

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

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

**STIPULATED MOTION TO RELEASE FUNDS FROM FROZEN ASSETS**

COMES NOW Temporary Receiver Eric L. Johnson (“Temporary Receiver”) and moves that the Court enter an order releasing assets of BF Labs Inc. (“BFL”) to pay for (1) payroll taxes owed for the biweekly pay period ending September 21, 2014 and (2) wire fees. In support of this motion, Temporary Receiver states as follows:

1. On September 18, 2014, this Court entered an Ex Parte Order, which imposed a temporary restraining order, appointed Temporary Receiver, and froze the assets of BFL. Doc. 9. On September 29, 2014, the Court extended the temporary restraining order until October 3, 2014, at 9:00 a.m. Doc. 47.
2. On or about September 19, 2014, BFL’s bank account with BMO Harris Bank N.A. (“BMO Account”) was frozen, along with other assets. The BMO Account contains approximately \$1.1 million.
3. On September 24, 2014, the Court unfroze \$82,398.09 for payroll for certain employees, rent and utilities.
4. On September 26, the company that processes BFL’s payroll (CBIZ) withdrew funds from the BMO Account to issue payroll via ACH payments to those employees. CBIZ then informed Temporary Receiver that BFL owes taxes on that payroll in the sum of \$3,611.90.

5. On September 30, BMO informed Temporary Receiver that each wire payment requested by Temporary Receiver would incur a \$100 fee. Temporary Receiver estimates the wire fees for the near term will total \$500.

6. The Ex Parte Order empowered Temporary Receiver to manage all assets of BFL and to manage and administer the business of BFL, including retaining employees and independent contractors. Doc. 9 §§ X(B), X(H). The Ex Parte Order also authorized the Temporary Receiver to “[m]ake payments and disbursements from the Receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order.” Doc. 9 § X(J). Temporary Receiver must apply to the Court for approval to pay any obligation incurred by BFL prior to September 18 unless Temporary Receiver deems the payment necessary to secure the assets of BFL. Id.

7. Temporary Receiver believes that the payroll taxes and wire fees are critical expenses that should be paid immediately. There are sufficient funds in the BMO Account to cover these expenses.

8. Plaintiff Federal Trade Commission and Defendant BFL stipulate to Temporary Receiver’s request to release assets to pay for these expenses.

WHEREFORE Temporary Receiver moves that the Court enter an order (1) approving the payment of payroll taxes for the period ending September 21 and the payment of wire fees; (2) releasing \$4,111.90 from the BMO Account; and, (3) for such other and further relief that the Court deems just and proper.

Respectfully submitted,

SPENCER FANE BRITT & BROWNE LLP

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### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 1st day of October 2014, 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/ Kersten L. Holzhueter

Attorney for Temporary Receiver Eric L.  
Johnson