

1st June 2021

NOTICE OF MEMBER DISCIPLINARY RESOLUTION

Blockchain Australia is the peak industry body representing the interests of Blockchain businesses and the Blockchain community in Australia.

We seek to protect the interests of the industry and to ensure that benefits associated with the development of the sector are shared by all in the community.

We advise that:

1. On 29 April 2021, a notice of a member disciplinary resolution was served on a member (Notice), Blockchain Solutions Australia Pty Ltd (Blockchain Solutions Australia, the Member);
2. Blockchain Solutions Australia has in recent times traded under the name “Blockchain Solutions Australia” “Blockchain Australia Solutions” and “Blockchain Australia”.
3. Blockchain Solutions Australia’s registered trading name is Blockchain Australia Solutions.
4. Pursuant to the Blockchain Australia Constitution, the Member was invited, and entitled to provide a response to the Notice, and on 14 May 2021 did provide a response (Response).

On 12 November 2020 Blockchain Australia emailed Mr Ralph Kalsi of Blockchain Solutions Australia about its concern that Blockchain Solutions Australia the website (<http://www.blockchainaustralia.com.au/>) would give visitors the impression that they were engaged with Blockchain Australia rather than Blockchain Solutions Australia.

By email dated 12 November 2020 Mr Kalsi of Blockchain Solutions Australia represented that the website would be altered and updated to remove any confusion.

In February 2021 further concerns were raised that Blockchain Solutions Australia via the website was again creating confusion by its behaviour having retreated from the representations made in November 2020.

In good faith a representative of Blockchain Australia communicated with Blockchain Solutions Australia, articulated the concerns and afforded Blockchain Solutions Australia an opportunity to remedy the concerns. The opportunity afforded to Blockchain Solutions Australia to remedy these concerns was unfortunately ignored. The actions subsequent to the discussion have caused Blockchain Australia serious concern.

The actions of Blockchain Solutions Australia are such that -

- In the use of the term “Blockchain Australia” by Blockchain Solutions Australia has and is creating confusion in the Australian Blockchain ecosystem;
- Blockchain Solutions Australia is and has been aware of the confusion it has created; and
- The behaviour of Blockchain Solutions Australia is wilful and against the interest of the Australian blockchain community.

Of further concern to Blockchain Australia is that after being contacted regarding the concerns, Blockchain Solutions Australia have sought a trademark registration for the words “Blockchain Australia”.

We are firmly of the view that the term “Blockchain Australia” is a trading name which has been used by this organisation well prior to any use by Blockchain Solutions Australia, and is a term which is by its nature a reflection of the ecosystem, as a whole and that no entity should be entitled, nor seek to register or exploit this term for commercial purposes.

In reliance on a thin right afforded by the registration of a domain, Blockchain Solutions Australia claims a right which is predated by the value and recognition of the Blockchain Australia brand which has grown due to the hard work of the volunteers who contribute their time generously to Blockchain Australia. Blockchain Solutions Australia’s behaviour seeks to usurp the value created in Blockchain Australia’s brand familiarity.

The Blockchain Australia Members’ Code of Ethical Conduct requires that:

- *Blockchain Australia members should strive at all times to ensure that their actions reflect positively upon the blockchain industry and shall not undertake any action that will bring the reputation of the industry or Blockchain Australia into disrepute.*

The actions and / or inactions of Blockchain Solutions Australia have the potential to bring the reputation of the industry or Blockchain Australia into disrepute.

- *Members must conduct their business and trading activities in a fair and orderly manner and maintain the integrity of the markets – including the digital currency or digital token markets – in which they operate.*

The actions and / or inactions of Blockchain Solutions Australia do not reflect trading in a fair and orderly manner and maintenance of the integrity of the markets to the standard expected of Blockchain Australia members.



- *Clear and unambiguous language must always be used. When communicating with nonprofessional market participants or customers, Members and their staff must be especially careful to ensure that the use of market terminology does not cause confusion or mislead.*

The action and / or inaction of Blockchain Solutions Australia has resulted in unclear and ambiguous language being used that has the potential to mislead, deceive or confuse nonprofessional market participants.

The Board of Blockchain Australia, having considered the Notice and the Response and the circumstances of the matter, resolved, pursuant to the Constitution, to terminate the Blockchain Solutions Australia Pty Ltd's membership of Blockchain Australia.

For and on behalf of the Board of Blockchain Australia

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Steve Vallas - Chief Executive Officer

Annexure A - Constitution Rule 5.4

(a) This rule 5.4 describes what needs to happen when considering whether or not to discipline a member (excluding situations relating to compliance with the BA Standards which are to be dealt with in accordance with those standards). In summary the process involves:

(i) putting the member in question on notice and giving the opportunity to provide information; and



(ii) passing a directors' resolution to warn, suspend, expel or otherwise discipline that member.

(b) So long as the steps set out in this rule 5.4 are followed, the directors may resolve to warn, suspend, expel, remove the status of Fellow or otherwise discipline a member if that member:

(i) has refused or neglected to comply with the provisions of this constitution; or

(ii) has acted in a way that, in the opinion of the directors, is unbecoming of the member or prejudicial to the interests or reputation of the Company.

(Member Disciplinary Resolution)

(c) The directors must give the member in question at least 14 days' notice of the date that the directors will consider the Member Disciplinary Resolution. This notice must be in writing and let the member know:

(i) that the directors are to consider warning, suspending, expelling or otherwise disciplining the member;

(ii) the reasons why the directors are considering taking the determined action; and

(iii) of the right for the member to give the directors, either orally or in writing, any explanation or defence relevant to the proposed disciplinary action.