

PX
2

DECLARATION OF DANIEL TEMKIN

PURSUANT TO 28 U.S.C. § 1746

I, Daniel Temkin, hereby state that I have personal knowledge of the facts set forth below. If called as a witness, I could and would testify as follows:

1. I am a citizen of the United States and am over 18 years old. I am employed as a paralegal specialist with the Federal Trade Commission (“FTC”) in the Division of Financial Practices (“DFP”). My office address is 600 Pennsylvania Avenue, N.W., Mail Stop CC 10232, Washington, D.C. 20580.
2. I began working at the FTC in August 2013. My responsibilities include investigating suspected violations of consumer protection laws, including the Federal Trade Commission Act, the Truth in Lending Act, and the Electronic Fund Transfer Act. In the normal course of carrying out my responsibilities, I regularly use Internet search engines, electronic databases, spreadsheet software, and a variety of other software-based investigative and organizational tools.
3. At the FTC, I was assigned to the FTC’s investigation of this matter, which came to include one company: BF Labs, Inc. d/b/a Butterfly Labs (“Butterfly Labs”), and three individuals: Darla Drake a/k/a Jody Drake (“Drake”), Nasser Ghoseiri (“Ghoseiri”), and Sonny Vleisides (“Vleisides”) (collectively referred to as “Defendants”). Drake, Ghoseiri, and Vleisides, will be referred to separately as “Individual Defendants.”
4. In the course of the investigation, I reviewed the publicly available forum on Butterfly Labs’ website, located at <https://forums.butterflylabs.com>. Employees of Butterfly Labs frequently respond directly to customers on this forum. One of these employees, under

the username Slok, is a site moderator. A true and correct copy of the “about me” section of Slok’s profile from the Butterfly Labs forums, showing the title “Moderator,” is appended hereto as **Attachment A**.

Deletion of Content from Defendants’ Website

5. Several posts on Butterfly Labs’ forum suggest that Defendants’ employees deleted website content after September 18, 2014.
6. On or around October 7, 2014, a member of Butterfly Labs’ website posted in a forum thread titled “Federal Trade Commission v. BF Labs, Inc.” His post stated, “Who deleted my post? Has the receivership approved of post deletions?” Slok, a site moderator, replied to this post on October 7, 2014. In his response, this site moderator stated, “I did, because it was speculation. I don’t think moderators or BFL staff need approval to remove anything considered not forum worthy.” True and correct copies of these forum posts are appended hereto as **Attachment B**.
7. On or around January 6, 2014, a member of Butterfly Labs’ website posted in a forum thread titled “BFL is locking and deleting my threads with no explanation.” This consumer states that his post was deleted after he requested a refund from Butterfly Labs. A true and correct copy of this post and a response from Slok is appended hereto as **Attachment B.1**.
8. On October 27, 2014, in the same forum thread, Josh Zerlan, a Butterfly Labs employee, stated, “If you see an unreasonable post or thread, let me know, I’ll be happy to take care of it.” A true and correct copy of this forum post is appended hereto as **Attachment C**.

Consumer Posts on Defendants’ Website

9. In the course of the investigation, I reviewed posts that Butterfly Labs’ customers made

on the Butterfly Labs forum.

10. A forum thread titled “BF labs no contact for a very long time, no buyer protection, should we be worried?” is appended hereto as **Attachment D**.
11. A forum thread titled “Is BFL Scamming Us?” is appended hereto as **Attachment E**.
12. A forum thread titled “Is this True???? “NOTICE: WARNING to NEW CUSTOMERS of BUTTERFLY LABS INC (BFL)” is appended hereto as **Attachment F**.

Defendants’ Responses to Consumer Posts

13. In the course of the investigation, I reviewed Butterfly Labs’ forum threads in which Defendants and Defendants’ employees communicated directly with their customers.
14. On the Butterfly Labs’ forum, Josh Zerlan referred to posters as “scumbag extraordinaire” and “childish customers,” among other things. Examples of posts from the forum in which Zerlan communicated with consumers are appended hereto as **Attachment G**.
15. In a forum thread titled “Refund policy?” Zerlan responded directly to consumers who requested a refund of their order from Defendants. In these responses, Zerlan refers to customers who request a refund as “whiners and complainers.” In the same thread, consumers posted about Butterfly Labs censoring and deleting posts that reference “FTC” or “refund.” A true and correct copy of these posts is appended hereto as **Attachment H**.
16. An example of a thread from the Butterfly Labs forum in which Slok refers to consumers as “but-hurt” is appended hereto as **Attachment I**.
17. A forum thread titled “Why are BFL mods editing my posts to say things I did not say?” is appended hereto as **Attachment J**.

News Articles and Consumer Responses to Defendants’ Business Practices

18. In the course of the investigation, I reviewed various news sources related to the Defendants.
19. An article titled “Butterfly Labs Monarch miner announcement angers customers” and comments posted by readers reacting to this article are appended hereto as **Attachment K**.
20. An article titled “Butterfly Labs to Resume Limited Business Operations” and comments posted by readers reacting to this article are appended hereto as **Attachment L**.

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 Washington, D.C. on November 19, 2014.

A handwritten signature in black ink, appearing to be 'D. Z.', is written above a horizontal line.

ATTACHMENT A



BUTTERFLYLABS

User Name

Password

[Log in](#)[Help](#)[Register](#)☐ Remember Me?[What's New?](#)[Articles](#)[Forum](#)[Blogs](#)[FAQ](#)[BFL Gallery](#)[User Gallery](#)[FAQ](#)[Calendar](#)[Community](#)[Forum Actions](#)[Quick Links](#)[Advanced Search](#)[SLok](#)

If this is your first visit, be sure to check out the **FAQ** by clicking the link above. You may have to **register** before you can post: click the register link above to proceed. To start viewing messages, select the forum that you want to visit from the selection below.

It has come to our attention that users with Hotmail based email addresses are not receiving email from us. After investigating the issue, it is determined that the problem is with Hotmail itself. All of our email is being accepted by the Hotmail servers without a problem. If you are having trouble receiving our email, please contact Hotmail technical support and let them know what the issue is.

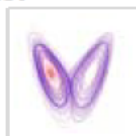
<http://www.butterflylabs.com> is the official website of BFL. Any other website claiming to BFL is a fraudulent site. If your browser bar does not end with "butterflylabs.com" you are on a scam site. We do not use any other domain name other than "butterflylabs.com"

SLok

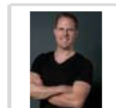
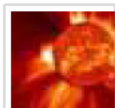
Moderator



- Find latest posts
- Find latest started threads
- View Articles
- View Blog Entries

Join Date: 09-28-2012**Wiki** 10**Contributions:****Avatar:**

12 Friends

[More](#)[SLok's Activity](#)[About Me](#)[Friends](#)[Activity](#)[Post Thanks / Like](#)[Mentions](#)[Thread Tags](#)[Quotes](#)[Post Areas](#)

Basic Information

About SLok

Location:

Southwest of Northeast

Statistics

Total Posts

Total Posts: 2,169**Posts Per Day:** 2.78

FAQ

Wiki Contributions: 10**Last contributed to:**

Tutorials:Quick bfgminer set-up for Eclipsemc on a Windows pc. 04-07-2014 04:27 PM

[View all contributions by SLok](#)

General Information

Join Date: 09-28-2012**Referrals:** 2

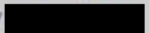
ATTACHMENT B

 Canary

Mentioned: 0 Post(s)
Tagged: 0 Thread(s)
Quoted: 13 Post(s)

Join Date: May 2014
Posts: 16

[Ignore User](#)


Originally Posted by 

Yes, the photos showed up-to 500 cards according to court information.

The thing is, according to court documentation [if I am reading it correctly], BFL refunded over \$1,000,000. (<http://ia902308.us.archive.org/32/it...17531.42.0.pdf>, page 12)

Whilst the cards might be able to cover some of that from the 'burn-in' testing, it seems unlikely they would cover all of it. You also have to consider there is running costs for BFL and some of the money has to go on rent, parts, business expenses and wages. The development of a complicated product costs time and money, so it's entirely possible that there could have been a shortfall in revenue to process all the refunds. We probably will never know this for sure, but assuming that refund money came entirely from the internal 'burn-in' testing facility/farm over a buffer period of 30-45 days seems over the top to me. Of course, there is the possibility it was partially funded in this way, but how can anyone say for sure?!

Who deleted my post? Has the receivership approved of post deletions?

 Send PM

 Reply With Quote



Blog Entries: **13**
 Mentioned: 183 Post(s)
 Tagged: 1 Thread(s)
 Quoted: 2112 Post(s)



Latest Blog: **Monarch Power and Light (Sound)**
 Latest Thread: **Duplicate IP Report for 10-26-2014**



Join Date: Aug 2012
 Posts: 2,505
 Blog Entries: **13**

Ignore User

Send PM

smf, the following are speculation and/or opinion, not facts.
"BFL were still not operating within the law"
"nobody had any confidence that they wouldn't just run"
"That is why the FTC had to step in "

This pretty much covers it.

10-07-2014, 03:25 PM

#49



Moderator



Mentioned: 34 Post(s)
 Tagged: 0 Thread(s)
 Quoted: 604 Post(s)
 Latest Thread: **eBay Now Allows Virtual Currency Sales**



Join Date: Sep 2012
 Location: Southwest of Northeast
 Posts: 2,167

Ignore User

Send PM

Originally Posted by [REDACTED]

Who deleted my post? Has the receivership approved of post deletions?

I did, because it was speculation. I don't think moderators or BFL staff need approval to remove anything considered not forum worthy.

10-07-2014, 05:32 PM

#50



Miner 49'er

Originally Posted by [REDACTED]

It has come to our attention that users with Hotmail based email addresses are not receiving email from us. After investigating the issue, it is determined that the problem is with Hotmail itself. All of our email is being accepted by the Hotmail servers without a problem. If you are having trouble receiving our email, please contact Hotmail technical support and let them know what the issue is.

<http://www.butterflylabs.com> is the official website of BFL. Any other website claiming to BFL is a fraudulent site. If your browser bar does not end with "butterflylabs.com" you are on a scam site. We do not use any other domain name other than "butterflylabs.com"


Results 1 to 2 of 2

Thread: BFL is locking and deleting my threads with no explanation.

Thread Tools ▼ Display ▼

01-06-2014, 07:16 PM

#1

 Junior Member
Mentioned: 0 Post(s)
Tagged: 0 Thread(s)
Quoted: 0 Post(s)
Latest Thread: [BFL is locking and deleting my threads with no explanation.](#)
Join Date: Dec 2013
Posts: 4
[Ignore User](#)

BFL is locking and deleting my threads with no explanation.

First thread here. Locked with no explanation.

<https://forums.butterflylabs.com/pos...ning-12gh.html>

Second thread was **deleted**. Here is the content.

My other thread has been locked for no declared reason so I'm starting a new one.

- I received a defective miner.
- It took 30 days from my time of initial contact for them to respond.
- I shipped them my defective miner with an RMA number provided by BFL, requesting a **refund**.
- It has been almost 3 weeks, they have not responded to a single email or request for a status update.
- My next available option to escalate this seems to be reporting it as a theft to the police.



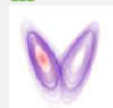
Anyone got any ideas on how I can get a response?

Instead of trying to hide this situation, maybe BFL should actually contact me.

 Send PM

01-06-2014, 07:52 PM

#2

 **SLok**  Moderator

Mentioned: 34 Post(s)
Tagged: 0 Thread(s)
Quoted: 604 Post(s)

The other thread was closed and opened again yesterday, by me. I closed it because some folk started an unpleasant debate, and it needed a "cooldown". The second one was removed, like this 3rd one will be, because multiple threads showing the same serve no one.

ATTACHMENT C

10-27-2014, 11:24 PM		#84
 BFL_Josh  		
Employee		
		
Blog Entries: 13 Mentioned: 183 Post(s) Tagged: 1 Thread(s) Quoted: 2112 Post(s)		
 		
Latest Blog: Monarch Power and Light (Sound)		
<div>  Originally Posted by   </div> <p><i>I've been thinking about making a summary thread that cover everything known about the case so people can get a synopsis without digging through the forum posts but I presume it will be locked by Slok as my last one was.</i></p> <p><i>Speaking of Slok, it seems that the forums are in a "uncontrolled state" at the moment as the usual brutal level of comment removal doesn't seem to be happening.</i></p> <p><i>As for when the case will be finished I was thinking about making "Valve Time Joke"* but I'm not sure everyone's a gamer and probably wouldn't get it.</i></p>		

Latest Thread: [Duplicate IP Report for 10-26-2014](#)

Join Date: Aug 2012

Posts: 2,505

Blog Entries: 13

[Ignore User](#)

**Valve is notorious for saying stuff will be released "when it's done" with no real timeline attached, the FTC case is exactly the same, it will be done when it's done, could take a month, could take a year.*

As for BFL's seized assets, they have access to them after petitioning for their release as long as the judge deems it viable, the multiple \$20000 payments made to the board directors for "living expenses" proves this.

If all listed expenses from the court docs have been paid via the HMO bank account then it's down to as little as \$500000 by my count, must admit the seized bitcoin wallet offers some light of hope and I would be happy getting my original mining hardware worth (\$10000) paid in BTC at a reduced rate as anyone who mines professionally plans on cashing out on a 12 month timeline (minimum) and would only convert coins to hard currency when the conversion rate is high, BTC is a variable thing the fact that the worth fluctuates isn't that big an issue.*

**Say 2 BTC to every \$1000 owed.*

I was already aware that its perjury for someone directly involved in a case to comment about it in public if said data isn't covered by the documents already released to the public as all court data is confidential till released but I don't see why we comment here is a bad thing, if anything customers discussing how ASS BACKWARDS the FTC case is should point out that the FTC isn't actually helping us.

Lastly the reason I originally wanted refund is that my father was suffering with cancer, he's dead now so I am happy to go back to getting product instead of refund, I would presume BFL would provide some form of compensation for the extended wait period in the form of extra hardware.

Personally I would like to see all orders DOUBLED as surely even with BFL covering the extra shipping cost it would be less than the cost of providing full refund to everyone who's still waiting.*

**So if you ordered 3 monarchs you would get 6.*

What comments/threads are a problem? I keep an eye on stuff and Slok is around (I think he's been on vacation). If you see an unreasonable post or thread, let me know, I'll be happy to take care of it.

[Send PM](#)

10-28-2014, 12:36 AM

#85

Experienced Miner

Mentioned: 0 Post(s)
Tagged: 0 Thread(s)
Quoted: 21 Post(s)
Latest Thread: [FTC v BFL Take #2](#)

Join Date: Dec 2013
Posts: 43

[Ignore User](#)

Hello again Josh, the huge amount of "IM DUE REFUND AND I WANT IT NOOOOOOWWW!!!!" threads popping up that haven't been quashed instantly made it seem like Slok wasn't active anymore, Slok is usually super quick to lock useless threads and delete comments that don't really add anything to the subject.

Obviously my presumption was wrong, I don't really mind as people can post whatever they like and it doesn't impact on me one iota I was simply voicing what I perceived.

Would be great if you could comment on the rest (perjury, I know) because the forum stuff is probably the least important notion in the post you have quoted.

[Send PM](#)

ATTACHMENT D

**BUTTERFLYLABS**

User Name

Password

[Log in](#)[Help](#)[Register](#)☐ Remember Me?[What's New?](#)[Articles](#)[Forum](#)[Blogs](#)[FAQ](#)[BFL Gallery](#)[User Gallery](#)[FAQ](#)[Calendar](#)[Community](#)[Forum Actions](#)[Quick Links](#)[Advanced Search](#)[Forum](#) [Butterfly Labs](#) [Post Sales & Customer Service](#)

Bf labs no contact for a very long time,no buyer protection, should we be worried?

If this is your first visit, be sure to check out the **FAQ** by clicking the link above. You may have to **register** before you can post: click the register link above to proceed. To start viewing messages, select the forum that you want to visit from the selection below.

It has come to our attention that users with Hotmail based email addresses are not receiving email from us. After investigating the issue, it is determined that the problem is with Hotmail itself. All of our email is being accepted by the Hotmail servers without a problem. If you are having trouble receiving our email, please contact Hotmail technical support and let them know what the issue is.

<http://www.butterflylabs.com> is the official website of BFL. Any other website claiming to BFL is a fraudulent site. If your browser bar does not end with "butterflylabs.com" you are on a scam site. We do not use any other domain name other than "butterflylabs.com"

Results 1 to 10 of 33

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[2](#)
[3](#)
[...](#)
[Last](#)

Thread: Bf labs no contact for a very long time,no buyer protection, should we be worried?

Thread Tools

Display

01-07-2014, 06:50 AM

#1

Junior Member

Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 2 Post(s)

 Latest Thread: [Bf labs no contact for a very long time,no buyer protection, should we be worried?](#)

Join Date: Dec 2013

Posts: 8

[Ignore User](#)

Bf labs no contact for a very long time,no buyer protection, should we be worried?

I imagine most people have a similar experience
I have not been able to get a response from butterfly labs in over month now,
plus they dont accept paypal or card so theres no buyer protection anymore

Im I right in worrying about sending them thousands of dollars? or are they just busy?

[Send PM](#)[Reply With Quote](#)

01-07-2014, 07:26 AM

#2

Banned

Mentioned:

5 Post(s)

Tagged:

0 Thread(s)

Quoted:

97 Post(s)

Latest Thread:

Outdated information on Monarch product page is a recipe for disappointment

Join Date:

Dec 2013

Location:

I am disappoint

Posts:

283

Ignore User

What do you want to hear?

A Monarch ordered today probably won't ship until April, according to Josh. Other companies are offering similar schedules for their products. If you want a company with better customer service, order from them.

Reply With Quote

01-07-2014, 07:36 AM

#3

Junior Member

Mentioned:

0 Post(s)

Tagged:

0 Thread(s)

Quoted:

2 Post(s)

Latest Thread:

Bf labs no contact for a very long time,no buyer protection, should we be worried?

Join Date:

Dec 2013

Posts:

8

Ignore User

Originally Posted by

What do you want to hear?

A Monarch ordered today probably won't ship until April, according to Josh. Other companies are offering similar schedules for their products. If you want a company with better customer service, order from them.

I want hear that if I spend \$4000 on something Im going to get it, not pay that amount and for the company to disappear

Send PM

Reply With Quote

01-07-2014, 07:52 AM

#4

Banned

Mentioned:

5 Post(s)

Tagged:

0 Thread(s)

Quoted:

97 Post(s)

Latest Thread:

Outdated information on Monarch product page is a recipe for disappointment

Join Date:

Dec 2013

Location:

I am disappoint

Going by BFL's track record, you get your product eventually. Some people don't have problems with their orders, others do.

There are also other companies with proven track records. Many of them even pledge to refund your money if they miss their promised shipping windows.

Posts: 283

[Ignore User](#)[Reply With Quote](#)

01-07-2014, 11:18 AM

#5



Senior Member



Mentioned: 4 Post(s)

Tagged: 0 Thread(s)

Quoted: 281 Post(s)

Latest Thread: [2014-Apr-19 Monarch Discussion](#)

Join Date: Oct 2012

Posts: 733

[Ignore User](#)

Originally Posted by

I want hear that if I spend \$4000 on something Im going to get it, not pay that amount and for the company to disappear

We all want to hear that. But you're not going to get that guarantee from any bitcoin mining company. You pay your money and take your chances; if you are not comfortable with that then don't order. No one is forcing you to.

Some of the more 'proven' (as in: they have a proven product) companies are BFL, KNCCminer, BitFury (MegaBigPower), and the AntMiner folks. Not sure about HashFast, and CoinTerra has yet to show a working product. BlackArrow hasn't taped out. With BFL you will get your product but they don't best record for shipping 'on time' (though they do claim the 65nm products are in stock for immediate shipment); if you are interested in the Monarch, development still has some significant milestones to pass before we see it ship. KNC has nothing in stock right now; BitFury has units in stock, as does AntMiner. None of these companies will accept PayPal or credit card or any other form or reversible payment.

BTC: 1Fe5aGpQmEVeGczbj15hmakWj4LGfT1StB
 NMC: NFcfHSBBnq622pAr1Xoh9KtnBPA5CU6id

[Send PM](#)[Reply With Quote](#)

01-07-2014, 12:46 PM

#6



Junior Member



Mentioned: 1 Post(s)


Tagged: 0 Thread(s)

Quoted: 3 Post(s)

Latest Thread: [No response on refund - Order BFL-179029357](#)

Originally Posted by

*We all want to hear that. But you're not going to get that guarantee from any bitcoin mining company. You pay your money and take your chances; if you are not comfortable with that then don't order. No one is forcing you to.**Some of the more 'proven' (as in: they have a*


 Join Date: Dec 2013
 Posts: 24

[Ignore User](#)

proven product) companies are BFL, KNCCMiner, BitFury (MegaBigPower), and the AntMiner folks. Not sure about HashFast, and CoinTerra has yet to show a working product. BlackArrow hasn't taped out. With BFL you will get your product but they don't best record for shipping 'on time' (though they do claim the 65nm products are in stock for immediate shipment); if you are interested in the Monarch, development still has some significant milestones to pass before we see it ship. KNC has nothing in stock right now; BitFury has units in stock, as does AntMiner. None of these companies will accept PayPal or credit card or any other form or reversible payment.

What are you going to do next? Make excuses for BP for oil spills or Bernie Madoff for embezzling?

Come on now, that is a completely ridiculous statement. You don't pay your money and "take your chances" and you won't hear BFL say this either. You DO take SOME risk on preorders. You should not take any risk whatsoever on something IN STOCK SHIPPING IMMEDIATELY. Period.

Most of us aren't even asking for immediate shipping. We are asking for communication. We are asking that multiple emails don't get ignored. We are asking that the forum isn't just us posting and then SLoK saying PM BFL_Emily because then what's the point, just PM her with every problem which is the same exact thing as emailing and getting no response so what is the point.

We don't expect perfection we expect them to look like they are trying.

[Send PM](#)

[Reply With Quote](#)

01-07-2014, 12:54 PM

#7



Banned



Mentioned: 5 Post(s)
 Tagged: 0 Thread(s)
 Quoted: 97 Post(s)
 Latest Thread: [Outdated information on Monarch product page is a recipe for disappointment](#)



Join Date: Dec 2013
 Location: I am disappoint
 Posts: 283

[Ignore User](#)

Then you expect too much.

They are shipping product that works to **nearly all** of the people who have ordered it.

If something goes wrong with your order or payment, it may take them several days, weeks, or even months for them to find it. If you try to contact them, you may have difficulties. Their customer service is bad, as Josh has publicly acknowledged, but they're trying to improve.

Last edited by [REDACTED] 01-07-2014 at 12:56 PM.

[Reply With Quote](#)

01-07-2014, 01:16 PM

#8



Senior Member



Mentioned: 4 Post(s)
Tagged: 0 Thread(s)
Quoted: 281 Post(s)
Latest Thread: [2014-Apr-19 Monarch Discussion](#)



Join Date: Oct 2012
Posts: 733

[Ignore User](#)

[REDACTED], I think you are misinterpreting my comments. I am not making excuses. I agree that communication from BFL sucks, and should be a lot better. I know it is frustrating.

I am merely making a generalization that there are no guarantees; every **pre-paid** order carries risk by definition. What differentiates them is the degree of risk (which is never 0). I listed a few vendors I consider as lower risk ('proven' was the term I used), BFL being among those. BFL may suck at communication, but I have no doubt that an order placed with them will yield a product at your door. That has been my experience, and the experience of the vast majority of their customers. The timeliness of that is a different matter, and that is a topic for another discussion.

BTC: 1Fe5aGpQmEVeGczbj15hmakWj4LGft1StB
NMC: NFcfHSBBnq622pAr1Xoh9KtnBPA5CUn6id

[Send PM](#)

[Reply With Quote](#)

01-07-2014, 01:25 PM

#9



Junior Member



Mentioned: 1 Post(s)
Tagged: 0 Thread(s)
Quoted: 3 Post(s)
Latest Thread: [No response on refund - Order BFL-179029357](#)



Join Date: Dec 2013
Posts: 24

[Ignore User](#)

I don't think you realize a lot of people are being legitimately screwed on IN STOCK stuff though.

That is beyond excusable.

[Send PM](#)

[Reply With Quote](#)

01-07-2014, 01:52 PM

#10



Senior Member



Mentioned: 4 Post(s)
 Tagged: 0 Thread(s)
 Quoted: 281 Post(s)
 Latest Thread: [2014-Apr-19 Monarch Discussion](#)



Join Date: Oct 2012
 Posts: 733

[Ignore User](#)

I'll say this: if I paid for something that said "in stock, available for immediate shipping" and a week later it still hadn't shipped, I'd be seriously pissed.

There are maybe half a dozen or a dozen people posting on the forum about issues with their 'in stock' orders. Taken in isolation, that's a lot of people. But what if you found out that for every 1 of those people with trouble, there are 200 people who received their 'in stock' orders at their door within 1-2 weeks of ordering? Would that change your perception? Don't you think it is within the realm of possibility that with an influx of hundreds of orders a day during the 'black friday' and year-end sale periods, that some percentage of those orders might experience some sort of problem?

I'm not saying that is what's happening, since I don't know. But, honestly, neither you nor I have any clue about how many people are being 'screwed' on in-stock orders and, just as importantly, how many are receiving their in-stock orders quickly without any trouble.

Last edited by [REDACTED] 01-07-2014 at 01:54 PM.

BTC: 1Fe5aGpQmEVeGczbj15hmakWj4LGft1StB
 NMC: NFcfHSBBnq622pAr1Xoh9KtnBPA5CUn6id

[Send PM](#)[Reply With Quote](#)

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« [50 GH/s Miner Received - NO INSTRUCTIONS](#) | [My 50G single stuk at usps](#) »

Similar Threads

[More bad news for BTC Bitinstant closed down no one knows how long.](#)

By [REDACTED] in forum Bitcoin News & Articles

Replies: 7

Last Post: 08-23-2013, 09:19 PM

[Order status listed as "FPGA Pending", but no contact form BFL](#)

By [REDACTED] in forum Pre-Sales Questions

Replies: 2

Last Post: 07-03-2013, 10:56 AM

ATTACHMENT E

**BUTTERFLYLABS**

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It has come to our attention that users with Hotmail based email addresses are not receiving email from us. After investigating the issue, it is determined that the problem is with Hotmail itself. All of our email is being accepted by the Hotmail servers without a problem. If you are having trouble receiving our email, please contact Hotmail technical support and let them know what the issue is.

<http://www.butterflylabs.com> is the official website of BFL. Any other website claiming to BFL is a fraudulent site. If your browser bar does not end with "butterflylabs.com" you are on a scam site. We do not use any other domain name other than "butterflylabs.com"

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2

[Last](#)**Thread: Is BFL Scamming Us?**

Thread Tools

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05-18-2013, 10:50 AM

#1

Junior Member

Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 1 Post(s)

Latest Thread: [Is BFL Scamming Us?](#)

Join Date: May 2013

Posts: 1

[Ignore User](#)**Is BFL Scamming Us?**

Just a little tidbit I've noticed of late, there seems to be a new user on 50BTC who came out of no where about a week ago and is hashing over 500,000 MH/s. Unless someone happened to get their order of 4 minirigs (or 10 singles, etc.) it seems either someone is playing a horrible joke or BFL is truly scamming us all. Either that or they "test" the systems in the production environment, netting themselves profit in the "testing", which would be TRULY UNETHICAL. Cheers.

[BFL.jpg](#)[Send PM](#)[Reply With Quote](#)

05-22-2013, 08:49 PM

#2



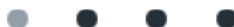
Junior Member



Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 3 Post(s)



Join Date: May 2013

Posts: 1

[Ignore User](#)

I've seen the same thing happened in other pool. 2 users with 359 Gh/s (ouch!!) and it was a new user

well if you think they were scamming us you can think this possibillites

- they used our money to produce the rig
- then they used the rig to mine for themselves (cloaked as testing unit)
- when we ask for refund they'll gave us refund from their mined BTC
- after that they can happily continue to mine with our money being a kickstarter
- ?????
- profit

don't get me wrong, i'm also "pre"- ordered jalapen so we are in same situation here 🤔. in short this scheme can be the best scamming scheme ever (no don't do it BFL i have faith in you even with it being eroded as time ticking)

Next level ponzi scheme

how you guys think ?

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05-22-2013, 09:11 PM

#3



Senior Member



Mentioned: 3 Post(s)

Tagged: 0 Thread(s)

Quoted: 130 Post(s)

Latest Thread: [Ethics, BFL & BFL's production rate](#)



Join Date: Feb 2013

Posts: 365

[Ignore User](#)

Originally Posted by [\[User\]](#)

I've seen the same thing happened in other pool. 2 users with 359 Gh/s (ouch!!) and it was a new user

well if you think they were scamming us you can think this possibillites

- they used our money to produce the rig
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Next level ponzi scheme

how you guys think ?

If you add to that potentially they used pre-order money to buy ASICminer stock, oh maybe just their paychecks, then shipping BFL in quantity makes that less profitable, conflict of interest.

Send PM

Reply With Quote

05-22-2013, 11:23 PM

#4



Member



Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 21 Post(s)

Latest Thread: [video cards vs butterflylabs](#)



Join Date: May 2013

Posts: 41

[Ignore User](#)

Originally Posted by [redacted]

Just a little tidbit I've noticed of late, there seems to be a new user on 50BTC who came out of no where about a week ago and is hashing over 500,000 MH/s. Unless someone happened to get their order of 4 minirigs (or 10 singles, etc.) it seems either someone is playing a horrible joke or BFL is truly scamming us all. Either that or they "test" the systems in the production environment, netting themselves profit in the "testing", which would be TRULY UNETHICAL. Cheers.

BFL.jpg

how do you define "scam" ?

some would say that paying for some thing and not getting it is a scam

others would say the use of twisting words to not have to give some thing that was promised was a scam

others may say that changing the words "no we wont fulfill you" to "yes we we intend to some time" is a scam

but all of these people agree on one thing, that not getting a product that was purchased is a scam.

So im curious what boat you are in that there is doubt?

Maybe its the "im lazy and dont mind waiting as i can always get a refund if need be" boat?

I know that boat is a bit behind the "I use refunds instead of charge backs cause I have no pride" boat

but seriously, how do you justify that there is a doubt here? Is it just that they didn't tell you its a rip off and told you to wait instead ?

Is that where the doubt lies ? Im just really trying to understand in an effort to better help people through the process.

Send PM

Reply With Quote

05-25-2013, 09:57 PM

#5



Junior Member



Mentioned: 0 Post(s)
 Tagged: 0 Thread(s)
 Quoted: 1 Post(s)
 Latest Thread: **Avatar Upload Error**



Join Date: May 2013
 Location: Orlando
 Posts: 16

Ignore User

Originally Posted by [redacted]

I've seen the same thing happened in other pool. 2 users with 359 Gh/s (ouch!!) and it was a new user

well if you think they were scamming us you can think this possibillites

- they used our money to produce the rig
- then they used the rig to mine for themselves (cloaked as testing unit)
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- profit

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Next level ponzi scheme

how you guys think ?

Sounds like a smart idea. But don't confuse the words scheme and scam. They're not the same.

[url=http://btcspender.com]Local Locations That Accept Bitcoins - BTCspender.com[/url]

Send PM

Reply With Quote

05-26-2013, 05:22 AM

#6



Miner 49'er



Mentioned: 5 Post(s)
 Tagged: 0 Thread(s)
 Quoted: 240 Post(s)

Originally Posted by [redacted]

I've seen the same thing happened in other pool. 2 users with 359 Gh/s (ouch!!) and it was a new user

Latest Thread: [Butterfly Labs Announces Bulk Chip Sales](#)



Join Date: Apr 2013

Posts: 516

[Ignore User](#)

I'd be interested in how many blocks they actually solved. They might just be exploiting the pool and not actually hashing anything.

[Send PM](#)

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05-27-2013, 11:29 AM

#7



Moderator



Mentioned: 34 Post(s)

Tagged: 0 Thread(s)

Quoted: 604 Post(s)

Latest Thread: [eBay Now Allows Virtual Currency Sales](#)



Join Date: Sep 2012

Location: Southwest of Northeast

Posts: 2,167

[Ignore User](#)

Says one [Frizz](#) to the other [Frizz](#): "hey [Frizz](#), look here", says the other [Frizz](#): "omgwtfbq"! On which a third [Frizz](#) reacts: "[Frizz](#) and [Frizz](#)! You must be geniuses"! And all the [Frizz](#)' chilled, and were happy for some days, again.

[Send PM](#)

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05-27-2013, 11:33 AM

#8



Blog Entries: 1

Mentioned: 7 Post(s)

Tagged: 0 Thread(s)

Quoted: 146 Post(s)

Latest Blog: [A measure of the "heat" on BFL.](#)

Latest Thread: [Single SC60 cycling off the thermal limiter...](#)

Reality checkpoint approaching...

ATTACHMENT F

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Is this True???? "NOTICE: WARNING to NEW CUSTOMERS of BUTTERFLY LABS INC (BFL)

If this is your first visit, be sure to check out the **FAQ** by clicking the link above. You may have to **register** before you can post: click the register link above to proceed. To start viewing messages, select the forum that you want to visit from the selection below.

It has come to our attention that users with Hotmail based email addresses are not receiving email from us. After investigating the issue, it is determined that the problem is with Hotmail itself. All of our email is being accepted by the Hotmail servers without a problem. If you are having trouble receiving our email, please contact Hotmail technical support and let them know what the issue is.

<http://www.butterflylabs.com> is the official website of BFL. Any other website claiming to BFL is a fraudulent site. If your browser bar does not end with "butterflylabs.com" you are on a scam site. We do not use any other domain name other than "butterflylabs.com"

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Page 1 of 5 2 3 ... [Last](#)**Thread: Is this True???? "NOTICE: WARNING to NEW CUSTOMERS of BUTTERFLY LABS INC (BFL)**

Thread Tools

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06-09-2013, 09:38 AM

#1

Banned

Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 78 Post(s)

Latest Thread: [Ask for a refund for my 4 orders.. Now we will see BFL's true colors...](#)



Join Date: May 2013

Posts: 127

[Ignore User](#)**Is this True???? "NOTICE: WARNING to NEW CUSTOMERS of BUTTERFLY LABS INC (BFL)**

Would sure like to see BFL comment on this....

NOTICE: WARNING to NEW CUSTOMERS of BUTTERFLY LABS INC (BFL)

June 08, 2013, 03:50:45 PM

#1

** Warning to New customers of Butterfly Labs Inc (BFL)
**

"Any pre-orders placed now for any of Butterfly Lab's units are not expected to ship until early 2014."

The above warning is from an article of June 5th on Butterfly Labs by Bitcoin commentator, Phil, in Mining News of the leading Bitcoin website, the Genesis Block.

This warning is intended for new customers thinking of placing an order in the near future with butterfly labs Inc (BFL) for mining equipment. It is not intended to be of concern to existing customers with pre-orders, and also it relates to ASIC mining equipment only as opposed to ASIC chips for whic BFL may have a different promised delivery schedule.

Quote

Butterfly Labs claims they have shipped all Jalapeno 5 GH/s ASIC bitcoin miners ordered through July 3rd, 2012 have been shipped. ASIC miners are customized hardware used for bitcoin mining. Although Butterfly labs was one of the first companies to take pre-orders for ASIC hardware, Avalon and ASICMiner have been shipping for several months now.

Butterfly Labs has been plagued with power issues for months, perpetually telling miners they are two weeks away from delivery. They missed their power target, forcing them to forfeit 1,000 bitcoins to charity after a failed wager. The size of these 5 GH/s miners is over twice as big as originally forecast to accommodate the redesigned boards.

There is no word yet on expected deliveries of their 30 GH/s, 60 GH/s or 1,500 GH/s miners shipping yet. These units are expected to have similar size issues as the 5 GH/s miners and there are rumors that Butterfly Labs will ship multiple units to customers in order to achieve the expected hashing rate. Certainly, after a year of waiting, most customers will be happy to just start mining. Any pre -orders placed now for any of Butterfly Lab's units are not expected to ship until early 2014.

Reply With Quote

06-09-2013, 09:43 AM

#2

Senior Member



Lies, they are making over 400 jalapeños every 5 hours according to Josh. They will probably clear the backlog by August.

ATTACHMENT G



BUTTERFLYLABS

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Refund Request - Update - Butterfly Labs email message to a customer asking a refund!

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It has come to our attention that users with Hotmail based email addresses are not receiving email from us. After investigating the issue, it is determined that the problem is with Hotmail itself. All of our email is being accepted by the Hotmail servers without a problem. If you are having trouble receiving our email, please contact Hotmail technical support and let them know what the issue is.

<http://www.butterflylabs.com> is the official website of BFL. Any other website claiming to BFL is a fraudulent site. If your browser bar does not end with "butterflylabs.com" you are on a scam site. We do not use any other domain name other than "butterflylabs.com"

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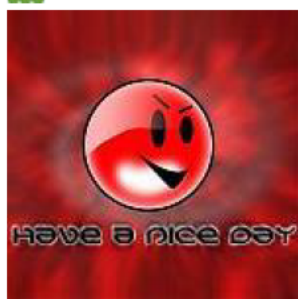
Thread: Refund Request - Update - Butterfly Labs email message to a customer asking a refund!

[Thread Tools](#)[Display](#)

03-11-2013, 09:35 AM

#51

Senior Member



Mentioned: 6 Post(s)
Tagged: 0 Thread(s)
Quoted: 510 Post(s)

Originally Posted by [REDACTED]

This was mentioned repeatedly on Chinese forums. The Batch numbers you are taking into account are overseas orders.

<https://bitcointalk.org/index.php?to...570#msg1557570>

They register on avalon store site first and make an order. Then they use that order # to place same order on Taobao and use that site to pay for it instead of using bitcoins. Taobao is China's version of E-Bay.

300 is the total for batch 1.

Latest Thread: [TerraHash Folds!!!](#)

Join Date: Feb 2013

Location: Canada

Posts: 1,141

[Ignore User](#)Like  said:

300 x 67 = 20.1 TH/s

1300 x 67 = 87.1 TH/s - we have not seen anywhere near this

Late Dec - early Jan, peak was around 26 TH/s. Network now peaked at 40 TH/s and that includes ASICMiner coming in with 6 TH/s. 40 - 26 = 14 TH/s higher with ASICs.

[Bitcoin Hash Rate](#)[Send PM](#)

03-11-2013, 12:40 PM

#52

 **BFL_Josh**  

Employee



Blog Entries: 13

Mentioned: 183 Post(s)

Tagged: 1 Thread(s)

Quoted: 2112 Post(s)

Latest Blog: [Monarch Power and Light \(Sound\)](#)Latest Thread: [Duplicate IP Report for 10-26-2014](#)

Join Date: Aug 2012

Posts: 2,505

Blog Entries: 13

[Ignore User](#)

So more lies from PuertoLibre then is the general consensus, since he's basically the only person on the planet to have heard of this 1000 Avalon army thing?

[Send PM](#)

03-11-2013, 12:52 PM

#53



Junior Member



Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 3 Post(s)



Join Date: Oct 2012

He mixes dreams with reality.

Posts: 26

Ignore User

Last edited by [REDACTED] 03-11-2013 at 01:25 PM.

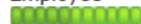
Send PM

03-11-2013, 12:59 PM

#54

 **BFL_Josh** 

Employee



Blog Entries: 13

Mentioned: 183 Post(s)

Tagged: 1 Thread(s)


Quoted: 2112 Post(s)

Latest Blog: **Monarch Power and Light (Sound)**Latest Thread: **Duplicate IP Report for 10-26-2014**

Join Date: Aug 2012

Posts: 2,505

Blog Entries: 13

Ignore User Originally Posted by [REDACTED]*I should point out that Avalon sold 1000 units within Batch 1 (in China).**less FUD please, there's total of 300 units for batch one, +/- 10. this includes in china. fun fact: we rejected 2x 100+ orders and a deal to buy the whole 300 unit lot.**p.s.**sorry about the DHL delay guys, since we are doing shipping through another company we get the tracking a few days after we ship, and due information being passed through multiple parties, it is entirely possible you'll receive units before tracking information, which is currently what is happening.*

Yep... PuertoLibre - Lying Scumbag extraordinaire.

Send PM

03-11-2013, 02:15 PM

#55



Senior Member



Mentioned: 1 Post(s)

Tagged: 0 Thread(s)

Quoted: 20 Post(s)

Latest Thread: **combined monarch upgrade and voucher code.**





Join Date: Oct 2012

Posts: 39

Ignore User




Is this the official response from the representative of BFL!?

OMG Josh, you can't say that! It's so unprofessional! You are supposed to be representing your company! Are you mixing up your online personas? Josh, please delete and/or apologize for this behavior. It's bad bad bad for your corporate image.


Send PM	
03-11-2013, 03:30 PM #56	
 Senior Member  Mentioned: 3 Post(s) Tagged: 0 Thread(s) Quoted: 119 Post(s) Latest Thread: To trolls and those who are lazy to 'search'  Join Date: Feb 2013 Posts: 359 Ignore User	<div>  Originally Posted by  </div> <p><i>You are supposed to be representing your company! Are you mixing up your online personas? Josh, please delete and/or apologize for this behavior. It's bad bad bad for your corporate image.</i></p> <p>+1 There are too many 'exasperated utterances' (Google translated, hope it is correct) in the last few days. Lets calm down pls. ALL OF US</p>
Send PM	
03-11-2013, 05:42 PM #57	
 Senior Member  Mentioned: 5 Post(s) Tagged: 0 Thread(s) Quoted: 59 Post(s) Latest Thread: So Josh is stepping down?.....  Join Date: Oct 2012 Posts: 161 Ignore User	<div>  Originally Posted by BFL_Josh  </div> <p><i>Yep... PuertoLibre - Lying Scumbag extraordinaire.</i></p> <p>and Josh promising wrong delivery dates since october is an angel instead of scumbag? Whats the difference? Didnt U read and understand my last post here? If U treat customers like this....soon U will have no customers (NB, as U can see, I wrote again U not You).</p>
03-11-2013, 07:14 PM #58	
 Guest	<div>  Originally Posted by  </div> <p><i>and Josh promising wrong delivery dates since october is an angel instead of scumbag? Whats the difference? Didnt U read and understand my last post here? If U treat customers like this....soon U will have no customers (NB, as U can see, I wrote again U not You).</i></p> <p>not to defend josh's promising a future shipping date. a possible lie and most likely over optimistic at best.</p>


03-12-2013, 03:39 AM

#65

 **BFL_Josh**  

Employee








Blog Entries: **13**

Mentioned: 183 Post(s)

Tagged: 1 Thread(s)

 Originally Posted by  

*Luckily or unfortunately I'm not **Frizz**. On bitcointalk I'm not really posting, just looking/checking 1 thread and if someone gives me link, then look at that too. I dont even know what subforums they have, havent been on main page for half a year or so 😊*

I am BFL orderer who ordered in summer, was hoping to get them on october/november at the latest. If You would have stated that time, that You cant deliver in october and will be waiting for

Case 4:14-cv-00815-BCW Document 166-2 Filed 11/19/14 Page 37 of 71

<https://forums.butterflylabs.com/bfl-forum-and-miscellaneous/1266-refund-request-update...> 11/3/2014

Quoted: 2112 Post(s)

Latest Blog: [Monarch Power and Light \(Sound\)](#)Latest Thread: [Duplicate IP Report for 10-26-2014](#)

Join Date: Aug 2012

Posts: 2,505

Blog Entries: 13

[Ignore User](#)

march/april, then I would not made my order (and I bet many others too). Instead BFL kept pushing deadlines week after weeks. Right now its already TOO LATE to back out. But if its BFL-s official statement, that it goes another 6 months and I would get them in september/october this year, then I would ask for refund and put my money elsewhere.

Good to know you're not **Frizz**, or if you are, you've managed to out do yourself this time. If we had known it would be March before we delivered, we would have posted March. We gave the best timeline we had at the time. Why is that so hard to understand? It's never too late to back out in this context.

As for so called "trolling." What ticks me off, is You being "bossy" to Your clients and customers. There are different kind of people, but You as a company representative cant behave like that (calling them scumbags, renaming threads to DUMB questions (yeah, he had some info there wrong, but he had right info there too, along with not getting refund for 10 days) and all other stuff).

I absolutely assure you that I can, have, and will. You are sorely mistaken if you think political correctness will protect you from being stupid. I have said this before, a number of times, but the customer is not always right. Some customers cost more to retain than to jettison and some companies are so stuck in the mentality of "The customer is always right." that they will do stupid things to retain a customer that ends up costing more than they are worth. Using an example of Gundan, coming here and posting false information repeatedly (like you are doing) typically ends up costing more in terms of my time, everyone elses time and potentially even lost sales than you generate with your orders. As such, it's better to be rid of a customer like that than to retain them.

I would not say I am bossy, I am just intolerant of childish behavior and whiny, entitled people. I'm sorry that I'm not holding you hand and telling you nice flowery things. I am telling you the truth and if you don't like it, you need to move on.

Bank transfers within a bank takes 1 minute, international transfers 2-3 days, but to let people wait so long....that pushes them over the edge. Be more polite to people, and they will be polite against You (except SOME exceptions, right now its more than that). And really, website with orders showing should of been up in october, but You started of thinking of it in february and its middle of the march, and its still not up. And thats a false information?

btw only joke I liked, was that here is a quarter, get a clue 🤔

You apparently haven't been around long enough to understand this business. Bank Transfers do not take 1 minute, they are one of the most time consuming financial activities we conduct. Being polite to people, when they are being rude and demanding may work with some of the people, some of the time, but it does not work with all of the people all of the time, or even most of the time. In fact, if you are going to be rude and impolite, you will get the same in return. See above about the customer not being always right. Posting false information as fact is the height of rudeness.

Also, you don't need to capitalize "you," unless it's at the beginning of a sentence. It's not a proper noun. I have enough respect for the people I communicate with to take the time to use proper grammar, spelling and complete sentences (most of the time), at least have enough respect for your audience to type complete words, if nothing else.

Send PM

03-12-2013, 04:17 AM

#66

Junior Member



Mentioned: 0 Post(s)
Tagged: 0 Thread(s)
Quoted: 2 Post(s)



Join Date: Feb 2013
Posts: 7

[Ignore User](#)

Originally Posted by [redacted]

....

I've got to say, reading some of these infantile posts is just painful. I don't know whether bitcoin and speculative ventures attracts these sort of people, or what, but it's really irritating to read obnoxious, poorly written, and poorly thought out complaints with such an arrogant sense of entitlement.

Though, that said, I agree in part that Josh you could do a little better in the PR department, I understand you guys are a small company and probably don't have much experience in this area, but when dealing with customers on a public forum it's best to keep things short, to the point, and not take anything personally.

Don't respond emotionally, a simple response such as: "Please understand the delays have been unavoidable, we apologise for the inaccurate target date, however, we will not compromise on our product and will continue with our plan of assembly and testing prior to shipping to the consumer. It is the nature of business that a smaller companies project (BFL ASICs) can be delayed at the manufacturing level by a larger company (etc, etc,

whatever the other reasons are). We remind our customers that if they are unsatisfied with our service they are entitled to a refund, however, as we approach the shipping date we would encourage our loyal customers to be patient while we finalise the first batches. All refunds will be processed in a timely manner, however, depending on the method of payment may take up to 5 business days to clear."

Etc, etc.

In my experience, BFL should carefully note down the feedback they're getting and constant questions. Set out a refund policy since there's been a bit of talk about it, post it up on the website, and whenever it is mentioned in a post, respond simply with "please see our updated refund policy at [LINK]".

Simple. I've seen a few posts that look like they were written by children criticising the delays and processes, even if these criticisms are legitimate the responses from BFL should always be short, to the point, and professional. They should be completely impartial and speak on behalf of the company, not on behalf of an individual.

Send PM

03-12-2013, 07:36 AM

#67



Junior Member



Mentioned: 1 Post(s)
Tagged: 0 Thread(s)
Quoted: 9 Post(s)
Latest Thread: [BFL PSU dead, looks like fried c32 cap.](#)
[Suggestions?](#)



Join Date: Nov 2012
Posts: 25

[Ignore User](#)

Originally Posted by [User]

Lying is when you know the truth, and you say something else.

A promise is where you state your intentions for the future. BFL honestly intended to ship a long time ago; it doesn't retroactively turn into a lie if something goes wrong.

Gullible is when you believe everything you are being shoveled, stupid can be defined as someone knowingly doing what's in their worst interest and characteristics of insanity is doing the same thing over and over again and expecting different result.

Since we are done with the word-lessons I figured I would summarize. Missing 1 date does not turn you into a liar nor does missing 10 if you provide a believable explanation. Missing 30+ (arbitrary number pulled out of the air based on a general feel of the amount of "estimates" that have been missed - I think 30 is low) should start some kind of thorough process in most individuals that are not stupid nor gullible that something is strange here and that far from everything is above

board. E.g: One dramatized explanation for delay and lack of information - Phone's don't work on Presidents day.

Thirty time estimates missed should also start some kind of process in the company representative in which he/they "salts"/increases the "expected" estimates since doing anything else would be insane or deliberate. This increase would be based on previous encounters with similar problems and they don't necessarily have to be the same (ASICs - new science - warp drive - yada yada) field. My opinion here is obviously that it is deliberate, but I could be wrong. If you can't think of why it would be deliberate in a competing (wattage aside) market where difficulty is everything then chances are you bear a close relation one of the three previously "defined" words.

 Originally Posted by **BFL_Josh** 

Also, you don't need to capitalize "you," unless it's at the beginning of a sentence. It's not a proper noun. I have enough respect for the people I communicate with to take the time to use proper grammar, spelling and complete sentences (most of the time), at least have enough respect for your audience to type complete words, if nothing else.

Are you kidding? You have enough respect to take the time to use proper grammar, but you don't find what you are doing (to more than one person) right now to be disrespectful and demeaning? You are being paid for this, you are not a saint sir. Part of your job (if I'm not massively misinformation) is to be a community liaison, to communicate with us and give us timely updates, not to fucking correct our English. Part of your job is "kind of" to have better language and social skills than most of us, you display some and seem to lack the other.

I have no clue about whether this guy is from an English speaking country, but what kind of signal do you think you send to those that write worse than him? English is my third language, does that mean that I have to be extra careful when coming to the forum if you are online or if you're in a bad mood?

Come on man, you can, and you have, handled this better.

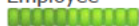
Send PM

03-12-2013, 11:19 AM

#68


 **BFL_Josh**  

Employee



This thread has ceased it's useful life, so I am closing it.



Blog Entries: **13**
 Mentioned: 183 Post(s)
 Tagged: 1 Thread(s)
 Quoted: 2112 Post(s)
 
 Latest Blog: **Monarch Power and Light (Sound)**
 Latest Thread: **Duplicate IP Report for 10-26-2014**

 Join Date: Aug 2012
 Posts: 2,505
 Blog Entries: **13**
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« [Customer Comment] Positive Customer Satisfaction. | MiniRig design fault tolerant? »

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| How to tell if Butterfly Labs has driven you nuts...LIST
By [REDACTED] in forum Bitcoin Discussion | Replies: 36
Last Post: 07-12-2013, 05:41 PM |
| Butterfly Labs to appear at CES Convention
By [REDACTED] in forum Announcements | Replies: 37
Last Post: 02-08-2013, 08:23 PM |
| Butterfly labs made me nuts list ...update
By [REDACTED] in forum Humor & All things funny | Replies: 0
Last Post: 11-02-2012, 04:48 PM |
| Why butterfly labs aren't answering to emails???(!!!)
By [REDACTED] in forum Pre-Sales Questions | Replies: 5
Last Post: 10-23-2012, 12:04 PM |



Mentioned: 3 Post(s)
 Tagged: 0 Thread(s)
 Quoted: 2 Post(s)


Join Date: Feb 2013
 Posts: 12

Ignore User

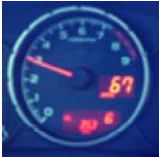
Send PM

Reply With Quote

06-09-2013, 11:59 AM #8

tripjammer 

Senior Member



Mentioned: 1 Post(s)
 Tagged: 0 Thread(s)
 Quoted: 130 Post(s)

Join Date: May 2013
 Posts: 304



Ignore User

March and April is only too late if you ordered a mini rig, but even then I bet BFL could get all 100 or so of the mini rigs out in less than 2 months.


Send PM

Reply With Quote

06-09-2013, 12:05 PM #9

 **BFL_Josh** 

Employee



Blog Entries: 13
 Mentioned: 183 Post(s)
 Tagged: 1 Thread(s)
 Quoted: 2112 Post(s)

Yeah whomever wrote that is a liar and fairly laughable. So much for journalistic integrity.

All current back orders will hopefully be shipped by the end of August/beginning of September.

ATTACHMENT H



BUTTERFLYLABS

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Password

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<http://www.butterflylabs.com> is the official website of BFL. Any other website claiming to BFL is a fraudulent site. If your browser bar does not end with "butterflylabs.com" you are on a scam site. We do not use any other domain name other than "butterflylabs.com"

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Results 1 to 10 of 162

Thread: Refund Policy?[Thread Tools](#)[Display](#)

07-04-2013, 12:42 PM

#1



Banned

Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 7 Post(s)

Latest Thread: [Refund Policy?](#)

Join Date: Jul 2013

Posts: 10

[Ignore User](#)**Refund Policy?**

Hi,
 Thank you for contacting Butterfly Labs. According to the terms you agreed to on checkout, all sales are final. Now that shipping of orders has begun, refunds will not be processed. Your order will be shipped per your position in the order queue. Thank you for your patience and understanding.
 For Jody's Customer Service Blog, and more, please visit our new BFL Forums at
https://forums.butterflylabs.com/blogs/bfl_jody/
 Kind regards,
 Alicia
 BF Labs, Inc.

This is Order **#100051123** for a Single. Time to delivery stated at the time was 2 months. 2 months later BFL is only now shipping June 2012 Singles so I requested a **refund** and received the above email. I have read about others receiving refunds, so why not **refund** my order?

I have also filed a complaint with the Federal Trade Commission.

Best Regards.

Update: Received refund. Case closed.

Last edited by [REDACTED] 07-27-2013 at 09:02 PM. Reason: Update

07-04-2013, 03:16 PM

#2

 **BFL_Josh**  

Employee



Blog Entries: **13**
Mentioned: 183 Post(s)
Tagged: 1 Thread(s)
Quoted: 2116 Post(s)



Latest Blog: **Monarch Power and Light (Sound)**

Latest Thread: **Duplicate IP Report for 10-26-2014**



Join Date: Aug 2012
Posts: 2,511
Blog Entries: **13**

Ignore User














All sales are final at this point. We are in full production, thus your orders are final.

If you've filed a complaint with the FTC, then there's nothing I can do, you'll have to follow up with the FTC from here on out, as no one here can assist you with that. Please be sure to direct all correspondence to them in the future going forward.

Send PM

07-04-2013, 03:32 PM

#3

07-04-2013, 05:33 PM	#10
<p> BFL_Josh </p> <p>Employee </p>  <p>Blog Entries: 13 Mentioned: 183 Post(s) Tagged: 1 Thread(s) Quoted: 2116 Post(s)</p> <p> </p> <p>Latest Blog: Monarch Power and Light (Sound) Latest Thread: Duplicate IP Report for 10-26-2014</p> <p>   </p> <p>Join Date: Aug 2012 Posts: 2,511 Blog Entries: 13</p> <p>Ignore User</p>	<p>To you whiners and complainers, you're welcome to do whatever you think is best. I'm sure the people maintaining their orders will be happy you step out the line.</p> <div data-bbox="711 1192 1351 1768" style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p> Originally Posted by  </p> <p><i>You've been shipping a couple dozen units a Few days a week for 2 1/2 Months now. You Can Not expect people to Not ask for a refund once they realize they're screwed and will loose money by the time they get there product because it'll take you over a year to ship them out...If you were REALLY shipping out like you were supposed to then you may have a leg to stand on but until then there is no way you can refuse people money back. You should have stopped taking orders Months ago until you caught up on your Huge Backlog. Sad as it is there are far too many posts everyday of people who have No idea of BFL's situation and assume they'll be getting their products they paid for immediately. Especially when you give these lofty goals that you never even try to attain.</i></p> </div> <p>Please stop spreading false information. It's getting kind of old. Unless you have proof to back up your claims, stop. As for people expecting to get their products immediately, we can't make it any more clear than "You will receive</p>

your product in two or more months..." when they place an order. It's not like we are hiding that information in small type and on an obscure page.

Send PM

▼ Page 1 of 17 1 2 3 11 ... Last ►►

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« [Raspberry PI | Are the 60GH Singles shipping with a power supply?](#) »

08-23-2013, 03:42 PM

#120

Junior Member

Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 4 Post(s)

Latest Thread: [Refund.](#)

Join Date: Mar 2013

Posts: 11

[Ignore User](#)

BFL is censoring posts. Two of my posts now have not been posted after review. They did not contain profanity, they only contained the law and how it applies to how BFL is not giving refunds. Anyone else find this censorship concerning?



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Thread: Refund Policy?

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Thread Tools

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08-23-2013, 03:44 PM

#121

Miner 49'er

Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 88 Post(s)

 Latest Thread: [EclipseMC Saw a 3TH Jump Over the Weekend](#)

Join Date: Sep 2012

Posts: 225

[Ignore User](#)

Wow, after deleting a bunch of my posts, I added another which took up less space and Josh deleted that as well. How about BFL starts obeying the law and stops deceiving its customers as to their rights?

[Send PM](#)

08-23-2013, 03:46 PM #122



Junior Member

Mentioned: 0 Post(s)
Tagged: 0 Thread(s)
Quoted: 4 Post(s)
Latest Thread: [Refund.](#)

Join Date: Mar 2013
Posts: 11

[Ignore User](#)

Apparently now if your posts contain the letters "F" "T" and then "C" they will not be posted. Wow...

Edit: It actually must be the word "[refund](#)" that is flagged and censored. Hard to figure out exactly what words BFL does not like around here.

Last edited by [REDACTED] 08-23-2013 at 04:12 PM.

Send PM

08-23-2013, 03:52 PM #123





Junior Member

Mentioned: 0 Post(s)
Tagged: 0 Thread(s)
Quoted: 10 Post(s)
Latest Thread: [\(2\) 50 gs/s miners not working after DAYS of trying](#)

Join Date: Apr 2013
Posts: 26

[Ignore User](#)


 Originally Posted by [BFL_Josh](#) 

You purchased a pre-order, you received a pre-order, sales over at that point. You will get your product when it becomes available.

so, to be clear, you are CONFIRMING the completion of the sale on receipt of payment? is that correct josh?

Send PM

08-23-2013, 03:58 PM #124





Miner 49'er

Mentioned: 0 Post(s)
Tagged: 0 Thread(s)
Quoted: 88 Post(s)
Latest Thread: [EclipseMC Saw a 3TH Jump Over the Weekend](#)

Join Date: Sep 2012
Posts: 225

[Ignore User](#)

 Originally Posted by [REDACTED] 


so, to be clear, you are CONFIRMING the completion of the sale on receipt of payment? is that correct josh?

He can't confirm that because it isn't true. On your **order** confirmation, the subject line reads: "Your **order** from BF Labs Inc. - xxxx". Here's the body:

ATTACHMENT I

04-09-2013, 08:08 PM #6

Member




Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 14 Post(s)


Latest Thread: [Mini-Rig Nexus](#)



Join Date: Oct 2012

Posts: 44

[Ignore User](#)

Originally Posted by 

Indeed, we shall... As a new customer, I am willing to give the company the benefit of the doubt. It seems like they are very close to getting things done. BTW, I've read your shipping estimate article - the math looks right, however one question (and I apologize if it's already answered elsewhere) - where did the number 400 units/day production throughput come from?


hahahaha.... I had to laugh when I read that part "It seems like they are very close to getting things done."

It *might* be true - this time - but that could have been easily said multiple times over the past four months. The only thing you can do is wait, and try to forget that they took your money. Otherwise, this company will drive you bat crazy.

[Send PM](#) | [Reply With Quote](#)

04-09-2013, 10:26 PM #7

Junior Member





Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 7 Post(s)

Latest Thread: [Shipment expectations - email from BFL](#)



Originally Posted by 

400 units/day was the number given by Josh (BFL). He said they made 100 FPGAs per day and would be able to do ASICs 4X faster. This is still unconfirmed and just Josh's guess on unit assembly. Could end up being 250 or 200 units/day. Have to wait for real numbers. ie. 1-2 weeks of making ASICs.

Join Date: Apr 2013
Posts: 11

[Ignore User](#)

Thanks for clarification. Now it all comes together. Hopefully, once they start shipping out, they will see an uptake in paying customers and can ramp up production. Honestly, I don't think I am willing to be as patient as many people here and wait for 10 months for an overdue product. It's nothing against BFL. In fact I like the company and can appreciate the difficulty of getting a new product to market. It's just economics of Bitcoin don't appear to allow for time loss when difficulty keeps going up. But for now, as I said before "the benefit of the doubt"...

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04-10-2013, 02:04 AM

#8



Senior Member



Mentioned: 2 Post(s)
Tagged: 0 Thread(s)
Quoted: 131 Post(s)

Latest Thread: [FWIW - My miner is mining without problems and I've had no issues with BFL](#)



Join Date: Oct 2012
Location: Aotearoa (New Zealand)
Posts: 362

[Ignore User](#)

Brian must be new ... he should know better than to give out accurate information

He'll be gone by Friday 🤔

jape

[FONT=Lucida Console][SIZE=2][COLOR="#800080"][B]Haters [/B]are like crickets, they chirp all day long and when you walk by them they just shut up![/COLOR][[/SIZE][[/FONT]

[FONT=Microsoft Sans Serif]Hey Mister, spare some change? 1BeeJayZp7YvvjiM8JakHW8Nk1cz3dHzfv[/FONT]

[Send PM](#)

[Reply With Quote](#)

04-10-2013, 07:38 AM

#9



Moderator



LOL. them bitcointalk boys are so desperate they even start posting their dribble here, and even have to repeat each other making new topics from older messages. Of course troll master [Frizz](#) Supertramp/Nordsee leads the way, and the but-hurt club (but-hurt because the lot praised BASIC's attempt to an ASIC over BFL's and lost their money/wait for a refund) jump in. BFL should give you a free little single for best advertisement, the stupidity

Mentioned: 34 Post(s)
 Tagged: 0 Thread(s)
 Quoted: 604 Post(s)
 Latest Thread: [eBay Now Allows Virtual Currency Sales](#)

Join Date: Sep 2012
 Location: Southwest of Northeast
 Posts: 2,167

[Ignore User](#)

of the Anti BFL Attention Please Club lead to a jump in pre-sales for months now.

Q: So, have you cancelled your order at BFL yet, Frizz23?

A: "Of course not. I just like to make some new drama daily, look, my new topic!"

<https://bitcointalk.org/index.php?topic=171723.0>

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Replies: 17

Last Post: 01-24-2013, 07:48 PM

[Interview with Josh from BFL at CES 2013](#)

By [\[REDACTED\]](#) in forum Bitcoin News & Articles

Replies: 4

Last Post: 01-10-2013, 11:22 AM

[Not receiving emails from us?](#)

By BFL_Josh in forum Announcements

Replies: 8

Last Post: 11-06-2012, 09:54 AM

[Free Bitcoins from BFL! \(Poll\)](#)

By [\[REDACTED\]](#) forum Humor & All things funny

Replies: 7

Last Post: 11-01-2012, 12:32 AM

[This will be us after recieving our toys from bfl](#)

By [\[REDACTED\]](#) in forum Off-Topic

Replies: 2

Last Post: 10-10-2012, 01:17 AM

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Forum Rules

-- BFL Official



-- English (US)



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All times are GMT -5. The time now is 01:04 PM.

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Why are BFL mods editing my posts to say things I did not say?

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Thread: Why are BFL mods editing my posts to say things I did not say?

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09-20-2013, 12:27 PM

#1



Junior Member



Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 8 Post(s)

Latest Thread: [Why are BFL mods editing my posts to say things I did not say?](#)






Join Date: Apr 2013







Posts: 18

Why are BFL mods editing my posts to say things I did not say?

Does anyone think that it behooves BFL for BFL forum mods to be abusing the forum this way? How is BFL's credibility and public image regarding integrity, trust, and the abuse of trust? Good? Not so good? Good enough to have no need to consider how administrative behavior might affect these factors presently? Just something to think about...

Ignore User	
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09-20-2013, 12:42 PM	#2
<div><div></div><div>Miner 49'er  Mentioned: 5 Post(s) Tagged: 0 Thread(s) Quoted: 128 Post(s) Latest Thread: I would like to Commend BFL_Emily on her initiative  Join Date: Sep 2012 Posts: 354 Ignore User</div></div>	<p>IMHO it is only Slok who seems to enjoy harassing people in this way.</p> <p>Grnbrg has been a Mod for awhile and seems to be fair.</p> <p>Nothing is more infuriating then to go back and see a post that is 2-3 weeks old, to see it now say that I am basically calling myself a Whiner among other things. I agree w/ you in the fact it does nothing good for BFL in any way and only tarnishes their Reputation and the way they treat their Customers even more.</p>
Send PM	

09-20-2013, 04:53 PM	#3
<div><div>BFL_Josh</div><div>Employee   Blog Entries: 13 Mentioned: 183 Post(s) Tagged: 1 Thread(s) Quoted: 2116 Post(s)  Latest Blog: Monarch Power and Light (Sound) Latest Thread: Duplicate IP Report for 10-26-2014  Join Date: Aug 2012 Posts: 2,510 Blog Entries: 13 Ignore User</div></div>	<p>Can you guys point out examples of what you are talking about? This is the first I'm hearing of it? What's the problem?</p>
Send PM	

09-20-2013, 04:57 PM	#4
----------------------	----

 **Slok**

Moderator



Mentioned: 34 Post(s)

Tagged: 0 Thread(s)

Quoted: 604 Post(s)

Latest Thread: [eBay Now Allows Virtual Currency Sales](#)

Join Date: Sep 2012

Location: Southwest of Northeast

Posts: 2,169

[Ignore User](#)[Send PM](#)

09-20-2013, 05:46 PM

#5

Junior Member



Mentioned: 0 Post(s)

Tagged: 0 Thread(s)

Quoted: 1 Post(s)



Join Date: Aug 2013

Posts: 5

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I have no idea why BFL made Slok a forum admin. He is one of the most devious persons I've met in the Bitcoin world so far.

Originally Posted by

Does anyone think that it behooves BFL for BFL forum mods to be abusing the forum this way? How is BFL's credibility and public image regarding integrity, trust, and the abuse of trust? Good? Not so good? Good enough to have no need to consider how administrative behavior might affect these factors presently? Just something to think about...

I changed your comment to an OP from "you must lay down your crack pipe" to "I must lay down my crack pipe". If you do not appreciate such actions, don't use comments like that. BFL's forum is not bitcointalk.org where all goes. And dagger, get a life, cancelled your orders but keeps hanging around coz there's no better place to be?

09-20-2013, 05:54 PM

#6

 **Slok**

Moderator



Mentioned: 34 Post(s)

Tagged: 0 Thread(s)

Quoted: 604 Post(s)

Latest Thread: [eBay Now Allows](#)

Originally Posted by

I have no idea why BFL made Slok a forum admin. He is one of the most devious persons I've met in the Bitcoin world so far.

As if you having an idea why would make any difference, lol.

ATTACHMENT K



TRENDING
Coinbase Launches 'One-Click'
Bitcoin Tipping Tool



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\$376.56

EUR €300.00

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¥2,311.16

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BUTTERFLY LABS • MINING • NEWS

Butterfly Labs Monarch miner announcement angers customers

David Gilson (@davidgilson) | Published on August 19, 2013 at 15:16 GMT

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19

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25 points

Article updated on 27th August at 14:37 BST

Butterfly Labs has announced a new PCI bitcoin mining card, named **Monarch**, based on the new 28nm technology. Butterfly Labs claims the Monarch will achieve 600 GH/s and consume 350W. The release has courted controversy with customers who are still awaiting delivery of their longstanding 65nm-based products.



The Monarch has been optimised to work when connected to a PCIe slot, however, it also has a USB port, which allows it to be used with Windows and Linux computers and even Android devices. Butterfly Labs boasts that the card will achieve 600 Gigahashes per second (+/- 20%), and will cost \$4,680 (\$7.80 per GH/s), and consume 350 Watts (0.6 W per GH).

It's fair to say that Butterfly Labs has earned a poor reputation because of its consistently [late deliveries](#). For example, its first-generation entry-level miner, the **Jalapeno**, was eventually delivered to customers six months after it was supposed to ship (promised November 2012, started shipping April 2013). The **Bitforce 500** and **Bitforce SC 60** were also released earlier this year, falling short of their projected specifications. [Butterfly Labs is still struggling](#) to keep up with its massive list of backorders, however, some customers are receiving new hardware:



Butterfly Labs makes a point of stating on the product page that this mining device will not be

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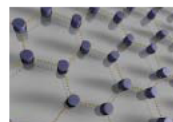
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Third of Sites Seized in Operation Onymous Were 'Clones'

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shipping any time soon, but "towards the end of the year". It further states that those not comfortable waiting for so long should not pre-order.

For those interested in the product, Butterfly Labs has an offer for customers who are waiting for 65nm miners to transfer their current orders and apply the credit towards the Monarch. The catch is that doing so will be subject to a 10% transfer fee.

This has understandably raised the ire of many existing customers:



Recent months have seen Butterfly Labs customers being refused refunds, which has further added to anxieties of those with large sums of money tied up in products that have not yet arrived.

For example, a Bitcoin forum user [reported](#): "I just tried to get a refund and they refused. They should be tagged as a scammer as previously posted, especially now that they are refusing refunds (confirmed). They just refused mine in an email."

Then, on Butterfly Lab's [forum](#), a user reported the following response from the company: "As stated on the order form, all sales are final. Unfortunately, we cannot give you a refund. We truly do appreciate your business."

There has even been the [cancellation](#) of a group-buy on the Bitcoin forum: "Ugh... I just read through the forum and the general consensus about this third BFL preorder is rather negative. I will stop this attempt of a group-buy before it even starts to minimize anger/grief/etc."

Further to the "all sales are final" position, Butterfly Labs is not accepting PayPal as a method of payment for the Monarch; instead, only taking bitcoin or bank transfers as payment. Both of these are irreversible payment methods.

We asked Butterfly Labs COO, Josh Zerlan, about the company's refund history and he told us: "Throughout that whole process, we gave customers the opportunity to cancel and get a full refund, culminating with a positive opt-in email where they had to agree that they understood we've screwed up the timeline and still want the product, otherwise we would cancel their order and refund their money, they wouldn't even have to do anything if they wanted a refund as we'd do it automatically."

Zerlan also explained the lack of PayPal as a payment option for the Monarch: "We do accept Paypal, just not on the Monarch. When you start doing Paypal transactions over a certain amount, it gets more complicated, which is why we elected not to do Paypal with the Monarch at it's nearly \$5,000 price point. We still accept PayPal for all of our other products though."

What do you think about Butterfly Labs? Have you received your hardware yet or are you still waiting? How have you found its customer service? Let us know in the comments.

[ASICs](#) [Butterfly Labs](#)

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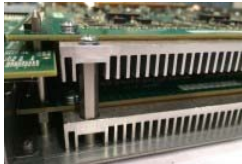
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Butterfly Labs Urges Court to Dismiss FTC's 'Self-Serving' Fraud Charges

Embattled mining hardware company Butterfly Labs has filed a court motion to dismiss a Federal Trade Commission complaint.



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

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It seems outrageous that they want a 10% cut of the credit you have with them just to change an order. They also don't seem to grasp the concept that "all sales are final" only takes place when the sale happens - which is when money has been exchanged for a product. Until the product has been accepted by the customer, the sale has not been consummated.






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   • a year ago
I believe "concluded" is the word you are looking for Dave as in "the sale has not been concluded"

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   • a year ago
Consummated. It's a legal term for the completion of both parties' performance of their part of a contract. If only one party has performed their part, the sale has not been concluded.

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   • a year ago
Thank you  and , I stand corrected. Unfortunately I was labouring under the colloquial definition/usage of the term consummated.



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Conummate:

To bring to completion or fruition; conclude: consummate a business transaction.

<http://www.thefreedictionary.c...>



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Butterfly has consistently failed to deliver. When you have a backlog of orders and angry customers you do not prematurely announce a product that you have no estimated delivery time for. To make matters worse, they are allow customers to switch over to this new "intangible" product for preorders and they are charging a fee for it?

It sounds like greed to me. The company can see that it's customers have lost faith and investment dollars are not coming in, so this is a new scheme to pull additional money out of their dwindling consumer base.


The best way to get a feeling for Butterfly Labs is to go on the bitcoin talk forums and look for posts by Josh Zelan (forum handle Inaba). Josh is a representative of Butterfly. When you see firsthand the way he degrades his customer base and the lack of customer service you will certainly be able to come to your own conclusions about their business practices.



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I would personally be more willing to take a chance on one of the new companies that hasn't delivered, or even tested it's chips than take the chance with BFL at this point.

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Yep KNC looking nice...

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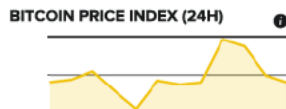
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Butterfly Labs to Resume Limited Business Operations

Pete Rizzo (@pete_rizzo_) | Published on October 3, 2014 at 02:35 GMT

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Embattled bitcoin mining manufacturer Butterfly Labs has announced that it will resume limited business operations following discussions with the Federal Trade Commission (FTC).

The Missouri-based company will not be allowed to serve new consumers when it reopens, and will be restricted to fulfilling existing customer orders. Butterfly Labs further confirmed it will remain under the direction of a court-appointed receiver who will oversee the business.

Butterfly Labs suggested that it aims to use this opportunity to rebuild its market perception, which it acknowledged has been impacted by the recent FTC actions.

The company wrote:

"Butterfly Labs views the order as a promising sign for the future of our company, our customers and our employees. This lawsuit has severely damaged our reputation and it is up to Butterfly Labs to attempt to repair that damage."

The announcement follows a report from [The Kansas City Star](#) that suggested Butterfly Labs was holding initial discussions with the FTC about reopening its business earlier this week.

However, the actions by the FTC may not be a validation of the company and its efforts. In past filings, the FTC has indicated that Butterfly Labs should be awarded ancillary relief only as necessary to reduce the likelihood of consumer injury.

Reputational damage

Butterfly Labs said that though it is pleased with the announcement, it still finds past statements by the FTC to be contentious.

The company wrote:

"There are a number of unsubstantiated claims circulating about Butterfly Labs. We intend to address all inaccuracies in due course, including the false claims around burn-in testing and Butterfly Labs inappropriately mining bitcoins with customer equipment."

New documents in the case filed on [27th September](#) levied such allegations against the company, suggesting that Butterfly Labs conducted extended testing of its machines after they were purchased by customers to profit from their production.

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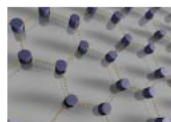
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The FTC has also claimed that Butterfly Labs employees profited from mining rigs that were returned by customers or left in company custody after the consumer was issued a refund.

Challenging times

Butterfly Labs ended its statements by acknowledging the furor around the company in recent weeks, thanking those who have stood by its business.

"Butterfly Labs thanks its many customers, employees and business partners for staying with us during this challenging time," the statement reads.

Prior to its shutdown, Butterfly Labs was besieged by manufacturing delays and customer complaints, however, it was an early market leader, having been in operation since 2010.

Butterfly Labs was [formally shut down](#) in late September following months of customer complaints that it failed to deliver products as advertised.

CoinDesk has reached out to the FTC for comment, but has not received an immediate response.

Image via [Shutterstock](#)

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so when will money be returned to customers they stole hardware from, and bitcoins from the machines they "burned in" for several months?

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When you lie to someone to convince them to buy something, there's a word for that. It's called fraud. They belong in prison!

No, BFL, the FTC lawsuit doesn't make you look bad! Fraud makes you look bad!

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If you are considering buying a miner DO NOT buy a pre-order.

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And now they can continue to conduct an enormous amount of "burn-in testing" without having to worry about actually developing new products.

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Actually, according to the interim order issued by the court yesterday (full text at <http://ia902308.us.archive.org...>), they are specifically prohibited from doing any more burn-in testing unless explicitly allowed by the court. They are also prohibited from misrepresenting the potential yield or profitability of their (alleged) products and from taking any more pre-orders for items they do not actually have in stock.

The only "limited business operations" they seem to be allowed is the shipping of assembled, tested miners to customers who want them instead of refunds.

Not a very well-researched article by CoinDesk, overall.

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The only way I'd EVER seek business with them again is if they repaid EVERY FREAKING cent they stole, went under new management, and ensured that it would never happen again. Sure, people make mistakes, businesses make mistakes, hell, and one employee could ruin an entire company.

Do I believe they should be punished by law? No. I don't believe they should get jail time, jail doesn't do anything.

However the free market will ruin them, as it should, until every victim feels that he/she has been adequately repaid. And still yet, people would take their hard earned money and time

