

**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) the security firm hired by Temporary Receiver to monitor BFL’s office following the appointment of the receiver and (2) payroll for Mr. Zerlan and Mr. McClain for the biweekly pay period that ended September 21, 2014. 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. On October 2, 2014, the Court entered a Stipulated Interim Order that reappointed Temporary Receiver and maintained the freeze on the assets of BFL. Doc. 54.
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. BFL owes (1) KCPI Security the sum of \$7,481.25 for around-the-clock security at its office location from September 19 to 30, 2014, and (2) approximately \$5,000 for payroll for Josh Zerlan and Dave McClain, which includes estimated payroll taxes.

4. 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 §§ 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 § 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.

5. Temporary Receiver believes that the security and payroll costs are critical expenses that should be paid immediately. There are sufficient funds in the BMO Account to cover these expenses.

6. 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 the KCPI security costs and the payroll of Mr. Zerlan and Mr. McClain for time worked prior to the appointment of Temporary Receiver; (2) releasing \$12,481.25 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

/s/ Kersten L. Holzhueter

Bryant T. Lamer MO #57355

Kersten L. Holzhueter MO #62962

Andrea M. Chase MO #66019

Katie Jo Wheeler MO #64233

1000 Walnut Street, Suite 1400

Kansas City, MO 64106

Telephone: (816) 474-8100

Facsimile: (816) 474-3216

[blamer@spencerfane.com](mailto:blamer@spencerfane.com)

[kholzhueter@spencerfane.com](mailto:kholzhueter@spencerfane.com)

[achase@spencerfane.com](mailto:achase@spencerfane.com)

[kwheeler@spencerfane.com](mailto:kwheeler@spencerfane.com)

Attorneys for Temporary Receiver Eric L.  
Johnson

### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 7th 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