

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

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

**ORDER GRANTING MOTION TO AUTHORIZE UNBUDGETED EXPENDITURES**

This matter is before the Court on the Motion to Authorize Unbudgeted Expenditures, filed by the Temporary Receiver Eric L. Johnson (“Temporary Receiver”), on November 7, 2014. Doc. #142. Plaintiff filed an opposition. Doc. #146. After reviewing the premises for the motion, the Court finds that it should be granted.

The Stipulated Interim 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. #54 at §§ X(B), X(H). The 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. #54 at § 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.

The Stipulated Order also provides that “[o]nce the Interim Budget is approved by the Temporary Receiver, he shall file a motion seeking the Court’s approval of the Interim Budget and to release the total budgeted sum from the asset freeze.” Doc. #54 at § XI(G). The Stipulated

Interim Order also provides that the “parties will attempt to agree in good faith to the Interim Budget, personnel, and operations.” Id.

On October 22, 2014, the Interim Budget was approved by Order of this Court (the “Interim Budget Order”). Pursuant to the Interim Budget Order, substantially all of the previously frozen funds were transferred to the Receiver’s Account. During the Interim Period, BFL management brought to Temporary Receiver’s attention several unbudgeted expenditures (collectively, the “Unbudgeted Expenditures”).

The Stipulated Interim Order provides that during the pendency of the action, Temporary Receiver “shall have the right to apply to this Court for further instructions or directions” and to seek modification of the Stipulated Interim Order after giving reasonable notice. Doc. #54 at § XI(J). Based on this review, the Court grants the motion. Accordingly, it is hereby

ORDERED the Temporary Receiver’s Motion to Authorize Unbudgeted Expenditures (Doc. #142) is GRANTED. It is further

ORDERED that the Temporary Receiver’s revised Interim Budget and revised list of essential personnel and critical operations subject to the conditions, reservations, and restrictions identified on the revised Interim Budget and revised lists are approved; the necessary funds identified in the revised Interim Budget are released; and Temporary Receiver is granted the power to exercise his discretion and business judgment in ultimately approving, conditioning, and/or prioritizing the Unbudgeted Expenditures.

IT IS SO ORDERED.

Date: November 10, 2014

/s/Brian C. Wimes  
JUDGE BRIAN C. WIMES  
UNITED STATES DISTRICT COURT