

# **EXHIBIT O**

## Michael Foster

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**From:** Stuart Stephen [REDACTED]  
**Sent:** Thursday, November 20, 2014 5:46 AM  
**To:** Michael Foster  
**Cc:** Jim Humphrey; Miriam E. Bailey; braden  
**Subject:** Fwd: Butterfly Labs - 4:14-cv-00815-BCW

Hi Michael,

I have now received a reply from the FTC. It's quite stern as I suspected and I also note that I have been cc'd to a mail address '[blamer@spencerfane.com](mailto:blamer@spencerfane.com)', which is interesting.

The part about replying to the original email is true, however my email from November 7th was a separate enquiry. I would therefore expect a separate response. I don't think this is unreasonable, do you?

It is insightful in the second paragraph regarding who they are protecting. It would appear their existence is based around 'protection of the public' by stopping alleged illegal activity and not helping consumers caught in the crossfire. My understanding now is that those consumers caught in the middle have little-to-no hope, which is very disappointing when you consider how close many of us were to actually receiving physical hardware or a refund.

I would have liked to reply to Gregory's email, but I suspect I would be in vain, so I have not.

Regards,  
Stuart

On 19 November 2014 19:48, Ashe, Gregory <[GASHE@ftc.gov](mailto:GASHE@ftc.gov)> wrote:

Mr. Stephen,

Thank you for your email. We are sorry if you feel you have been ignored. When you first contacted the FTC in September, we thanked you for your information and stated that we would let you know if we needed anything further from you. Respectfully, we have not.

Please note that the FTC does not stand in the shoes of consumers when bringing enforcement actions. Although the FTC acts to protect consumers, its mission is distinct from that of a private party. The FTC is a body charged with protection of the public and does not act in a representative capacity for consumers.

Here, we believe that the evidence will show that Defendants violated Section 5 of the FTC Act by making deceptive claims regarding delivery and profitability. And in the short term, preliminary injunction relief (including a continuation of the receivership and asset freeze) is warranted to prevent future law violations and to preserve the possibility for effective final relief.

While we appreciate your concerns over the course of this litigation, we respectfully would disagree with that assessment.

Gregory Ashe

Senior Staff Attorney

Federal Trade Commission

600 Pennsylvania Avenue NW

Washington, DC 20580

**From:** Stuart Stephen [mailto:████████████████████]  
**Sent:** Thursday, November 13, 2014 4:20 AM  
**To:** Wong, Helen; Kosmidis, Teresa; Frazier, Leah; Ashe, Gregory  
**Cc:** [eljireceiver@spencerfane.com](mailto:eljireceiver@spencerfane.com)  
**Subject:** Re: Butterfly Labs - 4:14-cv-00815-BCW

Dear all,

Please could someone kindly respond to my query from the 7th November.

Thank you.

Stuart Stephen

On 7 November 2014 09:31, Stuart Stephen [mailto:████████████████████] wrote:

Dear Receiver/Helen Wong or whom it may concern,

As a customer, whom the FTC is providing protection, I would like to understand if there is a process where I can voice my concern over the proceedings. The court action is costing the company large amounts of money and since BFL were shipping products and issuing refunds, the timing of the FTC action has been ill-thought and untimely.

As proceedings have moved on, we have seen in the various court documentation that the costs for the intervention are largely being taken from the BFL bank accounts and not from FTC/government funds. This is reducing the customers likelihood of getting anything back at the end of this process and is highly frustrating when the chance of receiving a product from BFL

was very high - there is plenty of evidence to show that products were being shipped. The difference between getting 'cents on the dollar' instead of receiving a working product would be an injustice and unfair, it is disproportionate.

It is my opinion that the FTC is *punishing* customers and not protecting them. The only winners from this process is the lawyers and those providing services to the FTC. The customer is only picking up the scraps after FTC service providers take their slice of the cake. That is, if anything is left! Interestingly, I saw in the court documentation that the BFL defendants were denied money to pay legal expenses for court proceedings. I found this extremely hypocritical as the FTC appears to be happy to take funds from BFL for it's own expenses - again this seems disproportionate.

As a customer affected, is there a process where I can officially lodge a complaint or make a statement? Seeing as it is customers who the FTC are claiming to protect, it would seem logical that the customer should be able to voice *their* concerns.

Yours faithfully,

Stuart Stephen  




On 25 September 2014 12:59, Wong, Helen <[hwong@ftc.gov](mailto:hwong@ftc.gov)> wrote:

Hi Stuart,

Thank you for providing this information. We will let you know if we need to follow up.

Best,  
Helen

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**From:** Stuart Stephen [mailto:  
**Sent:** Thursday, September 25, 2014 05:19 AM  
**To:** [eljreceiver@spencerfane.com](mailto:eljreceiver@spencerfane.com) <[eljreceiver@spencerfane.com](mailto:eljreceiver@spencerfane.com)>; Wong, Helen  
**Cc:** Stuart Stephen   
**Subject:** Re: Butterfly Labs - 4:24-cv-00815-BCW

Dear Receiver/Helen Wong,

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Further to my previous email, I would like to offer more information.

I ordered on 30th December 2013, with a view of receiving hardware in the region of Jan/Feb, although I expected it to arrive in Mar/Apr. As you can see from the internet archive 'wayback machine' [1], this was a reasonable view to take. The advertised 'bulk shipping' window at the time was advertised as Jan/Feb. It is now nearing the end of September 2014 and I have still not received my hardware.

I have also attached my invoice and proof of payment. I would also be willing to share any further information on request.

I look forward to a prompt response to my query.

Yours faithfully,

Stuart Stephen  
[REDACTED]

[1] <https://web.archive.org/web/20131231191848/http://www.butterflylabs.com/monarch>

On 24 September 2014 19:11, Stuart Stephen [REDACTED] wrote:

Dear Receiver/Helen Wong,

I am a customer of Butterfly Labs, but reside in the UK. I would like to understand what is happening to Butterfly Labs and how this will affect my order of a Monarch 600GH/s bitcoin mining device. I am not familiar with United States law or practices, so the information must be detailed and clear.

The timing of this intervention seems untimely based on evidence that customers have been receiving products. I feel that I was potentially a matter of weeks away from having a product delivered. Case 4:14-cv-00815-BCW Document 171-2 Filed 11/21/14 Page 5 of 7

I am obviously concerned that:

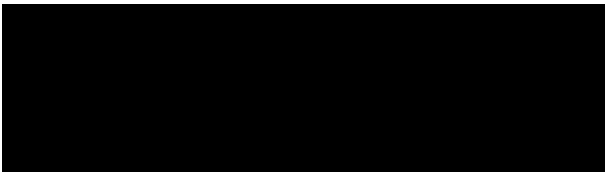
- a) My order will never arrive now.
- b) I will never get [all] my money back.
- c) The order will arrive, but because of the delay, be rendered useless. Bitcoin mining hardware delivery is time-sensitive, the longer it takes, the less useful it is.
- d) As a foreign purchaser, am I equally as protected as someone from the United States?

I see there is a court case scheduled for 29th September to decide on how things will proceed. Is there somewhere that I can keep informed about this, possibly even listen/watch?

For you information, my order is as follows:-

ORDER #	DATE	SHIP TO	ORDER TOTAL	STATUS
BFL-126078078	12/30/13	Stuart Stephen	\$2,188.00	<i>Processing</i>

Stuart Stephen



I look forward to a prompt response to my query.

Yours faithfully,

Stuart Stephen



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[Redacted]

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[Redacted]

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