

OKCoin fraud and forgery

Background:

Roger Ver entered into an agreement with OKCoin to develop and manage Bitcoin.com over the course of five years. The agreement was drafted by Roger and signed by Changpeng Zhao, OKCoin's then CTO. The agreement listed the parties as "Roger Ver" and OKCoin".

Under the contract terms, OKCoin was responsible for the advertising revenue generated by the site. Because the site was already generating 2,500 hits per day before OKCoin's involvement, the parties agreed that should OKCoin generate less than \$40,000 in any given month, they would pay Roger \$10,000. OKCoin was otherwise obligated to share a variable percentage of the advertising revenue with Roger. Additionally, OKCoin had preferential rights to advertise for itself on the site.

Conflict:

OKCoin commenced their duties under the agreement by tendering payment to Roger for the first 3.5 months due to OKCoin's failure to adequately monetize the domain. OKCoin made press releases, discussed their plans for the site with the media and commenced advertising for themselves at Bitcoin.com. Three and a half months later, after CZ's departure from the company, OKCoin ceased development of the site, ceased making payments and continued to refuse for months to pay Roger the contractual minimum monthly fee.

From February to May, OKCoin provided various excuses for not tendering payments under the agreement. Several days after informing Roger they would be sending payment via bank wire for past due sums, OKCoin terminated the agreement by taking Bitcoin.com offline without notice to Roger. OKCoin's justification was that there was no binding agreement because "OKCoin is a brand and not a company", referencing the agreement having been signed on behalf of "OKCoin" and not specifically referencing an entity OKCoin does business through.

An email discussion ensued regarding the facts and circumstances surrounding OKCoin's interest in Bitcoin.com. Because Bitcoin.com was not geared toward Chinese-speakers, but rather English-speakers, OKCoin was interested in using the site to advertise its international business hosted at www.okcoin.com (as opposed to www.okcoin.cn). Okcoin.com's terms of service indicate it operates as a Singapore entity. Clearly, OKCoin was acting through their Singapore entity. Instead of discussing this point, OKCoin simply maintained there is no entity called "OKCoin" and thus there was never an agreement.

Several days later OKCoin produced a "newer version" of their agreement with Roger. They now claim they have the right to terminate the agreement under a new provision added to the "newer version" of the agreement. Roger never saw and did not sign this newer version. Even under this newer version of the agreement they are still in breach and liable for damages because they have not "givin" 6 months notice. Moreover, the newer version had Roger's digital signature photoshopped onto it with an identical timestamp from the previous version of the agreement.

Timeline

December 15, 2014

- Roger digitally signs the PDF contract "Bitcoin.com_v7"

December 16, 2014

- CZ at OKCoin digitally signs the PDF contract "Bitcoin.com_v7"
- CZ sends initial payment due, with "Bitcoin.com_v7" in his email, paid in BTC:
<https://blockchain.info/tx/2540df4c24d4bc552ba63dd65ed5b25b1efdb13c9da2225f76c9c4fa3021b5a3>
- Roger grants control of bitcoin.com domain to OKCoin

December 18, 2014

- Safello complains to Roger that OKCoin didn't let them continue their advertising they had on bitcoin.com after they tookover the site.

January 28, 2015

- Roger emails Star at OKCoin asking what the plan is, as not much has visibly changed on the bitcoin.com website in the past month after the initial site was launched
- Star replies and says that monetizing the site with advertisements "turned out to be not easy" and is not happy about having to pay the minimum contract fee to Roger every month
- Roger tells Star he heard that Safello and other companies paid OKCoin to advertise on the site, but the advertisements were never added to the site

January 29, 2015

- Star says "we are ready to begin now" but wants to confirm Roger is committed
- Roger reminds Star there is already a 5 year contract in place, and re-explains the terms and various options available under the existing agreement

January 30, 2015

- Star says "enthusiasm for buying ads isn't there" and he can only generate 1200 USD per month revenue on the site

February 1, 2015

- Roger explains to Star that blockchain.info was able to generate tens of thousands of USD of revenue on the site

February 6, 2015

- Star replies saying he can't monetize the site to generate the revenue that Roger is expecting in their contract, so he is "afraid to begin the efforts"
- Roger asks Star to pay 1.5 months worth of late payments that are past due

February 25, 2015

- Jack at OKCoin, head of international, contacts Roger assuring him that "We will be sending you the February payment no worries there."

April 6, 2015

- Roger emails Jack, again complaining of the lack of progress of bitcoin.com, and asks for payment for March

April 7, 2015

- Jack at OKCoin says their accounting department “would like to ask if there was a way to pay you in USD”
- Despite Roger wanting to be paid in BTC, he says USD is fine and asks it to be credited to his OKCoin account so he can purchase BTC and withdraw it
- Roger meets Jack from OKCoin in person in Tokyo and is informed OKCoin cannot deposit USD into Roger’s OKCoin account, and they would have to send a bank wire
- Roger sends his bank information

April 27, 2015

- Roger reminds OKCoin their payment is due in a few days

May 1, 2015

- Roger emails OKCoin complaining their payment is late

May 7, 2015

- Alfred at OKCoin says “I’ve spoken with our finance team and we will be able to send the full payment to the account on Monday.”

May 12, 2015

- Roger emails OKCoin again complaining their payment is late

May 13, 2015

- Jack responds about the bank wire, “It is being processed today.”
- Bank wire is not actually sent.
- Jack makes various claims:
 - 1) “In light of the Ripple fine and rumors surrounding the reason for the fine, we are uncomfortable sending to a bank account in your name.”
 - 2) “We do not have a company entity named OKCoin.”
 - 3) “Changpeng Zhao signed this contract and Star (cc’ed here) has himself not seen it prior to signing and was unaware of the details at the time of signing.”
- Star makes various claims:
 - 1) “We are a Chinese company and don’t have any entity in SG which is called okcoin.” despite the website on OKCoin.com saying at the time that “OKCoin.com is a Singapore registered company (OKCOIN PTE. LTD.). The operations and data center are located outside of China.”
 - 2) “We don’t have an entity which name is OkCoin.”
- OKCoin modifies OKCoin.com to remove references to their Singapore company.

May 14, 2015

- OKCoin shuts down bitcoin.com

May 15, 2015

- Star claims their “attorney” can only speak Chinese and used Google Translate to review the English contract and other correspondence.
- Daniel emails the “attorney” in both Chinese and English and asks him to prove that he is actually an attorney. The attorney gave a very brief response and stopped participating in the email thread, and OKCoin stops CC’ing him to emails after this.
- Daniel’s letter sets forth facts showing OKCoin’s intent to act through a Singapore company in developing its international business and dealing with Bitcoin.com. Star maintains position there is no agreement because “there is no company called OKCoin”.
- Star emails a new “Bitcoin.com_v8” contract PDF document with no digital signatures that

contains a new provision allowing OKCoin to terminate the contract early. After sending this new agreement, says “You are mistaken and used an old draft agreement. We hope you will apologize for your error.”

May 21, 2015

- J. Maurice performs a cryptographic analysis on the PDF documents and finds that the new v8 document was never digitally signed by either party, and the hand-drawn signature image of Roger was copied from the signed v7 contract. He concludes that the v8 contract was forged by OKCoin and never agreed to by either of the parties.

https://docs.google.com/a/wiz.biz/document/d/12kYEn24Ypi1UlkXjS4js049SgitmyZQyFu_eQcV8P48/edit?usp=sharing