILING AND SERVICE

I certify that on June 12, 2025, the foregoing has been filed with the Division of Administrative Hearings and served via electronic mail to the following e-mail addresses:

Anthony Cammarata
(eServed)

Joaquin Alvarez
(eServed)

George Bedell
(eServed)

Brandon Greenberg
(eServed)

Gigi Rollini
(eServed)

Stephen Thomas
(eServed)

Sameer P. Sheikh
(eServed)

M. Drew Parker
(eServed)

Avi Perry
(eServed)

William Dawley
(eServed)

/s/ Teresa Goody Guillén
Teresa Goody Guillén