

Thank you Juror for laying out your thoughts. I will try to show the whole trail from the previous evidence.

In Case #83, a juror asked for Spendcoin to provide evidence on how the tokens were distributed.

Could the Spendcoin team explain how the 10%+ supposed to be circulating were distributed?

Spendcoins response was the following:

Hi juror, Please see

<https://etherscan.io/token/0xdd460bbd9f79847ea08681563e8a9696867210c#balances> There are collectively 230,000,000+ tokens in Bittrex and UPBit which is over 10%. These were earned and distributed from the platform through Proof-of-Purchase (as described in the whitepaper) for users and distribution in the market.

So now we can explore what Proof-of-Purchase means, and how these tokens were moved.

From Spend's website <https://spend.org/faq/>

Spendcoin Questions 0.2 How Do I Earn Spendcoins?

Spendcoin Questions	01. Where can I use Spendcoins?	>
	02. How do I earn Spendcoins?	▼
	Spendcoins are earned through Proof-of-Purchase which lets users mine/receive Spendcoins when making purchases through the Spend App. The amount users receive will vary based on their individual purchases and up to 6% of the total purchase price.	
	Spendcoins may also be earned by running a Financial Node or Validator Node on Spendchain	

- This tells us that Proof-of-Purchase awards you Spendcoin for up to 6% of the price of your purchase in the app.
- In Evidence in Case #83, in Spendcoin's initial evidence they claimed 0xcd76dec4b04150b16cbce12e80be772cb830d33a was the address that was used for Proof of Purchase distribution  
<https://ipfs.kleros.io/ipfs/QmezHZJqy4nxVZGR5sPNptHy5xqGQmhr8Jjsj1R6dwb2qX/spendcoin-meets-the-listing-criteria.pdf>

Spendcoin FAQ Distribution 0.5 What is the release schedule for Founder and Advisor coins?

Based on the information on our distribution plan since our launch we should technically have a circulating count of 67,500,000 (as of 3/1/2019). However, the team has only removed 6,434,448 out of the 17,500,000 that should be unlocked based on the schedule for the 1% inflation of Spend operation which is over 50% less than current supply. Having these tokens in circulation doesn't mean they will all be sent to exchanges. This is a misconception. Having these tokens unlocked means they will be available for movement. We will update this schedule every year.

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- Here is is stating (which lines up with previous disputes), that as of 3/1/2019 67,500,000 (3.3%) tokens were in circulation.

So now let's see the Spendcoin movements from the distribution address. If it is as they claim, it should show quite clearly Spendcoin moving to users who make purchases from 3/1/2019 until the present. However, if we look here

<https://etherscan.io/token/0xddd460bbd9f79847ea08681563e8a9696867210c?a=0xcd76dec4b04150b16cbce12e80be772cb830d33a>

Instead of many small transactions for token distribution we see a few large transactions that go to Bitrex. They could argue that their customers gave them an exchange address for the payout. However this would mean that 18 times in the past two months, somebody made a purchase on Spendcoin platform in the range of \$1,585,165 - \$8,804,174 in order to be given out a Proof-of-Purchase reward of these amounts (using the maximum 6% distribution per purchase). It is also lacking any small transactions that you would expect from people making more realistic purchases from their application. Furthermore, this account has now been drained of funds. The funds have moved into 3 other large accounts, but again there are no other outgoing transactions from these accounts that would indicate Proof-of-Purchase distribution is actually taking place from the funds that were held here. So it stands to reason that the Bitrex transactions are the alleged Proof-of-Purchase distributions and not some other movement.

If an additional 6.7% of Spendcoin was indeed released in the past two months via Proof-of-Purchase, it should be quite easy for Spendcoin to point us to an account that has a continual stream of transactions that distributed the Spendcoin, as this is all on chain. I have followed the chain from the account that was provided by Spendcoin themselves and it is not showing evidence of distribution. Instead it is showing evidence that Spendcoin moved the funds directly onto Bitrex and then used that to try to claim that their funds have been distributed.

For jurors in this case I think it should be considered that it is not realistic that only massive purchases have taken place on Spendcoin's platform in the past 2 months. As I think it is plausible to assume that Spendcoin will come back saying these are not the Proof-of-Purchase distributions, since they are unrealistic, there is also the question of why they are moving these funds to Bitrex if they are not the Proof-of-Purchase funds? And if this was unrelated why did they refer to the Bitrex holdings in evidence in the previous disputes? If there does indeed exist a clear on chain distribution why did they not say so in the first place?

From a high level view, in order for the remaining 6.7% tokens to be distributed from Proof-of-Purchase, upwards of \$73,700,000 would have had to have been purchased on the Spendcoin platform in the past 2 months. And if this is the case there should be a long and clear string of transactions to prove it.

I think that I have provided more than enough evidence here for Spendcoin to need to prove that they did in fact distribute the tokens. Pointing to an exchange address as proof is not good enough. They also should answer for why they submitted erroneous evidence in previous cases if there is in fact another place for Proof-of-Purchase transactions that I have not found.

I think it is more likely that team tokens were moved to the exchange. But if so why did they come from the distribution address? Why did they try to state that it was all through Proof-of-Purchase when they could have just stated that team tokens were unlocked and in distribution, which is much more plausible for these movements. If these are not Proof-of-Purchase tokens in that address, then where are they being held? There seems to be a serious lack of transparency around the tokens that are supposedly locked up and being distributed by Proof-of-Purchase. Perhaps there is a more benign explanation for all of this than the conclusions I have drawn, but I think this does show at the very least that Spendcoin has not been forthcoming about their token distribution throughout this entire token listing process. Their answers have been trying to deceive jurors and therefore they violate 2.1.

Without further on-chain proof that tokens have in fact been distributed, I hold that 5.2 has not been met. All signs from transactions and from the website point to the 10% distribution has not taken place as of yet.