

# Motivation and overview

Theo Chino is suing the New York Department of Finance over the legality for them to establish the New York BitLicense. As a result, a project like Zcash is a target for bringing Privacy in the Blockchain realm.

The impact of the project will be that Cryptos businesses will be completely free to experiment in the State of New York free from the fear of being targeted (*other than be subjected to the common law.*)

Chino published an open letter of decent against the Superintendent of NYDFS's decision in August 2014, and the Bitcoin community as a whole retaliated with harsh ridicule.

Source: <http://frenchly.us/french-robin-hood-bitcoin-new-york>

During the creation of the NY BitLicence Regulatory Framework, Chino specifically asked Ben Lawsky about the impact on small business.

Source: [https://youtu.be/jzIuCzat\\_nk](https://youtu.be/jzIuCzat_nk)

In an article titled “New York's Bitcoin hub dreams fade with licensing backlog” from October 31, 2016, Suzanne Barlyn of Reuters reports on the status of the New York BitLicense. The article confirms claims about the inclusion of small businesses by Ben Lasky were, in fact, blatant lies.

Source: <http://www.reuters.com/article/us-bitcoin-regulations-dfs-idUSKBN12V0CM>

A late adopter of Bitcoin, Chino fell in love with the simplicity of the design and encryption framework. As a computer engineer and participant in the political process for over 30 years, Chino realized the devastating effects and the great loss to the community the New York Department of Finance BitLicence ruling could have. The nefarious thwarting of growth and adoption of advancing technology would be one of the greatest losses to society.

Looking at Bitcoin, Theo Chino recognized its potential and had been driven to explore its potential of innovation in a dormant e-democracy project.

**If Chino is successful, the BitLicence will disappear, and cryptos innovation will be re-energized and expanded to all citizens.**

- <https://bitcoinfoundation.org/bitlicense-theo-chino> (Bitcoin Foundation)
- <https://cei.org/blog/new-yorks-bitlicense-trial> (Jim Harper)

## Technical approach

An Article 78 proceeding, named after Article 78 of the New York Civil Practice Laws and Rules is a legal vehicle under which a special legal proceeding can be brought only in the Supreme Court of the County. It allows a plaintiff to challenge violations of lawful procedure,

errors of law, arbitrary and capricious abuse or abuse of discretion, including the abuse of discretion applied to the measure or mode of imposed penalty or discipline.

Source: <http://www.newyorkcplr.com/article-78.php>

- **Video:** Pierre Ciric speaks in front of the Dev Community about the case. <https://youtu.be/lj0Zzi3KxJc>
- **Audio:** WBAI, 99.5 fm (New York) co-host and attorney [Alexander Urbelis of the Blackstone Law Group](#), discussed ongoing litigation about Bitcoin licensing requirements (30 Mar. 2017) <https://soundcloud.com/user-843281442-179959116/off-the-hook>

The Article 78 proceeding in Chino vs. NYDFS was filed in October 2015 in Manhattan Supreme Court on a pro se basis. In September 2016, attorney Pierre Ciric was retained to represent Theo Chino. Article: <https://www.coindesk.com/one-man-fight-new-york-bitcoin-regulation-wages-on>

In April 2017, the Attorney General's office (*who represents NYDFS in the Article 78 proceeding*) and attorney for the plaintiff, Pierre Ciric, agreed to a rewrite of the lawsuit to streamline the process.

## Team background and qualifications

### Pierre Ciric

A veteran global financial executive with extensive experience in financial control and procurement of broad service areas (financial services, marketing consulting, information technologies, human resources and sales force management), Pierre Ciric has a uniquely international purview, with well-honed business skills in all relevant litigation practice areas. <http://www.ciriclawfirm.com/about>

### Thomas Costanzo aka Morpheus Titania

Thomas Costanzo' case ([USA vs Thomas Mario Costanzo and all](#)), has the possibility to redraw Federal rules on crypto currency. Costanzo claims he would take the proceedings to trial by a jury of his peers in Arizona. If he goes through with it and prevails, he will be the first to establish a precedent in the United States involving cryptos.

Links:

- One of the organizer of the Arizona Bitcoin Meetup. <https://www.meetup.com/Arizona-Bitcoin-Meetup/members/1682194>
- Expert seller on LocalBitcoin.com with hundred of trades in the Arizona area. <https://localbitcoins.com/accounts/profile/MorpheusTitania>

- Currently awaiting trial and locked up at the Central Arizona Detention Center in Florence, AZ for selling Bitcoins <https://www.titanians.org/my-friend-morpheus>

<https://www.facebook.com/groups/1931729457074976>

## Theo Chino

A misunderstood Computer Programmer, Chino was nicknamed the first panhandler of the Internet. Source: <https://www.newscientist.com/article/mg14619713-700-netropolitan-fakers>

- In 1995, Chino activated the Alaska node of the first IRC fork, Alternet IRC network.
- In 2003, Chino discovered the lack of transparency by private companies hiding behind I.P. laws to prevent the inspection of the Computer Source Code of the the first official election to replace a constitutional mandated body during the first French Internet election.

Source:

<http://web.archive.org/web/20050322105351/http://www.adfeusa.org/dossiers/vote>

He started a project to research the possibilities to ensure the safeguarding of the democratic process. When he stumbled upon blockchain technology, his vision of secure and trusted electronic voting became refined. He speaks about his "brain project" here:

<https://sourceforge.net/projects/edemocracy>

Chino convinced the French Socialist party (*party in power at the time*) in 2014, to conduct a real trial of his secure electronic voting technology in 2017. The voting trial never happened due to the entanglement with the BitLicense case. Theo Chino promises that once he has secured sustainable financial backing for this lawsuit, he will return to exploring how Zcash can be modified to allow secure electronic voting.

- In 2004, Chino became elected board member in the first Tenant Association of a 120 units complex in Manhattan. Chino's parents, and now his family, have battled in various legal jurisdictions to prevent the City of New York from selling the building to the highest bidder and instead to turn the building over to the tenants (*aka Third Party Program*). Because of those successive battles, every unit in the building can boast a rent of under \$1,000 for a 3-bedroom apartment in New York City.

Article: <http://citylimits.org/2000/03/01/becoming-home>

- In 2007, Chino used his business experience and a gift of \$1,000 from his then employer AOL-Time-Warner, to help organize Education Française à New York into a sustainable organisation (<http://www.efny.net>). He was instrumental in turning the group into a vibrant 501.3(c). He brought quality dual language education within the New York City Department of Education. Before EFNY, dual language education was only tough to transition student from their native languages into English.

Source: <http://www.nytimes.com/2007/08/22/education/22french.html>

- In 2015, the Manhattan District Attorney wrote an OpEd in the New York Times "When Phone Encryption Blocks Justice" <https://www.nytimes.com/2015/08/12/opinion/apple-google-when-phone-encryption-blocks-justice.html>

Between 2015 and 2016, Chino rallied community members in various Community Boards across the five boroughs. He used the platform to educate community members and voters in the importance of encryption and communicated his disagreement with Cyrus Vance, rooted in the lack of technical understanding.

*Video from hearing:* <https://www.youtube.com/channel/UCf75zFbSbSRLbJ0LmdyiVUw>

Chino knew his efforts were generating unwanted waves when leadership prevented him from presenting his findings at one of the last Community Board 8 meetings:

<https://youtu.be/oXgADVIM7AE?t=21s>

In 2017, during a candidate forum, Chino once again had the opportunity to ask the Manhattan DA if he had changed his views on encryption, which he hadn't.

*Video of interaction:* <https://youtu.be/wfhDknByCqM>

Chino used the local election cycle events and visited various political clubs where he presented strong points against the endorsement of Cyrus Vance for Manhattan DA. For the first time Vance, Jr. has lost club endorsements.

*Video of meetings:* <https://youtu.be/k1X6gdWCS18> &

<https://youtu.be/zkKXpBqFAXk?t=2m50s>

- In July 2016 after attending the HOPE Conference in NYC, Chino co-founded the NYC Privacy Board Advocates, after realizing the importance of privacy (<https://www.privacyboard.nyc>). The goal of the group of advocates is to convince City leaders of the importance of a single governmental entity that can dissect and recommend privacy policies about City rules and regulations, contracts with third party vendors and City dealings as a whole that require the safeguarding of private information:

<https://youtu.be/Sgut5ZhkOFY>

## The Bitcoin Foundation

The Bitcoin Foundation, the world's oldest and largest Bitcoin advocacy organization, coordinates the efforts of the members of the Bitcoin community, helping to create awareness of the benefits of Bitcoin, how to use it and its related technology requirements, for technologists, regulators, the media and everyone else globally.

## Evaluation plan

**The success so far has been undeniable.**

On March 16, 2017, the proceeding went to its first hearing where the sitting judge, Hon. Lucy Billings could have dismissed the case without effort. The fact that the case converted into a court room proceeding from an Article 78 proceeding, which only takes place on paper, indicates the unprecedented nature of this legal conundrum.

*Source:* <https://bitcoincenternyc.com/bitcoin-news/new-yorks-bitlicense-challenged-court>

In 2015, Theo Chino approached all the attorneys that represented blockchain technology about assistance. All of the contacted lawyers before the hiring of Pierre Ciric became members of the Digital Currency & Ledger Defense Coalition. At the time this development was a large negative indicator.

In January 2017, after heckling Bruce Fenton of the Bitcoin Foundation Conference at the Miami BTC convention, Fenton and Chino got to know each other and began to earn mutual respect. Fenton put Chino in touch with the new foundation director, Llew Clansen and they became the first Bitcoin organization to take a stand supporting Chinos case.

Source: <https://bitcoinfoundation.org/bitlicense-theo-chino>

In July 2017, ahead of the General Meeting of the Uniform Law Commission (ULC), attorney Pierre Ciric and the Bitcoin Foundation each sent a letter the Commission that CoinCenter does not represent the whole Crypto community. The letters were so successful that entities who benefit from the ULC's templated version of the BitLicence felt compelled to send a memo to Coin Center's Peter Van Valkenburgh with talking point on a possible motion to delay.

In July 2017, ahead of the General Meeting of the [Uniform Law Commission](#), through my lawyer Pierre Ciric and along with the Bitcoin Foundation, we made it known that Coincenter did not represent the whole Crypto community. Our letters were so successful that those who benefit from the ULC version of the Bitlicence felt compelled to send a letter and for Coincenter's Peter Van Valkenburgh a memo with talking point on how to avoid a possible motion to delay or postpone the vote.

- [URVCBA Letter of Support VanValkenburgh 2017jul18 2.pdf](#)
- [URVCBA Letter of Support Blockchain et al.pdf](#)
- [URVCBA Comments BitCoinFoundation 2017jul14.pdf](#)
- [URVCBA Comments Ciric 2017jul7.pdf](#)

In July 2017, at Def Con 25 during the EFF ask anything, Theo Chino asked the director of the Electronic Frontier Foundation Kurt Opsahl why the EFF supported the ULC version of the BitLicence.

Video: <https://youtu.be/xn8QKedrkWQ>

Theo Chino is prepared to fight for the definition of Cryptos all the way to the US Supreme Court as long as the community joins in the efforts.

## Security considerations

Zcash is currently legislatively targeted because of privacy implication. The New York BitLicense's wrong definition of Cryptos is presented and implemented everywhere.

# Schedule

The courts dictate the timeline. The next hearing takes place on October 10, 2017, in New York City. Please check our case website for latest developments: <https://www.meetup.com/Article-78-Against-NYDFS/events/238795106>

“Thanks to the persistence of Theo Chino and his counsel, the “BitLicense” is in the dock and heading for trial. The case will have many twists and turns, but hopefully the idea of special, restrictive regulation aimed at digital currency will get the electric – er, the electronic chair.” – Jim Harper in <https://cei.org/blog/new-yorks-bitlicense-trial>

# Budget and justification

At this time, I have spent about more than \$100'000 in legal services on tap, but the next financial hurdle is \$40'000 for October 31st, 2017.

Nick Spanos, founder of the Bitcoin Center NYC, speaks of the importance of crowdfunding this precedent setting case: <https://youtu.be/JFd5i2iKuLI>