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**DECLARATION OF SABINA MARSH  
PURSUANT TO 28 U.S.C. § 1746**

I, Sabina Marsh, have personal knowledge of the facts below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over the age of 18 years. I live in Kansas City, Missouri.
2. I am currently unemployed. My last place of employment was Butterfly Labs, Inc., also known as BF Labs, Inc. My professional training is as a science librarian.
3. I worked at Butterfly Labs from approximately February 4, 2013 – July 28, 2014. I resigned in July 2014 because I believed that I was being harassed by Jody Drake, one of my supervisors at Butterfly Labs.
4. When I was employed with Butterfly Labs, I started out in customer service, answering questions from consumers via email. In April 2013, I became the employee responsible for clearing customer's bank wires. In this capacity, I matched bank wires to customer orders. I would receive the bank wire information, and then reconcile that information with our existing orders database. I would then notify customers that their payment had been received and that their order was processing.
5. Sometimes the bank wires would not have very much information. Sometimes, a wire would only have the amount of the wire and a zip code, and in that case, the wire could remain unmatched. In those instances, if a customer called to ask for order status or why the order had not been processed, I would attempt to match the bank wire data to our existing orders. Once I matched a bank wire to a customer order, I would then notify the customer that payment had been received, and that the order had been placed in the queue for processing.
6. On many occasions, I observed discrepancies over customers payments, as well as shipments. I discovered on many occasions that refunds were directed to the wrong bitcoin

wallet addresses. I also discovered discrepancies with the shipments of mini rigs and that some customers were getting more product than they paid for, or not receiving the amount of product they paid for. I raised these issues to Ms. Drake, but she told me to mind my own business.

7. One specific spreadsheet I created and stored on the Butterfly Labs Google Drive account was specific to unresolved international transactions. At the time I left my employment with Butterfly Labs in July 2014, there were approximately 12 to 20 international transactions on that spreadsheet. I previously approached Ms. Drake and Dave McClain, a manager at Butterfly Labs, regarding these transactions, but they dismissed my concerns. I told Ms. Drake and Mr. McClain that it would be relatively easy to get the additional information necessary to match the transactions to orders, as we just had to call Commerce Bank to obtain additional information on the wires. Both Ms. Drake and Mr. McClain did not want to make the effort to contact Commerce Bank for the additional information.

8. Over my time with Butterfly Labs, I observed that it was difficult for customers to get refunds. Jeff Ownby, another manager at Butterfly Labs, had a policy against issuing refunds. Mr. Ownby came to the office in April 2013 and stated that the company policy was against issuing refunds, and that we were to tell any customer who asked that they could not have a refund. When Bruce Bourne became a new manager at Butterfly Labs in September 2013, he pressured Sonny Vleisides, the head of Butterfly Labs, to give refunds to some customers who did not get any products.

9. There were many discussions using the “office@butterflylabs.com” email account, which was accessible by all customer service staff, including myself. One such email I saved from the “office@butterflylabs.com” email account was from July 9-10, 2014, where a customer wanted a refund for the Monarch because it had been too delayed. Ms. Drake stated in

her email that it was not a surprise that many people were now asking for refunds. A true and correct copy of the July 9-10, 2014, email conversation I saved from the “office@butterflylabs.com” account is attached here as **Attachment A**.

10. I also observed that customers who waited a long time for their machines would not want the machines because they were no longer effective for mining bitcoins giving that the mining difficulty was that much higher by the time they would receive the machines. Many of these customers were unable to get a refund even if they refused delivery of the machine or returned the machine. In instances where the customer refused shipment or returned a machine, Ms. Drake would keep the machine and keep the customer’s funds. I saw stacks and stacks of boxes of returned and refused deliveries. I observed this practice continue until I began working from home for my last month of employment with Butterfly Labs.

11. At the end of February 2014, Ms. Drake came into the customer service room and announced that every Butterfly Labs customer service representative could take up to five of the 12 GH/s machines, to keep on their desk and mine bitcoins with. Ms. Drake stated that since customers were already accusing Butterfly Labs of keeping and operating the bitcoin mining machines, we might as well do it. Every employee then had bitcoin mining machines operating on their desks, and we each set up personal bitcoin wallets through the Eclipse Mining Consortium, where we each joined a mining pool of our choice. A few months later, in May 2014, Ms. Drake had removed our machines and told us that because a magazine writer was coming to the office to interview and take photos, we could no longer have the machines. We stopped mining with the machines, but a magazine writer did not come to the office.

12. During my time at Butterfly Labs, I observed Bruce Peterson, the employee who was in charge of testing the machines in the trailer attached to our office, have daily contact with

Nasser Ghoseiri, the president of Butterfly Labs, via Skype, an online video conferencing service. I observed Mr. Petersen contact Mr. Ghoseiri, who lives in France, via Skype, and they would discuss the details of each product and the test results.

13. I left Butterfly Labs in July 2014 due to my difficulties working with Ms. Drake and Mr. McClain. I had many conflicts with Ms. Drake, including her unwillingness to let me have access to the necessary information to do my job, which was to clear bank wires and match them to customer orders. I also raised many issues with her about discrepancies in refunds and customer order fulfillment, but she would always dismiss my concerns, and accused me of being too nosy. During my last month of employment with Butterfly Labs, I worked from home due to my ongoing issues with Ms. Drake.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the statements made in this declaration are true and correct.

Executed in Kansas City, Missouri, on September 24, 2014

/s/ Sabina Marsh  
Sabina Marsh