Final Decision Juror 2

I am compelled to vote “No” in this case because of 5.2.

I appreciate Juror 1 documenting their thought processes. This played a large role in making up my mind on the other points that I could not decide on.

Now to my reason on point 5.2:

As I stated in previous evidence: If the Challenger provides enough evidence that there could be doubt, the burden of proof shifts to the Submitter. If it is a tie, I will side with No if the Challenger is able to do this. I do not think just because the badge is given if there are no challenges it means the burden of proof is solely on the Challenger. Nobody challenging means that it was vetted and nobody could provide sufficient evidence to dispute it. I considered the Challengers arguments on this point convincing so that the Submitter needed to defend themselves, which they did. However they were unable to provide proof. At this point I was considering it a tie, which as I stated would go to the Challenger. I personally did believe Spendcoin that they distributed the tokens, and Juror 1’s arguments also made me want to find a way to allow them to pass this clause. I also understand that they can’t compromise user data which is making it hard in proving themselves. So, I decided that if I could find any other evidence that suggests the distributions are legitimate I would let this point pass. Unfortunately everywhere I looked did not give any points to Spendcoin and overall my digging made me less sure that they did make the distributions. These were my observations from investigating.

- I checked the website and there is no information about the amount of tokens distributed. Looking at previous evidence there was this information available before.
- Also on the website the links to the distribution plan were all broken. I wanted to check against this to see if this distribution pattern fit the official Spend narrative.
- I looked on social media and blogs and there was no mention of the distribution even though there was a clear start and stop date based on the transactions.
- I checked the Telegram group and nobody was talking about it.
- Overall there was no other social proof that it had happened.
- On the distribution transaction themselves. I was hoping for a clear pattern. If it was obvious that distributions were routine and part of some process I would consider that passing. Routine distributions would suggest to me that they are being taken out and directly given to people based on their rewards within some time frame. They were not however. For the span of 40 days there were transactions leaving the distribution account sporadically up until around the time of the last Badge Challenge. Before this there really were no movements. After that 40 day period leading up to now, no more funds have

moved from the distribution accounts. It seems that either nobody has received additional distributions in the last 20 days, or they moved extra funds to Bitrex beforehand to pay out future distributions which would fit the Challengers narrative. While it is completely within Spend's rights to start and stop distribution, I was hoping to see some transparency or evidence that this was the case. Otherwise I wanted to see them continue to move funds in a regular manner to support their narrative that it is normal for them to give out such a large amounts of distributions within such a short time. From their marketing it appears that distributions do not stop. So this all supports what the Challenger is claiming in that extra funds were moved to Bitrex but are still controlled by Spend and are not yet in circulation, even if we do not know how much.

Because I cannot find any further proof or evidence to suggest they have been distributed, and actually find a small amount of evidence backing the Challengers claim (no transactions sent for the last 20 days), I think I end slightly favoring the Challenger on this point. For future submissions I would suggest Spend add more transparency into the current distribution process. Since it is not on the blockchain and publicly verifiable, I would need to see some other evidence on what is taking place with the distributions in order to allow it to pass.

For full transparency for Spend if the event that they apply again in the future, I will also state that I am still confused about 1.1.5 and was not able to make up my mind on it. I did not find Spendcoin's answers to inquiries about the KYC to be satisfying. They just downplayed the role of it and then contradicted their whitepaper and previous statements by finally claiming that Validators do no KYC or due diligence at all and it is left purely up to governance. I think this point is very important even if it is a small part of the planned system as it could shape what sort of control Spend has to play in the blockchain in the future. To be legally compliant, somebody has to force the Validators to abide by some rules such has KYC-ing certain parties, or force the network to reject illegitimate actors. What if the distributed governance decides they want to turn the chain so that KYC and legal compliance is not required? Or all of the customers try to elect only Validators that rule on refunding them in chargeback disputes? Is this acceptable outcome for the planned system in the eyes of Spend or their legal jurisdiction? If not how do they build this into their system to prevent it without maintaining some control? Again, this was a point where the Challenger provided sufficient arguments for me to think that the Submitter needed to defend themselves. The Submitters arguments were not overly convincing but they did at least deny it was the case.