

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF MISSOURI**

<b>FEDERAL TRADE COMMISSION,</b>	)	
	)	
<b>Plaintiff,</b>	)	
	)	
v.	)	<b>Case No. 4:14-CV-00815-BCW</b>
	)	
<b>BF LABS INC., et al.,</b>	)	
	)	
<b>Defendants.</b>	)	

**TEMPORARY RECEIVER’S REPLY IN SUPPORT OF HIS MOTION TO APPROVE  
FINAL ACCOUNTING, FINAL APPROVAL OF FEES AND EXPENSES, DISCHARGE  
OF RECEIVER AND CANCELLATION OF BOND**

Temporary Receiver Eric Johnson submits this reply memorandum in support of his Motion to Approve Final Accounting, final Approval of Fees and Expenses, Discharge of Receiver and Cancellation of the Bond (the “Motion”).

Pursuant to the Wind-Down Order<sup>1</sup> (Doc. 218), the Temporary Receiver filed the Motion on January 9, 2015. Doc. 231. The Temporary Receiver supplemented the Motion on January 12, 2015. Doc. 233. Pursuant to the Wind-Down Order, the response deadline to the Motion was originally set for January 16, 2015.

On January 15, 2015, Defendants BF Labs, Inc., Sonny Vleisides, and Darla Drake (the “Responding Defendants”) requested and received a seven day extension (January 23, 2015) to file a response to the Motion. Doc. 237 and 238. Defendant Ghoseiri and Plaintiff Federal Trade Commission (“Plaintiff”) did not seek an extension to file a response to the Motion. On January 23, 2015, the Responding Defendants filed a limited response to the Motion (the “Limited Objection”). Doc. 247. Defendant Ghoseiri and Plaintiff did not file an objection.

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<sup>1</sup> Capitalized terms not defined herein shall have the same meaning as set forth in the Motion.

In their Limited Objection, the Responding Defendants only object to the Motion with respect to the final approval of fees, including the fees incurred by the Temporary Receiver in December, 2014. The Responding Defendants assert that such fees are excessive.<sup>2</sup> Responding Defendants also seek to review unredacted billing statements, discovery and a hearing with respect to the reasonableness of fees before the Court rules on the Temporary Receiver's compensation. The Responding Defendants do not make any new or additional arguments and solely rely upon arguments made in previous briefing. *See* Limited Objection at p. 3.

The Responding Defendants' arguments have been fully refuted by the Temporary Receiver in previous briefing, which are hereby incorporated by reference. *See* Reply in Support of First Application (Doc. 199 and 200) at p. 1-14; Second Application (Doc. 212 and 213) at p. 6-13; Reply in Support of Second Application (Doc. 232 ) at p. 1-9; and Motion at p. 7-15 (Doc. 231). Further, with respect to the Responding Defendants' request for discovery, in addition to his previous arguments, the Temporary Receiver believes that such discovery is unwarranted<sup>3</sup> and only serves as a further expense with respect to these proceedings. As a result, such a request should be denied.

For all the reasons set forth in the Motion, in his previous briefing referenced above, and for the reasons stated herein, the Temporary Receiver respectfully requests that this Court grant the Motion, enter the proposed Order provided with the Motion, and for any other relief the Court deems just and proper.

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<sup>2</sup> As set forth in previous briefing, both the Temporary Receiver and his counsel have discounted their fees by 30%, which has resulted in savings of approximately \$350,940.76.

<sup>3</sup> On January 14, 2015, the Temporary Receiver provided Defendant BFL Labs, Inc. and its counsel additional invoice information related to the requested fees. While not including the individual time narratives, such information did include additional time and activity summaries for both RubinBrown and UnitedLex. This information had been previously provided to the Court as part of the documents provided by the Temporary Receiver for the Court's *in-camera* review.

Respectfully submitted,

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**ATTORNEYS FOR TEMPORARY**

**RECEIVER ERIC L. JOHNSON**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 30th day of January 2015, a true and correct copy of the foregoing was filed electronically with the United States District Court for the Western District of Missouri using the CM/ECF system, which sent notification to all parties of interest participating in the CM/ECF system.

/s/ Bryant T. Lamer

An Attorney for Temporary Receiver

Eric L. Johnson