

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

BUSINESS LIST (ChD)

B E T W E E N:

(1) TULIP TRADING LIMITED (a Seychelles company)

Claimant

- and -

(1) BITCOIN ASSOCIATION FOR BSV (a Swiss verein)

(2) [REDACTED]

Defendants

FIRST WITNESS STATEMENT OF TIMOTHY WILLIAM ELLISS DATED 11 JULY 2023

I, **TIMOTHY WILLIAM ELLISS**, a solicitor of the Senior Courts of England and Wales, of Enyo Law LLP, Fifth Floor, 1 Tudor Street, London, EC4Y 0AH, **WILL SAY** as follows:

1. I am a partner of Enyo Law LLP and I am instructed in these proceedings by the Second to Twelfth

Defendants (the “**Enyo Defendants**”).

2. I have day-to-day conduct of the proceedings and am duly authorised to make this witness statement on behalf of the Enyo Defendants.
3. I make this witness statement in support of the Enyo Defendants’ applications dated 11 July 2023, that the Court (i) determines certain issues as preliminary issues; (ii) in the light of that, strike out this claim as a fraudulent claim and an abuse of process (the “**Strike out and Preliminary Issue Application**”); and (iii) order the Claimant, Tulip Trading Limited (“**TTL**”), to provide security for the Enyo Defendants’ costs up to and including the preliminary issue trial on the indemnity basis (the “**Security Application**”).
4. By way of preliminary formalities:
 - 4.1. Except where I indicate to the contrary, the facts and matters contained in this witness statement are within my own knowledge. Where the facts and matters are not within my own knowledge, I have indicated my sources of information and belief.
 - 4.2. Nothing in this witness statement is intended to, or does, waive any privilege belonging to the Enyo Defendants.
 - 4.3. There is now produced and shown to me a bundle of copy documents marked TWE-1, that contains paginated copies of documents to which I shall refer to in this witness statement. Where I refer to documents in this witness statement, I refer to these as [TWE-1/page number(s)].
 - 4.4. I also refer to the first witness statement of Dr Craig Steven Wright in the form, *Wright 1 §paragraph number(s)*, and to the first witness statement of Mr Oliver James Cain in the form, *Cain 1 §paragraph number(s)*. I refer to the exhibit Cain 1 (which accompanied Mr Cain’s first witness statement) in the form [OJC1/volume/page number(s)], and to the exhibit Eyre 1 (which accompanied Ms Sophie Jane Eyre’s first witness statement) in the form [SJE/page number(s)].

A. SUMMARY

5. The Enyo Defendants seek to have this claim struck out on the ground that it is a fraudulent claim and an abuse of process. They seek disclosure and other case management directions to enable this threshold issue of fraud to be determined as a preliminary issue.
6. TTL claims to own Digital Assets (as defined below) valued at approximately £4bn. TTL says that it previously held the private keys to these digital assets but that these keys were stolen and deleted during a hack that allegedly occurred in February 2020. TTL alleges that, upon being notified of the alleged hack, the Enyo Defendants (who are contributors to an open source-software project) owe it

a fiduciary or tortious duty to reconstitute its access to the Digital Assets it alleges were lost during the alleged hack. The relief it seeks is an order requiring the defendants to write software that will have the effect of giving it access to the Digital Assets. The claim is, to say the least, highly unusual in many respects.

7. TTL accepts that it must establish that it owns the Digital Assets in order to obtain the relief it seeks. It cannot do so because it never owned the Digital Assets and has commenced this claim fraudulently and in reliance on fabricated documents. This is of a piece with the historical conduct of the individual behind TTL, Dr Craig Wright ("**Dr Wright**").¹ Dr Wright has a long history of fraud, forgery, and dishonesty (including in court proceedings in this jurisdiction and internationally). He has been shown to be a thoroughly dishonest individual and it is the position of the Enyo Defendants that these proceedings are an attempt by Dr Wright, through TTL, to use the English courts as an instrument of fraud. These are plainly very serious allegations and they are not made lightly.
8. The Enyo Defendants' defence raises a threshold issue which by its nature requires determination before this case proceeds any further because if TTL has commenced these proceedings knowing that it has no claim in respect of the Digital Assets, and has fabricated documents to support that false claim, it necessarily follows that this claim is an abuse of process and should be struck out. Even leaving aside the issue of abuse of process, the issue of whether TTL owns the digital assets in respect of which it sues goes directly to its standing to bring the claim at all. As I explain in detail below, this is a decisive issue that can be conveniently separated from the other aspects of the case. It can be heard over seven to ten days of Court time and (if the Defendants are successful) will avoid a complex, lengthy, and expensive trial that will likely occupy between eight to ten weeks of Court time. It will result in very significant cost savings if the Strike Out and Preliminary Issue Application disposes of the Claim. If it does not dispose of the claim, then there will be no material increase in costs.
9. Finally, this Court has already determined that TTL should provide security for the Enyo Defendants' costs in this action on the basis that TTL is impecunious.² There has been no change of circumstances since then. Moreover, for the reasons identified above, and explained in more detail below, security should be provided on the footing that the Enyo Defendants will, if successful with the Strike Out and Preliminary Issue Application, recover their costs on the indemnity basis.

¹ The honorific "Dr" is used by Dr Wright in these proceedings and publicly. Given Dr Wright's history of dishonesty and forgery, the Enyo Defendants are not able to take Dr Wright's assertion that he holds a Doctor of Philosophy at face value and it is not admitted that Dr Wright in fact holds the qualification he claims to hold. Without prejudice to that, the Enyo Defendants use Dr Wright's preferred form of address in this witness statement and these proceedings generally.

² *Tulip Trading Ltd v Bitcoin Association BSV and Ors* [2022] EWHC 2 (Ch), Master Clark Judgment [TWE-1/1-14]

10. The structure of this witness statement is as follows:
 - 10.1. Part A: Summary
 - 10.2. Part B: Background to the Application
 - 10.3. Part C: The Proposed Preliminary Issue
 - 10.4. Part D: Dr Wright's history of fraud, forgery and dishonesty
 - 10.5. Part E: Prima Facie Evidence that the claim is fraudulent
 - 10.6. Part F: Matters that will need to be addressed at trial
 - 10.7. Part G: Suitability of the Ownership Issue for a preliminary issue trial
 - 10.8. Part H: Security for Costs Application.

B. BACKGROUND TO THE APPLICATION

The Claimant

11. TTL is a company registered in the Republic of Seychelles. TTL alleges that it is wholly owned by a Seychellois company called Equator Consultants AG which is in turn wholly owned by an Antiguan company called Strassen Limited. Strassen Limited is wholly owned by Dr Wright and his wife, Ms Ramona Ang. It is alleged that they hold the shares in Strassen Limited on behalf of a trust known as the Tulip Trust, of which Dr Wright is a beneficiary.³
12. Dr Wright is the ultimate beneficial owner of TTL. He is an Australian citizen who says he has been a resident in England since December 2015.⁴ Dr Wright claims to be a 'renowned computer scientist' with a particular expertise in the design and development of digital assets and who, under the pseudonym Satoshi Nakamoto, was the author of the 2008 White Paper 'Bitcoin: A Peer-to-Peer Electronic Cash System' and invented Bitcoin.⁵ In fact, Dr Wright has a long and documented history of fraud, forgery and reliance on deliberately false evidence in legal and regulatory proceedings in this jurisdiction, Australia, the United States and Norway. I explain the relevant aspects of Dr Wright's history in this regard in Part D below.

The Defendants

13. TTL has brought this claim against sixteen defendants in total. They are all (save for the First Defendant, which is controlled by Dr Wright, and the Fourteenth Defendant, who is an entrepreneur with an

³ Cain 1, §9

⁴ Amended Particulars of Claim ("APOC"), §3

⁵ APOC, §3; Wright 1, §15

interest in cryptocurrency) individual software developers who have had involvement in Bitcoin (and derivatives thereof).

14. The Enyo Defendants are eleven individual software developers who contributed to the development of the “**Bitcoin Core software**”⁶ at different times and in different respects. The Bitcoin Core software is open source and non-proprietary. It was originally released pursuant to the MIT Licence, which means the software was released on the basis it is (i) released “*as is*” and without a warranty of any kind; and (ii) neither the author of the software nor copyright holders were to be liable for “*any claim, damages or other liability, whether in an action of contract, tort or otherwise, arising from, out of or in connection with the software of the use or other dealings in the software*”. Many of the Enyo Defendants are no longer contributors to the Bitcoin Core software and some have ceased being contributors due to the burden of these proceedings.

The Digital Assets

15. TTL alleges that it is the owner of the Bitcoin (and BCH, BCH ABC and BSV, cryptocurrencies that are derived from the original Bitcoin blockchain and which therefore have the same address details), recorded on two blockchain addresses (the “**Addresses**”):
 - 15.1. 1FeexV6bAHb8ybZjqQMjJrcCrHGW9sb6uf (“**1Feex**”), and
 - 15.2. 12ib7dApVFvg82TXKycWBNpN8kFyiAN1dr (“**12ib7**”)(together, the “**Digital Assets**”).
16. TTL alleges Dr Wright acquired the Bitcoin in the 1Feex address in late February 2011 from a Russian based exchange called WMIRK.⁷ Notably, TTL is not even able to state when or how it or Dr Wright acquired the Bitcoin in the 12ib7 address or the reason for any of the transactions that took place on it.⁸ TTL accepts that no one has dealt with the Digital Assets in the 12ib7 address since July 2010, nor has anyone dealt with the 1Feex address since March 2011.
17. TTL alleges that it lost access to the Digital Assets when - it says - Dr Wright was hacked by persons unknown (the “**Alleged Hackers**”) in February 2020 (the “**Alleged Hack**”). As a result of the Alleged Hack, Dr Wright claims that the private keys for the Addresses were deleted (and other information and cryptocurrency stolen). Without the private keys TTL is unable to access the Digital Assets. The Enyo Defendants deny that Dr Wright possessed the private keys at the time of the Alleged Hack; and

⁶ As defined paragraph 8.3.2 of the Enyo Defendants’ Defence, this is the most popular node software used by nodes in the BTC Network.

⁷ Wright 1, §39

⁸ Wright 1, §45

that the Alleged Hack (at least insofar as it resulted in the deletion or theft of the private keys to the Digital Assets) occurred at all.

18. TTL says that the combined value of the Digital Assets was approximately £4.5bn at the time these proceedings were issued.⁹

The Claim

19. TTL does not allege that the Enyo Defendants had a duty to prevent the Alleged Hack from occurring. Instead, TTL alleges, *inter alia*, that the Enyo Defendants owe a fiduciary duty to TTL to recover the Digital Assets for it upon TTL asserting that it is their rightful owner.
20. TTL claims that this fiduciary duty arises because a substantial degree of confidence and trust exists between TTL (and owners of Bitcoin more generally) and the Enyo Defendants, given (i) its allegation that the Enyo Defendants have complete power over the system in which Bitcoin are held; (ii) the Enyo Defendants' alleged ability to exercise their power to the detriment of the owners of Bitcoin; (iii) the allegations that the owners are vulnerable to abuse by the Enyo Defendants given they have entrusted their Bitcoin to the Enyo Defendants; and (iv) the expectation the Enyo Defendants would not abuse their position for their own benefit.
21. TTL alleges that this fiduciary duty requires the Enyo Defendants to create new versions of the Bitcoin Core software that either transfer the Digital Assets to a new address on the blockchain that TTL can access with a new private key or alternatively amend the software so that TTL can access it without the private key.
22. Alternatively, TTL alleges that the Enyo Defendants owe it a duty at common law to the same effect.
23. As a consequence, TTL asks the Court for the following relief:
 - 23.1. A declaration that TTL is the owner of the Digital Assets.
 - 23.2. An order that the Enyo Defendants provide TTL with access to and control of the Digital Assets by (a) effecting a transfer of the Digital Assets to an address in respect of which TTL is able to access the private keys; and/or (b) effecting amendments to the software so as to allow TTL access to and control of the Digital Assets in the Addresses.
 - 23.3. An order that the Enyo Defendants take all reasonable steps to ensure that effect is not given to the Alleged Hack, by ensuring that the Digital Assets cannot be dealt with by anyone other than TTL (including, specifically, to the exclusion of the Alleged Hackers who TTL claims have

⁹ APOC §41b.

misappropriated the TTL Private Keys and/or the Keys Access Material or those who have received the same from the Alleged Hackers).

23.4. Further or alternatively, equitable compensation and/or an account and or damages.

24. This is plainly an extremely novel claim. The imposition of a duty of this nature would be a significant extension of the English law applicable to fiduciaries.

25. The Enyo Defendants consider TTL's claim to be fundamentally misconceived both in fact and in law. In summary:

25.1. TTL and Dr Wright do not have and have never had an interest of any kind in the Digital Assets. As such, TTL has made a deliberately false claim to ownership and has commenced these proceedings knowing it has no claim to those assets: see Enyo Defendants' Defence paragraph 54.

25.2. Dr Wright's case proceeds on the basis of a fundamental mischaracterisation of how Bitcoin works. Bitcoin is an open-sourced software project and the developers that contribute to it form part of a voluntary community of contributors that changes over time. Unlike traditional online software, there are no servers that maintain the Bitcoin network or enforce rules. The Bitcoin network forms organically between the individual participants according to whichever rules they themselves run on their own computer. Each user of the Bitcoin network chooses and controls the software that they use and no individual contributor (or group of contributors) has any power to compel any user to use any particular software.

25.3. The relief sought by TTL in these proceedings, and the factual basis upon which it is sought, is inconsistent with the foundational rules of the Bitcoin system. As a consequence, even if it was technically possible for the Enyo Defendants to make changes to the software as requested by TTL, such changes would be pointless as they would not achieve what TTL seeks. The changes would simply not be adopted by the users of the system.

25.4. The claim is therefore doomed to fail.

26. As will be apparent from the above, and from an examination of the parties' statements of case, there is wholesale disagreement as to how Bitcoin works. In order to determine TTL's claim that a fiduciary (or fiduciary like) obligation exists between the software developers that have contributed to Bitcoin and owners of Bitcoin, the Court will need to undertake a root and branch examination of the origins of Bitcoin, its foundational principles and its operation in practice (including the role of software developers). The Court will also need to understand the economic and other incentives that drive decision making amongst the different participants in the Bitcoin system. This is a mammoth task and

one that is certain to be heavily contested.

The issues to be determined at trial

27. In the light of the above, I anticipate that the core issues the Court will need to determine at trial are:
- 27.1. Does TTL own, and did it own at the time of the Alleged Hack, the Bitcoin in the Addresses?
 - 27.2. Did unknown persons unlawfully access Dr Wright's computer and network between 5 and 8 February 2020 and delete the TTL Private Keys and Keys Access Material (i.e. did the Alleged Hack occur)?
 - 27.3. Do the Developers have the ability effectively to restore TTL's access to and control of the Bitcoin in the Addresses?
 - 27.4. If the Developers do have the ability identified above, do they owe TTL fiduciary duties?
 - 27.5. If a fiduciary duty exists, have the Developers breached their fiduciary duties in failing to:
 - 27.5.1. Provide access and control to TTL of the Bitcoin in the Addresses;
 - 27.5.2. Take reasonable steps to ensure TTL has access to and control of the Bitcoin in the Addresses;
 - 27.5.3. Take reasonable steps to ensure the Bitcoin in the Addresses cannot be dealt with by anyone other than TTL?
 - 27.6. Does a duty of care in tort exist between the Developers and TTL of the Bitcoin System?
 - 27.7. If such a duty exists, have the Developers breached that duty of care through failing to:
 - 27.7.1. Provide access and control to TTL of the Bitcoin in the Addresses;
 - 27.7.2. Take reasonable steps to ensure TTL has access to and control of the Bitcoin in the Addresses;
 - 27.7.3. Take reasonable steps to ensure the Bitcoin in the Addresses cannot be dealt with by anyone other than TTL?
 - 27.8. What relief, if any, is TTL entitled to if the Developers are in breach of their duties?

C. THE PROPOSED PRELIMINARY ISSUE

28. The Enyo Defendants are seeking a preliminary issue trial in respect of the first issue identified above and in paragraph 1 of the accompanying draft order, namely: Does TTL own, and did it own at the time of the Alleged Hack, the Bitcoin in the Addresses (the "**Ownership Issue**").
29. The Enyo Defendants seek the Ownership Issue to be determined as a preliminary issue on the

following bases:

- 29.1. Where a defendant seeks to strike out a claim on the ground that it is a fraudulent claim or founded upon documents known to be forged, that is an issue that by its nature requires determination as a preliminary issue. If the preliminary issue is determined in the defendants' favour, it would follow that the claim is an abuse and it would not be appropriate to devote any of the Court's resources to the claim, save to strike it out with indemnity costs.
 - 29.2. There is a compelling prima facie case that TTL did not own the assets in the Addresses at the time of the Alleged Hack and has fabricated documents to support its claim to ownership of the Digital Assets.
 - 29.3. It is in any event common ground that the Ownership Issue is a decisive issue capable of deciding the whole claim. If it is found that TTL does not own the Digital Assets then it follows that the remainder of the claim will fall away, as the circumstances upon which a fiduciary relationship is claimed could not exist.¹⁰ Significant time and resource would be saved by deciding the Ownership Issue by way of a preliminary issue trial.
30. These points are addressed further below.

D. DR WRIGHT'S HISTORY OF FRAUD, FORGERY AND DISHONESTY

31. As I have explained above, Dr Wright is the controlling mind of TTL.¹¹ Accordingly, before addressing the substance of TTL's claims to Ownership of the Digital Assets, I believe it is relevant and necessary to set TTL's claims in the context of Dr Wright's history of fraud, forgery and dishonesty.
32. Dr Wright has a long history of dishonesty and has been found to have relied on falsified documents and otherwise provided dishonest evidence in proceedings in Australia, the United States, Norway, and the UK. By way of example only:
 - a. Judgment in *Wright v Ryan & Anor* [2005] NSWCA 368:¹²

*"[Dr Wright's] explanations and interpretations of these and related documents are contradicted at critical points, on which there is no independent evidence to support him."*¹³

¹⁰ TTL's own evidence accepts this in Cain 1, §130 "it goes without saying that TTL needs to show that it is the owner for the digital assets in question in order for the Claim to succeed".

¹¹ Wright 1, §36 states "I therefore control the affairs of TTL in England".

¹² [TWE-1/15-26]

¹³ [TWE-1/24] at §63

*“the proposed fresh evidence lacked the necessary credibility and materiality, particularly in circumstances where it depended in essential respects on [Dr Wright’s] own credibility, which was strongly under challenge.”*¹⁴

- b. Judgment of the Honourable Mr Justice Butcher in *Ang v Reliantco Investments Ltd* [2020] EWHC 3242 (Comm):¹⁵

*“[Dr Wright] was an unsatisfactory witness in many respects. He was belligerent, argumentative and deliberately provocative. He evaded questions to which he did not wish to give a straight answer. On occasion he refused to accept what documents plainly indicated. He was prepared to make grave and unsustainable allegations, for example in relation to the supposed fabrication by or on behalf of Reliantco of an email from him of 3 September 2017. He sought on occasion to blind with (computer) science. I came to the conclusion that I could not rely on Dr Wright’s evidence as to whether and how particular events had happened unless it was supported by documentation, other evidence I could accept or by the inherent probabilities.”*¹⁶

- c. Order of Judge Reinhart on Plaintiffs’ motion to compel in *Kleiman v Wright*, US District Court, South District of Florida, Case No. 18-cv-80176 (the **“Kleiman Claim”**):¹⁷

*“During his testimony, Dr. Wright’s demeanor did not impress me as someone who was telling the truth. When it was favorable to him, Dr. Wright appeared to have an excellent memory and a scrupulous attention to detail. Otherwise, Dr. Wright was belligerent and evasive. He did not directly and clearly respond to questions. He quibbled about irrelevant technicalities. When confronted with evidence indicating that certain documents had been fabricated or altered, he became extremely defensive, tried to sidestep questioning, and ultimately made vague comments about his systems being hacked and others having access to his computers. None of these excuses were corroborated by other evidence.”*¹⁸

“[T]he totality of the evidence, including a negative inference drawn from Dr. Wright’s incredible testimony and use of fraudulent documents, is more than sufficient to meet Plaintiffs’ burden...There is clear and convincing evidence that Dr. Wright’s non-compliance with the Court’s Orders is willful and in bad faith... I have found that Dr. Wright intentionally submitted

¹⁴ [TWE-1/26] at §77

¹⁵ [TWE-1/27-57]

¹⁶ [TWE-1/41] at §49

¹⁷ [TWE-1/58-86]

¹⁸ [TWE-1/76-77]

fraudulent documents to the Court, obstructed a judicial proceeding, and gave perjurious testimony. No conduct is more antithetical to the administration of justice.”¹⁹

“There was credible and compelling evidence that documents had been altered.”²⁰

“Other documents are contradicted by Dr. Wright's testimony or declaration. While it is true that there was no direct evidence that Dr. Wright was responsible for alterations or falsification of documents, there is no evidence before the Court that anyone else had a motive to falsify them. As such, there is a strong, and un rebutted, circumstantial inference that Dr. Wright wilfully created the fraudulent documents.”²¹

- d. Judgment in the trial of Granath v Wright in Norway (translated from Norwegian):²²

“The court believes that Granath had sufficient factual grounds to claim that Wright had lied and cheated in his attempt to prove that he is Satoshi Nakamoto.”²³

“A number of documents have been produced which Wright claims are early versions of the White Paper and source code. Both KPMG (on behalf of Granath) and BDO (on behalf of Wright) have found that these documents contain at best unexplained changes which are likely to have been made after the date the documents are claimed to be from...KPMG has concluded that it is “probable that several of the files in the data material have been changed so that they appear to have been created earlier than they actually are.”²⁴

- e. Judgment of Mr Justice Chamberlain in *Wright v McCormack* [2022] EWHC 2068 (KB) (the “**McCormack Proceedings**”):²⁵

“The vice was not that [the evidence in Dr Wright’s witness statement] omitted explanatory background, but rather that what it did say was straightforwardly false in almost every material respect...A conclusion that a witness has given deliberately false evidence should not be drawn lightly.”²⁶

¹⁹ [TWE-1/83-85]

²⁰ [TWE-1/77]

²¹ Whilst the sanction ultimately imposed by Judge Reinhart was overturned on appeal, Judge Beth Bloom did not overturn any of the factual findings made against Dr Wright. Her judgment stated “*Unfortunately, the record is replete with instances in which the Defendant has proffered conflicting sworn testimony before this Court. In weighing the evidence, the Court simply does not find the Defendant’s testimony to be credible*”. [TWE-1/96]

²² Case No. 19-076844TVI-TOSL/04, Judgment of Judge Helen Engebriksen [TWE-1/99-125]

²³ [TWE-1/118]

²⁴ [TWE-1/119]

²⁵ [TWE-1/126-158]

²⁶ [TWE-1/149] at ¶109

“Dr Wright advanced a deliberately false case.”²⁷

33. Dr Wright has attempted to explain that these (and other) adverse findings as to his credibility is a result of Autism Spectrum Disorder. It is claimed that this can cause *“a tendency to appear both deceptive and grandiose when confronted”*.²⁸ However, this does not explain the multiple clear and proven instances of dishonesty of which all of the above are. It is notable that Dr Wright and Mr Cain’s explanations to this point was considered and rejected in the McCormack Proceedings where Mr Justice Chamberlain expressly stated that he had borne in mind what Dr Wright said about his autism before making the findings in the preceding paragraph about Dr Wright’s dishonesty.
34. I accept that none of the findings in the above section are binding on the Court in these proceedings and that the Court will need to form its own view of Dr Wright and his evidence in due course. However, the fact that so many different judges in different jurisdictions have formed such a consistent view of Dr Wright’s dishonesty and propensity for forgery and fabrication is damning and plainly relevant to the question of whether a Preliminary Issue Trial should be ordered. This is even more so where, as I explain further below, there is a striking lack of documentary evidence to support TTL’s claim to ownership of the Digital Assets.

E. PRIMA FACIE EVIDENCE THAT THE CLAIM IS FRAUDULENT

35. In this section, I summarise the evidence that shows that Dr Wright and TTL do not have and have never had an interest of any kind in the Digital Assets.
36. As a starting point, it is important to highlight the absence of documentary records that one would expect to exist in relation to the acquisition of Bitcoin in the sums the subject of this claim. This is recognised by TTL’s (former) solicitor, Mr Cain, who notes that Dr Wright has *“few documentary records of TTL’s acquisition of the digital assets and no contemporaneous evidence of the purchase of the 12ib7 address”*²⁹ (my emphasis). TTL positively relies on three documents to support its claim to ownership of the Digital Assets. These are (i) a “purchase order” which TTL asserts is a contemporaneous record of the purchase of the Bitcoin in the 1Feex address; (ii) Dr Wright’s accounting records which purport to show ownership of the Digital Assets; and (iii) certain communications with the Australian Taxation Office (“ATO”) in 2014. Dr Wright’s own former solicitor, Mr Cain, states in the full and frank disclosure section of his witness statement in support of the application for leave to serve these proceedings out of the jurisdiction that *“it has to be accepted that*

²⁷ [TWE-1/157] at ¶147(a)

²⁸ Cain 1, §137

²⁹ Cain 1, §190

there are inconsistencies in some documents that might evidence ownership".³⁰ This is a generous understatement. The limited documents relied upon are fabrications.

37. In light of the Enyo Defendants' pleaded case that the documents that TTL relied upon in support of its application for leave to serve this claim out of the jurisdiction are forgeries, my firm has asked TTL to confirm whether it relies on any other documentation to support its claim to ownership. TTL has refused to identify anything further documents upon which it relies. It must therefore be inferred that TTL has therefore already disclosed the key documents upon which it relies in support of its claim. Remarkably, those documents do not include any of the records that one would expect to see when demonstrating ownership of assets of this nature and/or magnitude such as emails with the seller, bank statements, transaction records from the exchange or other similar documents.

The 1Feex address

38. TTL's case is that it purchased the assets in the 1Feex address from WMIRK, an online Russian exchange, in February 2011. Dr Wright's evidence states that he telephoned WMIRK and asked them how much Bitcoin he could buy using his Liberty Reserve Dollars. Dr Wright says he then instructed WMIRK to make the transfer. He says he left the rest of the transaction for his then wife, Lynn Wright, to arrange.³¹
39. Dr Wright says the purchase of the Bitcoin in the 1Feex address is evidenced by a contemporaneous purchase order (the "**Purchase Order**").³² He says that he does not recall the creation of the Purchase Order but is clear that he did not create it. He believes it was created by Lynn Wright.³³ There are no other documents that evidence the transaction.
40. Dr Wright acknowledges that the Purchase Order has "*some discrepancies*".³⁴ It is the Enyo Defendants' case that the document is a forgery for the following reasons:
- 40.1. WMIRK did not sell Bitcoin at the time of the alleged purchase. The Enyo Defendants have used the "Wayback Machine" (a digital archive of the internet) to establish the currencies in which WMIRK were trading in at the time of the alleged transaction. WMIRK did not offer trading services for Bitcoin until October 2013, some two years after Dr Wright allegedly purchased Bitcoin from the exchange, when the service list on their welcome page was updated to offer

³⁰ Cain 1, §202

³¹ Wright 1, §§39-41; APOC, §§29-30

³² Wright 1, §§39, 74; [OJC1/2/175]

³³ Wright 1, §74

³⁴ Cain 1, §105

the sale and purchase of Bitcoin.³⁵ This is further confirmed by a post on the WMIRK website, dated 15 November 2013, which states “Our service started buying and selling Bitcoin”.³⁶ On the same date, user “WMIRK”, claiming to represent the WMIRK exchange service, posted an advert on the Bitcointalk forum noting “Recently we started working with Bitcoin: buying and selling.”³⁷ This alone is fatal to TTL’s claim to ownership of the 1Feex address.

40.2. Dr Wright’s explanation for how he acquired the Bitcoin from WMIRK is not plausible. WMIRK is an online exchange located in Russia. It is difficult to understand how a transaction of this nature could have been agreed via telephone and then effected without creating any documentation. The entire story is illogical and appears to have been created by Dr Wright in order to explain why there are no documents that support it. In this regard, I note that WMIRK’s website stated in November 2013 that: “At the moment, you can buy / sell Bitcoin only through the operator via e-mail or via ICQ / skype”³⁸ (emphasis added).

40.3. The Purchase Order was created based upon a free online template released in 2015 (which is four years after the alleged transaction). The Purchase Order is based on a free online template available for download from www.vertex42.com,³⁹ being one of the top Google results for “purchase order templates”. This is confirmed by the existence of the watermark “[42]” on the Purchase Order, as identified by TTL’s own expert evidence,⁴⁰ which is added by the author of the template as invisible text in order to trace his work. There have been three versions of the template: 12 May 2011,⁴¹ 17 September 2015,⁴² and 15 May 2019.⁴³ The Purchase Order provided by Dr Wright is based on the version published in 2015, some four years after Dr Wright says he purchased the Bitcoin in the 1Feex address.

40.4. The limited metadata within the Purchase Order has signs consistent with fabrication. The

³⁵ <https://web.archive.org/web/20130928122243/http://wmirk.biz:80/> [TWE-1/159-160] is a link to the WMIRK website as at 28 September 2013, which has no reference to Bitcoin, however this page as at 5 October 2013 specifically states WMIRK buy and sell Bitcoin:

³⁶ <https://web.archive.org/web/20131005113152/http://wmirk.biz:80/> [TWE-1/161-162]

WMIRK Website as at 15 November 2013,

³⁷ https://web.archive.org/web/20131116155522/http://wmirk.biz:80/content/news_list.htm [TWE-1/163-164]

Bitcointalk Forum: Selling bitcoin, buying bitcoin. Trusted WMIRK exchange service

³⁸ <https://bitcointalk.org/index.php?topic=334237.0> [TWE-1/165-167]

WMIRK Website as at 16 November 2013,

³⁹ https://web.archive.org/web/20131116155522/http://wmirk.biz:80/content/news_list.htm [TWE-1/168-169]

Purchase Order Template, <https://www.vertex42.com/ExcelTemplates/excel-purchase-order.html> [TWE-1/170-173]

⁴⁰ [OJC1/2/183]

⁴¹ purchase-order_v1-0-6.xls [TWE-1/174-175]

⁴² purchase-order_v1-2-0.xlsx [TWE-1/176-180]

⁴³ purchase-order_v1-2-3.xlsx [TWE-1/181-182]

Purchase Order has been produced by TTL in these proceedings as a PDF document. This PDF has been created from an excel file. The original native format document (i.e. the excel) has not been produced, despite requests from the Defendants to do so. This is significant because a PDF has less metadata than an excel or word document and as such is easier to manipulate. In any event, analysis of the limited metadata of the PDF indicates that the metadata of the document is highly questionable. By way of example, the PDF Creation and Modification dates have UTC+10 time zone, however due to Daylight Saving Time Eastern Australia was UTC+11 during February when Dr Wright alleged the Purchase Order was created, so the document should have reflected this.

40.5. The document has various other anomalies which demonstrate that it is not a genuine contemporaneous document:

40.5.1. It includes an image of “HOBOCTИ CEPBИCA”, which translates to “SERVICE NEWS”. This has been copied from the WMIRK website, seemingly in the mistaken belief that it is some kind of company logo. This makes no logical sense given the Purchase Order was not prepared by WMIRK (even on TTL’s case). The only reason I can imagine for adding such an image to the document would be to give it an element of legitimacy.

40.5.2. It states that there is a mining fee of US\$75, but no such fee is shown on the BTC blockchain.

40.5.3. It states that 80,000 Bitcoin was purchased but the BTC blockchain shows only 79,956 Bitcoin to have been transferred.

40.5.4. The address listed in the Purchase Order uses lowercase letters. Bitcoin addresses are case sensitive and the valid address is with an uppercase “F”, so this particular address is invalid and would not have worked.

40.5.5. The price on the Purchase Order of \$21.01 does not reflect the market price of Bitcoin as at the date of 27 February 2011. TTL’s own evidence is that this was “very high” for the value of Bitcoin at the time⁴⁴ and that the market price of Bitcoin at the time was \$0.91.

41. The PDF Purchase Order has been examined on behalf of TTL by a forensic expert from AlixPartners.⁴⁵ TTL claims that this report confirms that: (a) the metadata of the Purchase Order PDF indicates the document was likely created on 27 February 2011 (which is the date stated on the face of the

⁴⁴ Cain 1, §171

⁴⁵ [OJC1/2/176]

document) and (b) there is no evidence of modifications having been made to its metadata.⁴⁶ This will be addressed in submissions as necessary but I would note that the report itself states that PDF contents cannot be validated with 100% certainty⁴⁷ and, critically, that the timestamps of the PDF document are unreliable.⁴⁸ This is because there is no technical barrier to making changes in the original Excel version and generating a new PDF document with the system clock set to a time of the user's choosing. The report also fails to explain the time zone discrepancy in the PDF referred to at paragraph 40.4 above.

42. Moreover, it is widely accepted in the cryptocurrency community that the Bitcoin in the 1Feex address originated from a well-publicised hack on a Japanese cryptocurrency exchange called MtGox that occurred in March 2011⁴⁹ during the handover of MtGox from the original owner, Jed McCaleb, to incoming CEO Mark Karpeles where around 80,000 Bitcoin was stolen from MtGox (the “**MtGox Hack**”). There is a wealth of corroborating evidence for this, including:

42.1. A Skype conversation between Jed McCaleb and Mark Karpeles dated 3 March 2011⁵⁰ in which the MtGox Hack is discussed and a transaction number referred to, which is identical to the transaction number for the deposit of the approximately 80,000 BTC in to the 1Feex address.

42.2. Mark Karpeles has often referred to the fact that the proceeds of the MtGox Hack went to the 1Feex address, for examples in press interviews.⁵¹

42.3. Essentially, it appears that if Dr Wright is the owner of the Bitcoin in the 1Feex address (which is denied), he has effectively admitted to being the person who stole 80,000 BTC from MtGox.

43. If the Court finds that the Purchase Order is not a genuine contemporaneous record of the purchase of the Bitcoin, it would necessarily follow either that Dr Wright and TTL were responsible for the forgery/fabrication or that they know the document to be forged/fabricated. On either basis, the claim would be an abuse of process.

The 12ib7 address

44. The Enyo Defendants currently do not know anything about TTL's case on how Dr Wright and/or TTL came to acquire the Digital Assets in the 12ib7 address. No explanation has been put forward in this regard and TTL's Amended Particulars of Claim do not contain any pleading whatsoever on how or

⁴⁶ Cain 1, §105; [OJC1/2/178]

⁴⁷ [OJC1/2/180]

⁴⁸ [OJC1/2/180]

⁴⁹ WizSec Article, “The 80,000 stolen MtGox bitcoins” [TWE-1/183-185]

⁵⁰ Skype conversation between Jed McCaleb and Mark Karpeles, [TWE-1/186-244]

⁵¹ See for example, Peter McCormack, Mark Karpeles on the Collapse of Mt. Gox, Medium.com audio interview transcription [TWE-1/245-275]

when TTL allegedly came to own the Digital Assets in the 12ib7 address. Dr Wright's solicitor's evidence accepts that Dr Wright has "no contemporaneous evidence of the purchase of the 12ib7 address".⁵²

45. This is clearly unacceptable. The Fourteenth Defendant served a Part 18 Request on TTL over three months ago (on 5 April 2023) in relation to these (and other deficiencies). TTL has failed to respond. Until it does so, it is difficult to say any more about this address save that there is no evidence at all that TTL owns it and, in light of all of the other matters addressed in this statement, it is reasonable to infer from this that TTL has never owned it.
46. The only other documentary evidence relied upon by TTL is (i) the accounting records; and (ii) the email from Dr Wright to the ATO dated 10 October 2013.⁵³ There are also fundamental issues with this evidence as set out below.

Accounting Records

47. TTL relies on accounting records of companies associated with Dr Wright as indirect contemporaneous evidence of the ownership of the Digital Assets.⁵⁴ These records are primarily in the form of financial data for the Craig Wright R&D Trust (which Dr Wright says became the Tulip Trust in 2011) from two systems: MYOB and Xero.
48. These records have been analysed for TTL by AlixPartners in a report dated 29 April 2021.⁵⁵ TTL's case, as I understand it, is that:
- 48.1. The MYOB records show that an entity related to Dr Wright recorded the receipt of 79,956 BTC as inventory on 26 February 2011 (i.e. the BTC in the 1Feex address). The Xero records show these assets as held by companies related to Dr Wright from 1 January 2014 (it being not clear from the Xero records as to when the assets were acquired).
- 48.2. There are no MYOB Records in relation to 12ib7 but TTL says that this is likely because they were purchased by an (unspecified) entity for which no MYOB records exist. The 12ib7 address is recorded in the Xero records as being held by companies related to Dr Wright no later than 1 January 2014 (it being not clear from the Xero records as to when the assets in the Addresses were acquired).
- 48.3. Entries made in the Xero accounting system cannot be modified subsequently without a record of modification being added to an audit history log.

⁵² Cain 1, §190

⁵³ [OJC1/2/225]

⁵⁴ Cain 1, §106, §§177 – 182

⁵⁵ [OJC1/2/187]

48.4. All accounting entries referred to in the AlixPartners report were made in Xero within eight months of the accounting dates (unless otherwise stated) which shows that the Xero accounting records regarding the ownership of the two addresses were made at that time.

49. However, the AlixPartners report and the accounting records, do not support TTL's claim that these records constitute contemporaneous evidence of TTL's ownership of the Digital Assets:

49.1. AlixPartners only states that the Xero records cannot be modified subsequently without leaving a record of the modification. The Xero records only show that the Bitcoin in the Addresses were recorded from 1 January in 2014. For reasons I explain further below, this is not surprising as Dr Wright relied on a claim to ownership to the Bitcoin in these Addresses in a dispute with the ATO in 2014 and 2015. The ATO found that Dr Wright did not own the Bitcoin in these Addresses and that Dr Wright had fabricated documents in support of a false claim to tax rebates (see further below).

49.2. AlixPartners does not state anywhere in their report that the MYOB accounting records (as opposed to the Xero records) cannot be modified without leaving a record of the modification. AlixPartners only reviewed screenshots and data downloads in PDF and excel for the MYOB files. That data, despite requests, has not been provided to the Enyo Defendants. As a consequence, AlixPartners did not confirm that there is any contemporaneous record of ownership of the Addresses in the MYOB data, let alone any record that can be properly audited.

49.3. The MYOB accounts do not show any entries for the Bitcoin in the 12ib7 address. The first point at which this address appears in the accounting records (even on TTL's case) is January 2014.

49.4. There are a number of unexplained discrepancies in the records themselves including (i) the recipient of the 1Feex digital assets listed in the Purchase Order is different to that in the MYOB records; (ii) transactions have been recorded against the incorrect entity;⁵⁶ (iii) the amounts shown in MYOB records are in GBP, which is odd given (a) Dr Wright allegedly used Liberty Dollars to purchase the Bitcoin; and (b) Dr Wright's own case is that he did not move to the UK until 2015;⁵⁷ and (iv) the MYOB entry recording the 1Feex transfer is a different date to the Purchase Order. Together, these discrepancies raise questions as to the legitimacy of what is being claimed by TTL.

49.5. Whilst the Enyo Defendants have not yet had the opportunity to examine the MYOB records, counsel for the Plaintiffs in proceedings in Florida where Dr Wright deployed these same records

⁵⁶ Alix Partners Report, §2.3.5 at [OJC1/2/193-194]

⁵⁷ APOC, §7

noted “significant red flags” including that “the production included file types, such as “docx” that appear to be unsupported by MYOB’s export function, and metadata for many of the documents shows a different law firm, SCA Ontier—which represents Defendant and his wife—as the creator of the documents”.⁵⁸

50. Given the above, the accounting records cannot be relied upon as contemporaneous records of ownership of the Digital Assets. Consistently with the Purchase Order, these documents also have signs of fabrication, which the Enyo Defendants would expect to prove at trial.

ATO investigation

51. Finally, TTL relies on the reference to the Digital Assets in communications with the ATO in October 2013 as evidence of his claim to ownership. Dr Wright’s evidence is that he would not have told the ATO that he controlled the Digital Assets if he did not in fact own them given the tax consequences of doing so. I explain what I understand to be the key aspects of this investigations and the findings ultimately made by the ATO below.
52. In 2013, Dr Wright sought to claim tax rebates of AUD 4,540,624.84 for what he alleged was research and development conducted by him, through companies which he owned, in relation to the development of Bitcoin.⁵⁹ The ATO instigated an audit into the affairs of those companies and the claimed tax rebates. In the context of this investigation, on 10 October 2013, Dr Wright sent the ATO an email⁶⁰ in which he listed a number of addresses on the Bitcoin blockchain that he said held Bitcoin that belonged to him. This list included the 1Feex and 12ib7 addresses amongst others.
53. The Enyo Defendants believe that Dr Wright identified the 1Feex and 12ib7 addresses, and the other addresses he listed in his email, from an online “Bitcoin rich list”⁶¹ in an attempt to demonstrate that he had substantial Bitcoin holdings in order to justify and explain the rebate the ATO was in the process of investigating.
54. During the investigation, Dr Wright was asked by the ATO to prove control of Bitcoin at the Addresses by using the message signing feature.⁶² Dr Wright could not do so. He now claims that “by the time

⁵⁸ Kleiman Claim, Plaintiffs’ Omnibus Motion in Limine [Doc 510] [TWE-1/293]

⁵⁹ Reasons of Decision directed to Denariuz Pty Ltd, a company wholly owned and controlled by Dr Wright, dated 21 March 2016, pages 6 and 9 [OJC1/3/490] [OJC1/3/493]

⁶⁰ [OJC1/2/225]

⁶¹ All current and past balances of Bitcoin addresses are public, and certain websites rank the addresses with the highest balance as a curiosity, making it easy to identify addresses containing significant amounts of Bitcoin at any given point in time. See for example <https://bitinfocharts.com/top-100-richest-bitcoin-addresses.html>. This list includes both the Addresses. [TWE-1/300-305]

⁶² The message signing feature allows a person with access to the private key for a Bitcoin address to ‘sign’ an arbitrary message. Given a pre-determined message and address, only someone with access to the private key could create a cryptographically valid signature.

that request was made to me, the assets in the Address (and other addresses) were outside Australia” for tax reasons.⁶³ This answer is an obfuscation. The ability to use the message signing feature is not geographically linked and can be done by anyone, anywhere, with the relevant private key.

55. Critically, at the conclusion of its investigation, the ATO found that Dr Wright deliberately altered or fabricated materials provided to the ATO and lied to the ATO in various respects.⁶⁴ By way of example,⁶⁵ the ATO identified an instance where Dr Wright had provided two versions of the same email purportedly attaching the Tulip Trust document, which were identical save for one was dated 24 June 2011 and the other 17 October 2014, the latter date being many months after the alleged sender died.⁶⁶
56. The ATO determined that neither Dr Wright (or the companies through which he was claiming tax rebates) owned the Digital Assets,⁶⁷ and made adverse finding or inferences in respect of all (or virtually all) of the documentary evidence put forward by Dr Wright and his companies. For example, the ATO found that Dr Wright admitted to backdating invoices⁶⁸ and concluded that the Tulip Trust was a sham.⁶⁹ Accordingly, the ATO refused all of the rebates claimed by Dr Wright’s companies.
57. Notably, none of these findings were challenged by Dr Wright or any of the Companies against whom they were made. Moreover, the ATO then commenced a criminal investigation into Dr Wright⁷⁰ which resulted in a raid of his property in Sydney shortly before he fled to the United Kingdom⁷¹ where he now resides. The Enyo Defendants understand that the ATO criminal investigation remains ongoing.
58. Consistent with, and corroborative of the ATO’s findings that Dr Wright never owned the Bitcoin in the 11 addresses he claimed to own in his email dated 10 October 2013,⁷² the Enyo Defendants can prove that at least two of the addresses in that list are owned by others:

58.1. 16cou7Ht6WjTzuFyDBnht9hmvXytg6XdVT (“**16cou**”): Upon becoming aware that Dr Wright claimed ownership of this address, the true owner (amongst others who had also been made aware that Dr Wright was claiming ownership of addresses owned by them) digitally signed the message (a process which can only be done by someone who holds the private key) with the

⁶³ Wright 1, §94

⁶⁴ Denarius Pty Ltd, Reasons for Decision at [OJC1/3/485] and [OJC1/3/523], for example §§46, 202 and 221

⁶⁵ See also other examples listed at Enyo Defendants’ Defence, §54.9.1. See §202 at [OJC1/3/519], §221 at [OJC1/3/523], §224 at [OJC1/3/524], and §272 at [OJC1/3/534].

⁶⁶ Denarius Pty Ltd, Reasons for Decision , §148 at [OJC1/3/508].

⁶⁷ [OJC1/3/485] and [OJC1/3/352].

⁶⁸ Denarius Pty Ltd, Reasons for Decision [OJC1/3/485] and [OJC1/3/524], §224

⁶⁹ Denarius Pty Ltd, Reasons for Decision , §270 at [OJC1/3/534]

⁷⁰ Denarius Pty Ltd, Reasons for Decision at [OJC1/3/485-541]

⁷¹ The Guardian, “Reported bitcoin ‘founder’ Craig Wright’s home raided by Australian police” [TWE-1/306-315]

⁷² [OJC1/2/225]

message “[the 16cou address] *does not belong to Satoshi or to Craig Wright. Craig is a liar and a fraud.*”

58.2. 1933phfhK3ZgFQNLGSDXvqCn32k2buXY8a (“**1933**”): The 1933 address is owned by an individual based in California. This individual, referred to as “John Doe” in the Kleiman Claim, was subpoenaed to provide evidence and did so under seal in order to keep his identity anonymous. He confirmed his ownership of the 1933 address.⁷³ Despite the fact the court ordered John Doe’s identity to be kept anonymous (primarily due to individual safety concerns given the value of the assets in the 1933 address), Dr Wright made public statements identifying the individual online.

59. It is implausible that if Dr Wright owned the Digital Assets (or any material amount of cryptocurrency) that he would falsely claim to own Bitcoin addresses owned by others. The fact that Dr Wright falsely claimed ownership of other addresses at the same time as claiming ownership of the Digital Assets supports an inference that he has fraudulently claimed ownership of the Digital Assets and has now done so for some time.

Other relevant matters

60. Following the ATO investigation, a claim was brought by a personal representative of David Kleiman (deceased) and W&K Info Defence Research LLC (“**W&K**”), a company co-founded by David Kleiman and Dr Wright, against Dr Wright in the United States District Court for the Southern District of Florida (as defined above, the “**Kleiman Claim**”).⁷⁴

61. In the Kleiman Claim, Dr Wright disclosed emails that showed that he did not acquire TTL until 2014 (contrary to sworn declarations made by him in the course of the proceedings that he signed the Tulip Trust in October 2012). He also disclosed documentation that gave the outward impression that he had been the owner of TTL since 2011, but which, on analysis of the surrounding documentation, were demonstrably shown to be backdated.⁷⁵ These documents indicated that TTL could not have owned the Digital Assets until at least October 2014.

62. Further, Dr Wright disclosed a paper wallet⁷⁶ allegedly showing he was the owner of the Bitcoin in the 1Feex address. A paper wallet is a paper document that includes the public address and private key to a relevant address on the Bitcoin blockchain. The paper wallet disclosed by Dr Wright is also a forgery.

⁷³ Kleiman Claim, Non-Party Witness John Doe’s Expedited Renewed Motion to Seal Limited Portions of Trial Including Portions of Deposition Transcript [Document 759], [TWE-1/316-325] and Kleiman Claim, Transcript of trial Day 3 [Document 839] [TWE-1/326-593]

⁷⁴ Kleiman Claim.

⁷⁵ Kleiman Claim, Order on Plaintiffs’ Motion to Compel [Document 210], [TWE-1/78]

⁷⁶ Kleiman Claim, [Document 963-11] [TWE-1/599]

It is a standard paper wallet generated on www.bitcoinpaperwallet.com which Dr Wright then altered. The QR code on the wallet is not genuine, the background is inconsistent with a genuine paper wallet, and was a background that was only introduced in 2014, some three years after the alleged purchase. It is notable that Dr Wright did not mention this paper wallet in his explanation of his purchase of the Digital Assets in this case. Even if the paper wallet was genuine, the existence of a paper wallet itself requires an explanation from Dr Wright as to why he could not simply use the paper wallet to recover the funds he allegedly lost, given the purpose of a paper wallet is to be a safe offline backup against hacks.

63. Judge Reinhart in the Kleiman Claim gave the following assessment of Dr Wright and his evidence:

“Dr. Wright had many reasons not to tell the truth. Most notably, Dr. Wright might want to prevent the Plaintiffs (or others) from finding his Bitcoin trove. Alternatively, there was evidence indicating that relevant documents were altered in or about 2014, when the Australian Tax Office was investigating one of Dr. Wright’s companies. Perhaps Dr. Wright’s testimony here is motivated by certain legal and factual positions he took in the Australian Tax Office investigation and from which he cannot now recede.”

“There was substantial credible evidence that documents produced by Dr. Wright to support his position in this litigation are fraudulent. There was credible and compelling evidence that documents had been altered. Other documents are contradicted by Dr. Wright’s testimony or declaration. While it is true that there was no direct evidence that Dr. Wright was responsible for alterations or falsification of documents, there is no evidence before the Court that anyone else had a motive to falsify them. As such, there is a strong, and unrebutted, circumstantial inference that Dr. Wright wilfully created the fraudulent documents.”

“One example is the Deed of Trust document for the Tulip Trust. Among the trust assets identified in the purported Deed of Trust creating the Tulip Trust on October 23, 2012, are “All Bitcoin and associated ledger assets transferred into Tulip Trading Ltd by Mr David Kleiman on Friday, 10th June 2011 following transfer to Mr Kleiman by Dr Wright on the 09th June 2011 . . . This incles [sic] the 1,200,111 Bitcoin held under the former arrangement and the attached conditions.” P. Ex. 9 at 2. Notably absent from the list of trust assets is any encrypted file, software, public or private keys. The Deed of Trust states that the parties forming the Tulip Trust are Wright International Investments Ltd and Tulip Trading Ltd. Id. At 1. There was credible and conclusive evidence at the hearing that Dr. Wright did not control Tulip Trading Ltd. until 2014. P. Exs. 11-14; DE 236 at 88-96. Moreover, computer forensic analysis indicated that the Deed of Trust presented to the Court was backdated. The totality of the evidence in the record does not

substantiate that the Tulip Trust exists. Combining these facts with my observations of Dr. Wright's demeanor during his testimony, I find that Dr. Wright's testimony that this Trust exists was intentionally false."⁷⁷

64. Prior to this, Dr Wright had been ordered to provide full disclosure of his bitcoin holdings as at 31 December 2013.⁷⁸ The Plaintiffs subsequently brought a motion compelling Dr Wright to comply, which was then granted.⁷⁹ Dr Wright (eventually) complied and submitted a document named the "CSW Filed List". The CSW Filed List contained approximately 16,000 addresses and was filed along with a statement from Dr Wright that "*The receipt of these documents and my inspection of them allowed me to recognize the authenticity of the other documents, including the list of bitcoin public addresses.*" Notably (i) the Digital Assets were not included on this list; and (ii) upon the CSW Filed List becoming public in May 2020, 145 of the addresses were promptly signed by their true owners with the text "*Craig Wright is a liar and a fraud*".⁸⁰

The Alleged Hack

65. Dr Wright's actions in relation to the Alleged Hack also support the inference that he did not own the Digital Assets.
66. As explained above, TTL and Dr Wright claim that between 5 and 8 February 2020, unknown persons unlawfully accessed Dr Wright's personal computer and network and accessed and deleted the private keys, removing Dr Wright's access to the Bitcoin in the Addresses.⁸¹
67. Dr Wright's explanation of the Alleged Hack is not credible or plausible. There is prima facie evidence that the Alleged Hack did not occur as alleged by TTL, namely:
- 67.1. Dr Wright claims to have wiped his hard drive shortly after the Alleged Hack.⁸² He claims that he did so as he "*did not know how the hackers obtained access*" and "*to ensure all malware and other threats were removed*".⁸³ This explanation is not credible. It cannot be the case that a 'renowned' computer security expert, as Dr Wright claims to be, would take such action following a hack as to do so would result in the loss of all information that might be used to

⁷⁷ Kleiman Claim, Order on Plaintiffs' Motion to Compel [Document 210] [TWE-1/77-78]

⁷⁸ Kleiman Claim, Order on Defendant's Motion regarding production of a list of the public addresses of his bitcoin as of December 31, 2013 [Document 166] [TWE-1/690-693]

⁷⁹ Kleiman Claim, Order on Plaintiffs' Motion to Compel [Document 210] [TWE-1/85-86]

⁸⁰ Kleiman Claim, Notice of supplemental evidence supporting Plaintiffs' Ominibus Motion for sanctions. [TWE-1/605-606]. See also Order of Judge Beth Bloom [Document 595], "Fourth, in the Supplement, Plaintiffs represent that "someone anonymously posted a message" to a link in which the author signed it "with the private keys to 145 of the bitcoin addresses appearing on the CSW Filed List." [TWE-1/706].

⁸¹ Wright 1, §51

⁸² Wright 1, §57

⁸³ Wright 1, §57

identify the Alleged Hackers and recover the stolen material.

67.2. Dr Wright has stated that backups of the private keys were held on Keepass, his One Drive, and Google cloud drives.⁸⁴ It is well known that Microsoft and Google retain records of information held on their servers and that this information can be recovered if requests are made. Dr Wright made no attempt to contact Microsoft or Google to recover the information he says was deleted during the Alleged Hack. It is not credible that, in the context of an alleged loss as substantial as this one, Dr Wright did not consider (or retain others to consider) all possible avenues for the recovery of the allegedly deleted private keys.

67.3. No attempts have been made to move the Bitcoin despite the Alleged Hack having occurred more than three years ago.

68. Given Dr Wright's long history of fraud, forgery and dishonesty and the compelling prima facie evidence that TTL's claim to ownership of the Bitcoin is similarly fraudulent, the Enyo Defendants respectfully consider that there is a compelling case for that issue to be determined as a preliminary issue. If the Enyo Defendants are proved right at trial, then these proceedings will have been determined to be a fraud on the Court and, consequently, an abuse of process.

F. MATTERS THAT WILL NEED TO BE ADDRESSED AT TRIAL

69. I have identified at paragraph 27 above the issues that would need to be determined at trial. It will be apparent from that list of issues that there are broadly two distinct parts to this case. The first part relates to TTL's alleged ownership of the Bitcoin at the two addresses. The second part relates to the duties alleged to be owed, including in particular the complex and novel question of whether the software developers sued in these proceedings owe fiduciary or tortious duties to TTL, whether, if such duties are owed, they have been breached and, if so, what, if anything, is the appropriate remedy (the "**Non-Ownership Issues**"). As already noted, the Non-Ownership Issues will not arise unless TTL succeeds on the Ownership Issue.

70. There are clear case management advantages in determining the Ownership Issue as a preliminary issue. I have addressed at paragraph 28 above what matters are necessary to determine the Ownership Issue. I explain this below, addressing in turn a trial of the Ownership Issue and a trial of the Non-Ownership issues.

Trial of the Ownership Issue

Disclosure

⁸⁴ Wright 1, §§54, 55

71. There is likely to be limited disclosure necessary to determine the Ownership Issue.
72. TTL has disclosed 15 documents by way of Initial Disclosure that it relies upon to support its claim to ownership of the Addresses. My firm has asked TTL's solicitors whether there are any further documents that TTL relies upon for this critical aspect of its case. It has refused to confirm whether any such documents exist. However, in circumstances where TTL's (previous) solicitor, Mr Cain, has given evidence that "*few documentary records of TTL's acquisition of the digital assets and no contemporaneous evidence of the purchase of the 12ib7 Address*"⁸⁵ it seems to me unlikely that there will be a significant volume of further documentation that will need to be disclosed in order to determine TTL's claim to ownership of the Addresses. The Enyo Defendants will of course wish to obtain disclosure from Dr Wright but such disclosure will be limited to a focused request for documents relevant to the forgeries in question. As these matters have been largely canvassed in other proceedings, the process is likely to be relatively simple and proportionate.
73. The Enyo Defendants had no involvement in TTL's alleged acquisition of the Bitcoin in the Addresses. They will therefore have no contemporaneous documentation to disclose save for any materials that they have obtained since being put on notice of Dr Wright's claim. It is therefore not expected that the Defendants will have any significant disclosure to give in relation to the determination of the Ownership Issue.

Factual Evidence

74. There is similarly likely to be limited factual evidence required.
75. TTL has already confirmed that Dr Wright will be its principal witness.⁸⁶ It is possible Dr Wright's former wife, Lynn Wright, might give evidence given the Purchase Order for 1Feex was allegedly prepared by her and Dr Wright says he left her to deal with the transaction.⁸⁷ It is also possible that TTL may wish to call a limited number of further witnesses to support its claims, albeit it has not identified any such person in evidence to date. It does not seem likely that any such further evidence would be substantial.
76. The Enyo Defendants are likely to wish to call a small number of witnesses to address Dr Wright's claims. That evidence is likely to be targeted at very specific issues and is likely to be limited in scope. It is unlikely that any of the Enyo Defendants themselves would be required to give evidence on the Ownership Issue, and it is unlikely that any of the witnesses who can speak to the Ownership Issue would also be able to speak to the Non-Ownership Issues (save possibly for Dr Wright).

⁸⁵ Cain 1, §190

⁸⁶ Cain 1, §117

⁸⁷ Wright 1, §§39 and 41

Expert Evidence

77. Expert evidence will be limited to forensic document analysis. Based on the documents disclosed to date, it is likely that forensic document experts will need to examine a relatively small number of documents. Evidence from an expert in this field will not be required for the Non-Ownership Issues.

Trial

78. In my experience, I would expect a trial of the issues I have described above, and with the evidence I have anticipated, would likely require seven to ten days of court time (including pre-reading). This is based on the following indicative timetable:

78.1. Pre-reading: 1 day

78.2. Openings: ½ a day

78.3. Claimant's witnesses: 2-4 days

78.4. Defendants' witnesses: 1-2 days

78.5. Expert evidence: ½ a day to a day

78.6. Closings: 1 day

79. I have checked the court website and (at the date of this witness statement) I understand the Court could accommodate a trial of this length from 1 October 2024. There is more than sufficient time in the period between the hearing of this application and that date for a trial of the Ownership Issue to be properly prepared.

80. My estimate of the costs of the proceeding through to the conclusion of a preliminary issue trial on the Ownership Issue is in the region of £1.39 million.

Matters necessary to determine the Non-Ownership Issues

81. By contrast to the relative simplicity of the Ownership Issue, determining the remainder of the issues (if they arise) will be complex, time consuming and expensive.

82. I would note at the outset that this is a very significant claim made against 15 individuals with excess of £4bn in issue. TTL's claim not only has huge consequences for the Enyo Defendants personally (TTL seeks damages, an account or equitable compensation that could exceed £4bn against each of them), but also for the Bitcoin system more generally. TTL's case challenges a key principle of the Bitcoin system: that a user's private key is required to effect a transaction and it cannot be overwritten by a group of developers in order to benefit, and prefer, a particular individual. If TTL's case is accepted, it could have a very significant adverse impacts on Bitcoin (which currently has a market capitalisation

of over \$500bn) and the open-source development industry in general. The Enyo Defendants therefore intend to defend the case in proper proportion to its significance so that the Court has before it all necessary information to determine the Non-Ownership Issues, if they arise.

Matters in Issue

83. As will be apparent from the parties' pleadings there is fundamental disagreement on almost all material aspects of what Bitcoin is, how the Bitcoin system operates, the role of the developers and the likely consequences if an order of the type sought by TTL is made. Moreover, due to the differences between each of the cryptocurrencies in issue (BTC, BCH and ABC), each of these issues will need to be considered from the perspective of each cryptocurrency. This is likely to be a very substantial task that will necessitate a significant volume of factual and expert evidence.
84. In making any determination the Court will need to consider this factual background and determine each of these issues listed at paragraph 27 above.
85. I provide my initial views on the shape of a trial on the balance of the issues below.

Disclosure

86. It is anticipated that TTL will seek disclosure from each of the 15 individual defendants. As things stand, it is unclear exactly what the Court will order by way of disclosure in relation to these issues, but TTL (through Dr Wright) has made it clear that they will "*drag [the Developers] through discovery, legal processes and more*" and that he is going to use disclosure "*to go through every little minor aspect of every Dev's life*"⁸⁸ to "*uncover everything about everyone in this industry*"⁸⁹ and "*every single Dev is going to be pulled into this whether they like it or not*". Whilst this sort of disclosure is obviously inappropriate, it provides a flavour for the approach that TTL is likely to take to the disclosure process.
87. As a practical matter, and irrespective of the scope of disclosure ultimately ordered, disclosure is inevitably going to be a time-consuming and expensive process. The Enyo Defendants are 11 individuals located in seven different jurisdictions. Moreover, these individuals, as software developers, are likely to have very large volumes of data stored across many different sources and devices. It is also possible that third party disclosure will be required in order to ensure that all relevant information is before the Court.
88. Even working through the questions necessary to prepare section 2 of the Disclosure Review

⁸⁸ Craig Wright Slack Message [TWE-1/608]

⁸⁹ Craig Wright Slack Message [TWE-1/609]

Document is likely to be a lengthy process. In my view, and based on my experience in similar matters, the actual collection, processing, and review of responsive documents alone may result in costs of similar levels to the costs likely to be incurred determining the Ownership Issue.

Factual evidence

89. It is expected that Dr Wright will wish to give evidence about the manner in which the Bitcoin system works given his (disputed) claim to be Satoshi Nakamoto. It is possible that TTL will also wish to call other witnesses, but TTL has not yet given any indication of whether it will do so or the witnesses it will call.
90. However, the burden in relation to the factual evidence is likely to fall most heavily on the Defendants. Each of the individual defendants will likely wish to give evidence. This is because whilst they are all *ad idem* in their views as to the core technical elements of the Bitcoin system, they have each made contributions to Bitcoin Core at different times and in different capacities. They are likely to wish to explain this to the Court and the likely impact of an order of the type that TTL is seeking in relation to participation in the Bitcoin Core project and cryptocurrency more generally. It is also possible that the Enyo Defendants will wish to call witnesses who are involved in other aspects of the Bitcoin system, for example miners, investors, exchanges, or other contributors to the Bitcoin Core software that have not been named as defendants.
91. It is therefore likely that there will be in excess of 20 witnesses that will be required to give evidence at trial with their evidence being of varying length and complexity.

Expert Evidence

92. It seems to me that expert evidence will be required in at least the following fields:
- 92.1. Bitcoin: Expert evidence will be required to resolve the contested issues relating to (i) the manner in which the Bitcoin system works; (ii) its history; (iii) the role of contributors to Bitcoin Core; (iv) the manner in which relief of the nature sought by TTL might be effected; and (v) the likely impact of any such relief on participants in the Bitcoin system and owners of Bitcoin. TTL and Dr Wright's position on this is illogical, and is irreconcilable with the Enyo Defendants' position, and indeed with the majority of the cryptocurrency industry. Given the technical nature of the subject matter and the breadth of disagreement in relation to these issues that arise on the pleadings, this evidence is likely to be extensive. Further, it is likely that multiple experts will be required because of the need to address (i) the differences that exist in each of the different cryptocurrencies the subject of the claim; and (ii) different participants in the Bitcoin system (i.e. software developers, miners and/or investors).

- 92.2. Open-source software development: Expert evidence will be required as to the open-source nature of the Bitcoin software and the impact of this should the Court find that duties of the nature, as alleged by TTL, would have on participation in the cryptocurrency community.
- 92.3. Availability of insurance: On TTL's case the Enyo Defendants owe fiduciary duties to an unlimited class of users, and in essentially unlimited sums - the total market capitalisation of BTC is currently over \$500bn. On TTL's pleaded case, this would require the Enyo Defendants to investigate and address any claim made by any individual who claims to have owned Bitcoin but who says that they have lost their private key or had it stolen. This would leave the Enyo Defendants at risk of claims for either failing to act, failing to act quickly enough, or acting and making an incorrect determination as to ownership. Whether or not insurance is available to insure against this risk and in what levels is a relevant matter when determining whether it is fair, just, and reasonable to impose a duty of the type alleged by TTL. This was addressed by Mrs Justice Falk (as she then was) in her judgement at the jurisdiction stage.⁹⁰ TTL has accepted the availability of insurance is a complex and technical matter that would need to be proved at trial by reference to expert evidence.⁹¹
- 92.4. MIT Licence: The White Paper was published under an MIT Licence so it will be critical to understand how an MIT Licence operates and the governing law of work product published subject to such licences. This is an issue which is critical to all open-source development, as it cannot work if the MIT license does not protect developers.

Trial

93. For the reasons I have explained above, a trial of the Non-Ownership Issues is likely to be lengthy and complex. Given the number of factual and expert witnesses likely to be involved and the technical complexity of the relevant issues, I expect that the trial is likely to occupy between eight to ten weeks of Court time. I provide this estimate on the basis of the following very high-level trial timetable:
- 93.1. Openings: 3 days
- 93.2. Claimant's factual evidence: 2-3 weeks
- 93.3. Defendants' factual evidence: 2-4 weeks
- 93.4. Expert Evidence: 2-3 weeks
- 93.5. Oral closings: 4 days

⁹⁰ *Tulip Trading Ltd v Bitcoin Association for BSV* [2022] EWHC 667 (Ch), §§105-106 [TWE-1/634-635]

⁹¹ TTL's Skeleton Argument for Jurisdiction Challenge Appeal dated 2 September 2022, §32 [TWE-1/661]

94. Based on the Court lead times as at the date of this witness statement, the earliest an eight to ten week trial could be listed is from 18 November 2024.
95. The costs of a trial of this nature are likely to be very substantial. On the basis of the assumptions I have outlined above, and my experience of similar cases of this size and complexity, I would expect the Enyo Defendants' costs to trial to be in the region of £5-10 million.
96. The Enyo Defendants respectfully suggest that it would be unfair to require them (each of whom is an individual) to litigate a case of this nature all the way to trial (with the concomitant imposition on their time and with a claim for damages exceeding £4bn hanging over their heads), incurring enormous and potentially unnecessary costs, in circumstances where there is a serious question as to whether TTL is even the owner of the assets it seeks to obtain access to.

G. SUITABILITY OF THE OWNERSHIP ISSUE FOR PRELIMINARY ISSUE TRIAL

97. Although this will be a matter for submissions, I understand the Court will consider whether an issue is suitable for preliminary issue trial on the basis of the criteria set out in *Steele v Steele [2001] CP Rep 106*. I have addressed below some of the factual points that arise in that context:

97.1. Knock Out Issue: The Ownership Issue is a knock-out issue. TTL's own evidence accepts this in Cain 1, §130 "*it goes without saying that TTL needs to show that it is the owner for the digital assets in question in order for the Claim to succeed*" (emphasis added). If it is determined that TTL does not own the Bitcoin in the Addresses, TTL's claim fails and no further trial will be needed. I can see no way in which TTL could amend their pleadings following a preliminary issue trial on the Ownership Issue to avoid the consequences of the preliminary issue trial determination.

97.2. Cross Over: The Ownership Issue is easily separated from the other issues in the case. If it is determined that TTL does own the digital assets in the Addresses, then this issue would not need to be re-argued at trial. It is a distinct issue with no crossover with the other issues.

97.3. Question of fact: The determination of the Ownership Issue is a question of fact (not law) and therefore unlikely to be the subject of an appeal once determined. Therefore, even if the Ownership Issue were to be decided against the Enyo Defendants, it is unlikely to impede or disrupt the continuation of the proceedings.

97.4. Resource and costs saving: As the case can be split into two trials, an order for a preliminary issue trial will not materially increase costs even if the defendants are not successful and the case proceeds to trial. The Ownership Issue will need to be determined in any event and the absence of cross-over means that there will be no duplication of work and limited material cost

increases by having the Ownership Issue determined first. As I have explained above, a trial of the Ownership Issue could be heard from October 2024, occupying seven to ten days of Court time at an expense in the region of £1.5million to the Enyo Defendants. Conversely, a trial of the entire claim is unlikely to be heard until 2025, would occupy between eight to ten weeks of Court time at an expense of between £7-10million to the Enyo Defendants. These costs savings alone are compelling.

97.5. Delay to trial: Whilst I recognise that proceeding in this manner may lead to some delay, any delay that does occur is far outweighed by the other benefits explained above. In order to avoid a delay arising from listing availability, and if the Court is content to do so, the Enyo Defendants are content for a window for a trial of the Non-Ownership Issues to be listed, on the basis that the parties will update the Court as to whether it is required once the Ownership Issue has been determined. The Enyo Defendants are also seeking to address this by requesting that TTL agree to directions including that the CMC for the main trial be listed for four weeks after the hearing on the Strike Out and Preliminary Issue Application. This will ensure there is no material delay to proceedings should the Court refuse the Defendants' application for a preliminary issue trial and decide that the issue of abuse of process should be deferred to the main trial.

97.6. Right and just: For the reasons I have explained at length, there is more than sufficient prima facie evidence to call into serious question the bona fides of TTL's claim to ownership of the Digital Assets. In those circumstances, and where the alternative is that the Enyo Defendants will be forced to spend in excess of £7 million to litigate this matter to trial at some time in 2025 with the threat of a £4bn claim hanging over them in the meantime, it is plainly right and just that the Ownership Issue is determined first. Dr Wright's open desire to use these proceedings to ruin the lives of the Enyo Defendants is well publicised. Dr Wright has openly posted about his intentions on Twitter, for example "*I will personally hunt every dev until they are broke, bankrupt and alone before I lost*"⁹² and "[t]he cases will be like a lottery. Most BTC devs will fold. A few will be bankrupted, lose their families and collapse".⁹³ Moreover, given that no steps have been taken by the Alleged Hackers to move the Digital Assets since the Alleged Hack occurred three years ago, and even were a full trial to be ordered now, it will be at least another two years before this claim is resolved, it is difficult to see what prejudice TTL will suffer from any delay.

⁹² [SJE1/8]

⁹³ [SJE1/7]

97.7. Timing: The Chancery Court Guide⁹⁴ requires parties to actively consider at the earliest opportunity, and certainly in advance of the first CMC / CCMC, whether there are any issues which are suitable for determination as a preliminary issue. The Enyo Defendants have raised this at the earliest opportunity.

98. For the reasons set out in this witness statement and having regard to all the circumstances in the case, the Court is respectfully asked to grant an order in the form as attached to the Enyo Defendants' application.

H. SECURITY FOR COSTS

99. The Enyo Defendants are seeking security for their costs up to and including the preliminary issue trial.

100. Pursuant to CPR Part 25.13(1), the Court may make an order for security for costs if:

100.1. It is satisfied, having regard to all the circumstances of the case, that it is just to make such an order; and

100.2. One or more conditions in CPR25.13(2) applies or an enactment permits the court to require security for costs.

101. The Court has already, in the context of the jurisdiction challenge, and by order of Master Clark dated 5 January 2022,⁹⁵ ruled that the condition at CPR25.13(2)(c) (the "**Impecuniosity Condition**") is satisfied by TTL.

102. Following Master Clark's order, TTL provided security by way of payment into Court but this has now been released following the Court of Appeal order dated 13 February 2023. Since the release of these funds, the Defendants have been unsecured, despite significant costs being incurred for the preparation of the defence and preparing this Strike Out and Preliminary Issue Trial Application.

103. There has been no change of circumstances to TTL's finances since Master Clark's order. As such, the Defendants had hoped to agree the principle of security with TTL. However, it is clear for TTL's correspondence with the other Defendants that they will refuse to agree.⁹⁶

104. In light of this the Enyo Defendants are now seeking an order from the Court for security on the basis of the Impecuniosity Condition as found by Master Clark, and which remains unchallenged by TTL.

Dr Wright

105. Whilst I recognise that the claim is brought by TTL, Master Clark found "*the only person who exercises*

⁹⁴ §6.11

⁹⁵ *Tulip Trading Ltd v Bitcoin Association BSV and Ors* [2022] EWHC 2 (Ch) [TWE-1/1-14]

⁹⁶ See for example Ontier's letter to Brett Wilson dated 20 March 2023 [TWE-1/675-676]

central management and control of TTL *is Dr Wright*".⁹⁷ Dr Wright has a history of seeking to avoid Court orders and appears to have deliberately taken steps to make himself judgment proof:

105.1. He is subject to a USD\$140 million judgment debt in the US,⁹⁸ which has not been paid and is currently engaged in a cynical campaign to avoid payment of that sum.

105.2. In the Norwegian proceedings brought by Mr Granath, Dr Wright was ordered to pay: (i) the equivalent of £338,000 by the Oslo District Court in October 2022;⁹⁹ and (ii) the equivalent of £51,000 by the Court of Appeal in June 2020. These amounts remain outstanding.

105.3. Dr Wright has sworn in the Kleiman Claim that he does not personally own any assets¹⁰⁰ and has also made a number of public statements on Slack, an instant messaging platform, ultimately intimating that he would take action to avoid paying any adverse costs order in the UK. I exhibit to this statement a number of the relevant posts:

105.3.1. 30 May 2019: *"I am Antiguan"*.¹⁰¹

105.3.2. 27 October 2021: *"In 2011, I constructed a series of corporate movements that removed assets from my name"*.¹⁰²

105.3.3. 3 November 2021: In response to a tweet about court imposed penalties Dr Wright posted *"Have fun. There is nothing on this earth in my name from mid 2015 on, and even then little after 2011"*.¹⁰³

105.3.4. 10 January 2022: *"In the fact of the matter is, I don't own any BTC. [...] assets are held in companies and trusts where I hold assets."*¹⁰⁴

105.3.5. 27 February 2022: *"I've made myself untouchable. If you bankrupt me, nothing happens. I keep leading and I keep building because nothing is in my name."*¹⁰⁵

105.3.6. 26 July 2022: *"If a person would spend 4 million to receive a dollar plus and 2 million costs... So the other side is bankrupt... What would you think?" "Ie. The only thing that matters is crushing the other side" "Well. I would spend 4 million to make an enemy*

⁹⁷ Ibid, §43

⁹⁸ Kleiman Claim, Amended Final Judgment of Judge Beth Bloom [Document 889] [TWE-1/677]

⁹⁹ Granath v Wright, Case No. 19-076844TVI-TOSL04, Judgment of Judge Helen Engebriksen, [TWE-1/123]

¹⁰⁰ Kleiman Claim, Factual Information Sheet - Individual [Document 966-1] [TWE-1/678 - 680]

¹⁰¹ Craig Wright Slack Post dated 30 May 2019 [TWE-1/681]

¹⁰² Craig Wright Slack Post dated 27 October 2021 [TWE-1/682]

¹⁰³ Craig Wright Slack Post dated 3 November 2021 [TWE-1/683]

¹⁰⁴ Craig Wright Slack Post dated 10 January 2022 [TWE-1/684]

¹⁰⁵ Craig Wright Slack Post dated 27 February 2022 [TWE-1/685]

*pay 1.*¹⁰⁶

105.3.7. 26 August 2022: *"Technically, I control none of the assets"*.¹⁰⁷

105.3.8. 26 August 2022: *"[...] I was ordered to give a list of all coins I control. That is easy, nothing. I have very little in my name"*.¹⁰⁸

105.3.9. March 2023: *"I don't own large amounts of bitcoin." ... "I have never been a 100% shareholder in any of my companies"*.¹⁰⁹

106. On the evidence, it is clear that neither TTL nor Dr Wright would be able to pay the significant costs likely to be incurred by the Enyo Defendants' if ordered to do so. Given the Impecuniosity Condition applies, it is just to order security unless TTL can show that to do so will stifle the claim.¹¹⁰ TTL have produced no evidence to demonstrate as such.

Amount of Security

107. This is an exceptional case in which the Enyo Defendants contend that TTL has made a deliberately false claim. The costs of defending such a claim and preparing for a preliminary issue trial are high. There would be substantial prejudice to the Enyo Defendants should the Court find that TTL has in fact brought a fraudulent claim and the Enyo Defendants find themselves unable to recoup their costs. In light of this, the Enyo Defendants seek security for their costs on the indemnity basis.

108. The estimated costs of the claim up to a preliminary issue trial are in the region of £1.39 million.¹¹¹ The Enyo Defendants are seeking security for 90% of their costs, being £1.25 million.

109. TTL has previously provided security by way of payment into Court. The Enyo Defendants would be willing to accept this manner of security.

¹⁰⁶ Craig Wright Slack Post dated 26 July 2022 [TWE-1/686]

¹⁰⁷ Craig Wright Slack Post dated 26 August 2022 [TWE-1/687]

¹⁰⁸ Craig Wright Slack Post dated 26 August 2022 [TWE-1/688]

¹⁰⁹ Craig Wright Slack Post dated March 2023 [TWE-1/689]

¹¹⁰ White Book, §25.13.1 citing *Premier Motorauctions Ltd (in liquidation) v PricewaterhouseCoopers LLP* [2017] EWCA Civ 1872, [2018] 1 WLR 2955

¹¹¹ [TWE-1/733-739]

STATEMENT OF TRUTH

I believe that the facts stated in this witness statement are true. I understand that proceedings for contempt of Court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.



.....
Timothy William Elliss

11 July 2023