

## **STFIL In-person Funds Recovery Report - public**

**TL;DR**

I went to Hanshou county police department in Hunan province in China with two lawyers from Shanghai, and successfully and uneventfully recovered FIL staked to STFIL, which had been confiscated by the police when they arrested the STFIL team early in 2024.

### **Background**

A county police department in Hanshou in Hunan province in China arrested the team of STFIL, a Filecoin staking company, and seized tens of millions of dollars worth of Filecoin (FIL) invested by users of their service, both inside and outside of China.

<https://www.coindesk.com/policy/2024/04/09/filecoin-liquid-staking-platform-stfil-claims-team-members-under-investigation-by-chinese-police>

The Filecoin Foundation shared a couple of options for legal representation in China that they'd vetted. I chose Zhong Lun (ZL). After what I was told had been a protracted campaign of pressure and negotiation, the police stated that investors could apply for the return of their funds. About a year, and many rounds of paperwork later, we were told that returns could occur in person at the police department in Hanshou. The police said they would consider a remote refund procedure but have not made any clear commitment to doing so.

### **Planning and travel booking**

ZL advised to go at the soonest possible opportunity while the police were actively refunding. I have a 10 year visa to China, so I could go at any time.

They made an appointment for me to go to the police department for funds recovery in late August.

Hanshou is in Hunan province. The nearest airport is in Changde, about a 2.5hr flight from Shanghai. However, there is only one flight per day. So to return, I'd booked high speed rail from Hanshou to Changsha, the capital of Hunan province, to fly back to Shanghai from there, where there are many more flights per day. Note that the HSR books up, so make

sure to buy your tickets as far in advance as possible. I used Trip.com to book all the China parts of my travel, as its Alipay integration is good.

ZL recommended the Hanshou Chunhua Wyndham Garden Hotel in Changde so I booked the night of the 21st there.

ZL said their lawyers would be joining me at Shanghai Hongqiao airport, and accompanying me throughout the trip.

## **Entering China, immigration**

I flew to Shanghai Pudong. My China visa was on an old passport, so I always have to carry both.

Here follows my approach for entering China on this trip. I am not a lawyer and this is not legal advice.

Immigration required a paper form to be filled out, with basic stay information and a section called "Purpose" with various options with checkboxes. I chose "Other", considering I was making a short trip to a nowhere place and was not doing any tourism. When I got to the counter, the officer saw "Other" and asked what my purpose was. I said "legal meetings". He asked for a contact name and phone number from the law firm. I gave the lawyer's name, the general firm phone number and the name of the law firm.

I was then taken aside to a separate counter (still in the main immigration hall, not a separate room). After a minute or so, the officer who took me there said "regular check". A few minutes later I was told I could go.

My recommendation to anyone, regardless of whether you choose tourism, business, other or... other, is to have a letter from your Chinese law firm printed and ready to go, with all their information available in Chinese language.

## **Getting to Hanshou**

I met the lawyers at Shanghai Hongqiao airport on the 21st for the flight to Changde. Their English was excellent, and they were friendly and helpful throughout the entire trip, translating where needed at every step. They went over and above in helping with miscellaneous travel bits here and there, all of which I could've figured out myself, but they hopped in and figured out much faster and with less room for error, which I appreciated.

We flew Spring airlines, which I'd flown before on previous trips to China. They have multi-stop flights - this one was going on to Kunming in Yunnan province. Changde airport is tiny, a few gates and one baggage carousel. They'd arranged a taxi to take us to Hanshou, which was about 50 minutes drive.

Hanshou Chunhua Wyndham Garden Hotel is an upscale business and event hotel (complete with wedding office off the lobby). The staff spoke well enough English. The lawyers arranged a private dinner in the hotel, where they served us a local specialty of soft-shelled turtle.

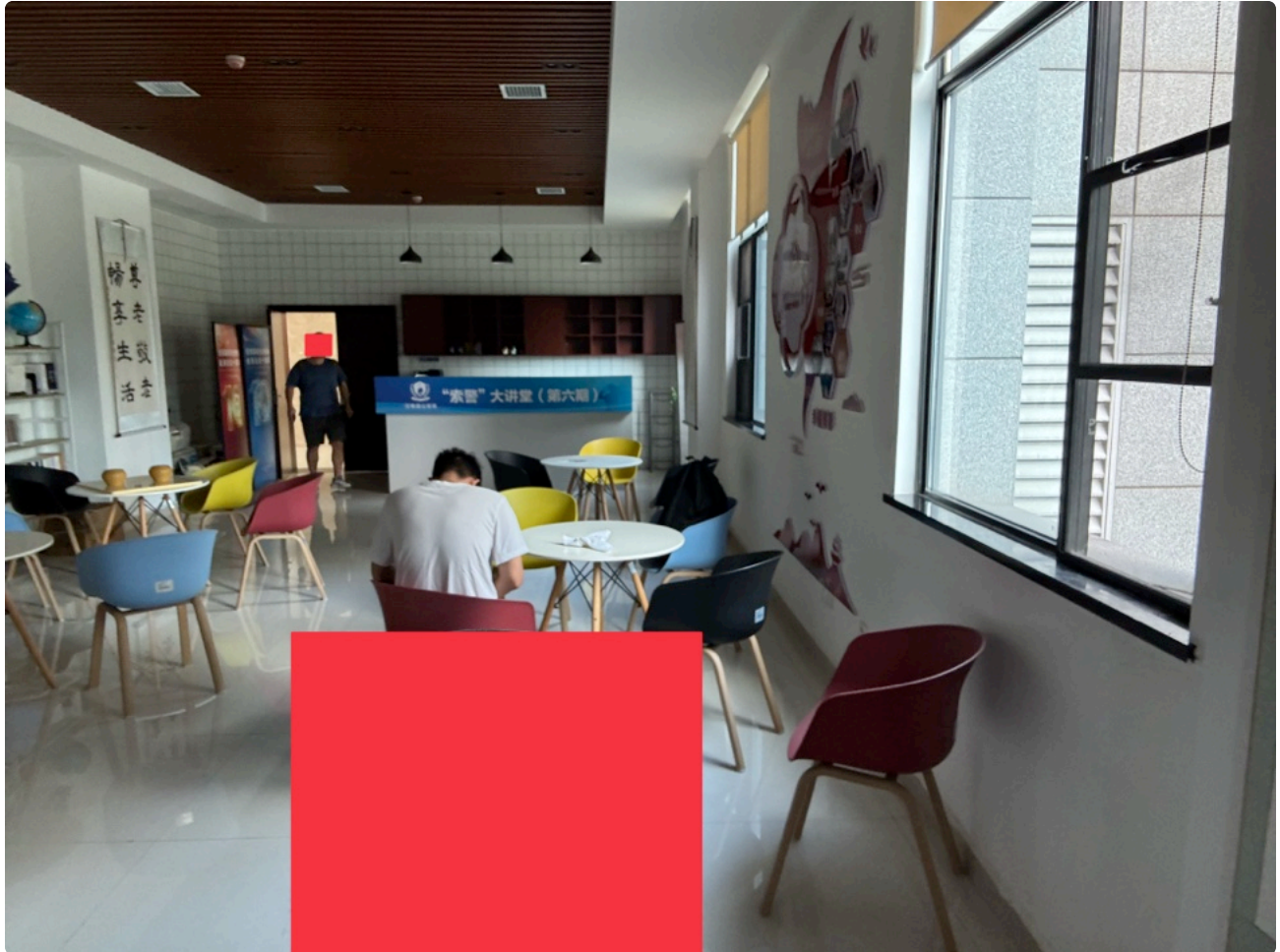
I walked around for a couple of hours after dinner and saw easily more than 30 dance groups. Clearly not many foreigners come through Hanshou, evidenced by the shocked looks and constant stares.

### **Police department arrival and waiting room**

At 8:30am we met in the lobby and took a cab to the police dept. It was about 10mins drive from the hotel.



The lawyer showed the guard at the gate some paperwork and he let us in the compound. The building itself was quite large, with a big rock in front that had an inscription on it. We started taking photos and the guard shouted and the lawyers told us no more photos. Inside the building, we were shown to waiting room where there were a few other investors waiting already.



The waiting room was off to the right of the lobby of the building, just past a 10ft golden statue of Mao. The room was quite casual, with a bunch of chairs, tables and couches, lots of bookshelves with books, some toys for kids, and every table had a small "rock garden" with some stuff to arrange (Chinese fidgety things I guess?). In the back by the bookshelves there was a large square table with a fuzzy tablecloth and paintbrushes, looked like it was for doing calligraphy.





The police officially open for business at 9am sharp, so we waited, and more investors arrived. In the end, there were just under 20 people, including the two lawyers. There was one other investor not from China, but I was the only non-Chinese speaker. The atmosphere was kinda tense at first but then most people started chatting, even the lawyers.

A few minutes before 9am, an officer walked to the very back of the waiting room to the calligraphy table and plunked some papers down and said something in Chinese. Everyone jumped up and ran and put their names down on a sheet of paper. I was pretty much last. I started writing and immediately ripped the paper because of the fuzzy tablecloth, and got a plastic folder from the lawyer to put under it so I could write my name down. After I sat down, a couple of people got up and looked at my name on the list (hi!).

The lawyers asked me to have two things ready:

- Something which had my home address visible on my phone. I asked, and it did not need to be identification documents or anything at all official... just visible. So I sent myself an email with that info so that I could easily zoom in on it if needed.

- My wallet address in a wallet app. I got the Ledger Live iOS app ready with the F1 address of the account I'd staked from, open in the "receive" screen so that it showed the QR code and address.

## **Phase 1: Identity verification**

A few more investors showed up, and after 10-15mins two officers came in. One had a big stack of paper and sat down and started calling names from the list, from the top down. He would verify identity and check it against the papers he had, which were printed lists of STFIL investors, each line had a name, address, Filecoin wallet id, and amount invested.

After the first five or so people had done this, the second officer called out the first three names and took them out of the room. The lawyers said they were being taken to do the actual funds transfer.

When it was my turn, the lawyers came with me, and spoke for me. The presence of a foreigner and two lawyers had a visible "fuck this day already" effect on the officer, especially when he had to write my info in English. He checked my passport info against his sheet, checked my passport photo to my face. For the address check, I showed the officer the email I'd sent myself a few minutes before. Basically every time he saw English he sighed and shook his head. He wrote part of the address down and apparently said "fuck it" to the rest.

For the wallet verification... well, again no verification of any kind. I'd cleared my Ledger device of all funds and had it ready to go for verification, but nope, not necessary. He just wanted to see some app... any app, showing that address. The wrinkle was that the officer wanted the 0x address. But we were prepared for this: the lawyer showed the screenshots I'd previously sent them, which he'd printed out on paper, and explained the F1 to 0x conversion. Again the officer sighed, gave some FML body language, and kept writing.

He'd filled out a one-page form which had my name, address (well, part) the wallet id and amount. He asked to verify that the amount was correct. Well, I guess just attest that it was correct, since he didn't actually verify anything at all. I said yes, and signed and dated the document. And we were done, I sat back down.

Regarding the list the officer was using: You could see everyone else on the same page. My name was the only one in English.

## **Phase 2: Funds transfer**

Almost immediately the second officer took me, two other investors out of the room. We went up one floor on the elevator and into a small waiting room outside of a larger conference room. The conference room had a long table with ~8 officers, and stacks of paper, some phones. The waiting room had stacks of water jugs, and a kettle and a canister of tea.

We were brought in one at a time, me last. Once inside, an officer took the form that we'd filled out downstairs, and asked me to again verify that the information was true. He then had me thumbprint it in red, and put my initials next to a couple of spots. He then had me stand against a wall and took my picture holding the form and my open passport. Apparently this was the proof I'd received the funds back and closing my claim.

I was sat next to another officer, who had a couple of phones, a laptop and some paper. They asked me to verify that the wallet address (0x) was correct. The address I was shown was the printout of the 0x QR code I'd sent ZL, which they'd submitted to the police. At this point, I was given the opportunity to do a test transfer on my own, to the QR code on the paper. I compared the address shown on the paper to my own record, which was good enough for me, so I declined. It's possible that someone (the lawyers? the police?) could've tampered with the printout and modified the QR code, I later realized, because I'd just verified the account address printed below it. But it seems unlikely given how things had gone thus far - boringly routine.

The officer then executed the transfer by scanning the QR code with one of the phones and doing something in an app I did not recognize, and I was shown back out into the waiting room. I checked the Ledger app and already the transfer was complete. Once all three of us had confirmed the transactions had completed, we were shown back into the conference room for another photo. Then we showed ourselves out.

## **Departure**

There was nobody in the lobby so I snuck a selfie with Mao.



I was trying to make a flight back home that same evening in Shanghai, but it was a very tight schedule with the high speed rail because it didn't leave until later. The lawyer looked up alternatives and said the slow train (143km/hr max) left sooner from Hanshou South station, so he got me a taxi to there, where it took two employees 20 minutes to figure out how to put my passport into their computer system to allow me to buy a ticket. Just noting in case someone else needs to deal with that. The HSR station is much larger, probably would have been no problems there.





The Changsha airport is quite large and modern, easy travels from there on out.





Changsha is also famous for its rice noodle soup, so stop and get some Changsha rice noodle if you have a chance.

