

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF MISSOURI  
WESTERN DIVISION

CASE NO. 4:14-cv-00815-BCW

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

BF LABS, INC., *et al.*

Defendants.

**PLAINTIFF'S MOTION TO PRESENT LIVE TESTIMONY AT PRELIMINARY  
INJUNCTION HEARING AND SUGGESTIONS IN SUPPORT**

Pursuant to Section XXIV.B of the Stipulated Interim Order [DE # 54], Plaintiff Federal Trade Commission respectfully requests leave to present live testimony at the preliminary injunction hearing scheduled for November 24, 2014. If the Court allows, the FTC may call the following witnesses:

**Anthony Fast**

Anthony Fast  
608 Saratoga Place  
Lawrence, KS 66046

The Court previously granted the FTC's motion to present Mr. Fast's testimony and requests that it do so again. Mr. Fast worked at Butterfly Labs from February to July 2013. He served as its marketing manager and now works as a bitcoin consultant. In that capacity, Mr. Fast has conducted research and analysis regarding the bitcoin industry. He graduated cum laude from Washburn University, served as a computer and network administrator in the U.S. Army, and has

held various management positions throughout his career. He will describe his role at the company and its management structure. Additionally, Mr. Fast would provide testimony on Butterfly Labs' marketing strategy and advertisements, its refund policy, production practices and schedule, and its bitcoin mining operations. (Anticipated duration of testimony: 1 hour and 30 minutes on direct).

Mr. Fast's testimony would serve several purposes. First, it would rebut the testimony of certain of witnesses that Butterfly Labs proposed to call for the originally scheduled hearing and would represent a perspective different from that Defendant Drake and Jeff Ownby, both of whom still work for Butterfly Labs and therefore possess pecuniary interest in its continued operation. Further, in its motion to present live testimony [DE # 15], and its opposition papers [DE # 14], Butterfly Labs portrays itself as a well-intentioned start-up company and attributes the challenged conduct to growing pains. Mr. Fast's testimony would provide a counterpoint to that portrayal. For these reasons, Mr. Fast's testimony would be helpful to this Court in determining whether a preliminary injunction should issue.

**Arvind Narayanan**

Arvind Narayanan, Ph.D.  
Princeton University  
Princeton, NJ 08544

Dr. Narayanan holds a Ph.D. in computer science and serves as an Assistant Professor in the Computer Science Department at Princeton University, as an affiliated faculty member of the Center for Information Technology Policy at Princeton, and as an affiliate scholar at Stanford Law School's Center for Internet and Society. He earned his doctorate from the University of Texas, Austin. In addition to his work in information privacy and security, Dr. Narayanan studies the security and stability of Bitcoin and other cryptocurrencies. He has published several

papers on Bitcoin and cryptocurrencies and in July 2014, received a \$500,000 grant from the National Science Foundation to study them. (Anticipated duration of testimony: 2.5 hours on direct).

Dr. Narayanan's testimony would serve several functions. It would provide the Court with a scientific perspective on Bitcoin protocol and how the Bitcoin network functions, the Bitcoin mining process, and Bitcoin mining hardware. Among other things, his testimony could shed further light on the effects of delays in delivery of mining hardware on its value and efficacy, including the hardware at issue in this case.

The FTC may later seek leave to modify the scope or topics of testimony based upon the witnesses identified by the Defendants.

Respectfully submitted,

JONATHAN E. NUECHTERLEIN  
General Counsel

Dated: November 7, 2014

/s/ Leah Frazier  
Helen Wong, DC Bar # 997800  
Teresa N. Kosmidis, NY Bar# 4533824  
Leah Frazier, DC Bar# 492540  
Federal Trade Commission  
600 Pennsylvania Ave., N.W.  
Mail Stop CC-10232  
Washington, D.C. 20580  
202-326-3779 (Wong)  
202-326-3216 (Kosmidis)  
202-326-2187 (Frazier)  
Facsimile: 202-326-3768  
hwong@ftc.gov  
tkosmidis@ftc.gov  
lfrazier@ftc.gov

TAMMY DICKINSON

United States Attorney

Dated: November 7, 2014

/s/ Charles M. Thomas

Charles M. Thomas, MO Bar #28522

Assistant United States Attorney

Charles Evans Whittaker Courthouse

400 East Ninth Street, Room 5510

Kansas City, MO 64106

Telephone: (816) 426-3130

Facsimile: (816) 426-3165

E-mail: [charles.thomas@usdoj.gov](mailto:charles.thomas@usdoj.gov)

Attorneys for Plaintiff

FEDERAL TRADE COMMISSION

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 7th day of November 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/Leah Frazier  
Attorney for FTC