

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

RLG No.

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BIT OF MAZEL, LLC

Index No.  
Plaintiff Designates Kings

County as place of trial

Plaintiff,

--against--

The basis of the venue  
is Plaintiff's residence:  
116 39th Street  
Brooklyn, NY 11232

CANAAN INC AKA CANAAN CREATIVE

Defendant(s).  
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SUMMONS

Defendant resides at:  
30/F Dicara Silver  
Tower 29 Jiefang East Road  
Hangzhou, 310016 China  
with a listed place for  
service:

C/o Cogency Global Inc.  
10 E. 40th Street, 10th Floor  
New York  
NY 10016, USA

To the above named Defendant:

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with the summons, to serve a notice of appearance, on the plaintiff's Attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgement will be taken against you by default for the relief demanded in the complaint.

Dated: January 7, 2020

ROSENFELD LAW GROUP, LLC  
Attorney for Plaintiff  
2 Perlman Dr. Ste 310  
Spring Valley, NY 10977  
(845) 512-8700

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-against-

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**VERIFIED COMPLAINT**

Plaintiff, complaining of the defendant herein by his attorney, Haskell Rosenfeld, Esq. of ROSENFELD LAW GROUP, LLC, respectfully sets forth and alleges as follows:

PARTIES, JURISDICTION AND VENUE

1. At all times hereinafter mentioned, the plaintiff BIT OF MAZEL, LLC was and still is a business of the County of Kings, State of New York whereby Jurisdiction and Venue in the State of New York and County of Kings is proper;

2. Upon information and belief, Canaan Inc aka Canaan Creative was at all times relevant to the complaint a Foreign business corporation that is located in the country of China, and conducts business in New York, as well as trades on the Nasdaq Stock exchange.

GENERAL ALLEGATIONS

3. Defendant Canaan Inc. aka Canaan Creative (“Canaan”) is a bitcoin miner maker, that makes and sells blockchain computing equipment.

4. Plaintiff BIT OF MAZEL, LLC (“Mazel”) is a company that mines crypto-currency.

5. On or about November 2017, Plaintiff purchased from Canaan: 120 “Canaan Avalon Miner”, Model number 741 (“741”) machines, as well as in March 2018, 60 “Canaan

Avalon Miner”, Model number, 821 (“821”) Machines.

6. Total cost of machines Mazel paid Canaan was: \$197,443.00
7. The machines came with an express warranty from Canaan
8. Immediately upon turning on two 741 machines, a fire broke out in those machines.
9. Within six to eight weeks later, approximately half of of 741 and 821 did not work properly, with problems ranging from catching fire to not working all
10. Over the next six months the rest of the machines stopped working, with many of the Machines remaining in stale mode, not even turning on.
11. Since time of purchase, Mazel has been emailing Canaan to fix or replace the machines.
12. Instead of replacing or fixing the defective machines, Canaan has been giving Mazel the run-around.
13. Among Cannan’s s responses to Mazel, is Mazel should send them the machines’ diagnoses reports; this demand has been repeatedly made despite Mazel telling Canaan they can not do same- since the machines will not even turn on.
14. In fact, to date, Canaan has not fixed a single machine
15. As a result of the defective machines Plaintiff has lost business, incurring a loss of \$100,000.00.

AS AND FOR A FIRST CAUSE OF ACTION  
BREACH OF CONTRACT

16. Repeats and re-alleges paragraphs 1 through 15 herein.
17. The acts and practices of the defendants alleged herein constitute breach of

contract  
against Plaintiff

AS AND FOR A SECOND CAUSE OF ACTION  
BREACH OF EXPRESS WARRANTY

18. Repeats and re-alleges paragraphs 1 through 17 herein.

19. The purchase of the machines included an express warranty, which Defendant has not honored.

AS AND FOR A THIRD CAUSE OF ACTION  
BREACH OF IMPLIED WARRANTY

20. Repeats and re-alleges paragraphs 1 through 19 herein.

21. The acts and practices of the defendants alleged herein constitute a breach of implied warranty of fitness for a particular purpose, and breach of warranty of merchantability.

AS AND FOR A FOURTH CAUSE OF ACTION  
UNJUST ENRICHMENT

22. Repeats and re-alleges paragraphs 1 through 21 herein.

23. The acts and practices of the defendant alleged herein constitute unjust enrichment, as Canaan has received payment in full from Plaintiff who have not received working machines.

AS AND FOR A FIFTH CAUSE OF ACTION  
FRAUDULENT MISREPRESENTATION

24. Repeats and re-alleges paragraphs 1 through 23 herein.

25. The acts and practices of the defendant alleged herein constitute fraudulent Misrepresentation, as Canaan fraudulently held out to Mazel that the machines were in proper

order and would be serviced if any defect found,- despite knowing, or should have known, that the machines were defective; and that they would not be fixed or refunded.

WHEREFORE, plaintiff demands judgement for the sum: \$197,443.00, as well as damages for the amount of \$100,00.00; totaling \$297,443.000, with interest thereon from November 1, 2017, plus costs and disbursements.

Dated: Spring Valley, New York  
January 7, 2020



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Haskell Rosenfeld, Esq.  
Rosenfeld Law Group, LLC  
Attorney for Plaintiff's  
2 Perlman Drive – Suite 310  
Spring Valley, NY 10977  
Tel: (845) 512-8700


**JURY DEMAND**

Plaintiff hereby demands a trial by jury as to all causes so triable.

HASKELL ROSENFELD, ESQ., being duly sworn deposes and states as follows:

I am an attorney duly admitted to practice law in the Courts of the State of New York, a partner of the firm ROSENFELD LAW GROUP, LLC, attorney of record for the plaintiff herein and under penalty of perjury I affirm the following to be true: I've read the forgoing Complaint and know the contents thereof; that the same is true to my own knowledge except as to those matters therein stated to be alleged upon information and belief, and as to those matters, I believe them to be true. This verification is made by affirmant and not by plaintiff, as plaintiff is a corporation or individual with a place of business or residence outside the county wherein affirmant

maintains his office, to wit: Rockland County. The basis of my information, knowledge and belief are books, records and documentation contained within the office or home of the plaintiff.



HASKELL ROSENFELD, ESQ