## **Butterfly Labs Twitter Chat**

On Tues., Sept. 23, 2014, <u>FTC staff announced a complaint against Butterfly Labs</u>, which was the agency's first case related to Bitcoins. Staff attorneys Helen Wong and Leah Frazier answered questions on Twitter using the @FTC Twitter account, and the hashtag: #AskFTC.

**Note:** Tweets in their original order and without handles redacted, remain publicly available on the Commission's Twitter account.

FTC staff will answer questions about our case with Butterfly Labs today. Send us Qs & join the conversation at 3pm ET. Use #AskFTC.

We are hosting a Twitter chat on Butterfly Labs now. Learn more about FTC chats: <a href="http://go.usa.gov/d2aF">http://go.usa.gov/d2aF</a> Case: <a href="http://go.usa.gov/drfh">http://go.usa.gov/drfh</a> #AskFTC

This is Helen Wong & Leah Frazier from the FTC's Division of Financial Practices - staff attorneys on the case. What can we answer? #AskFTC

Q1 RT : I was in the queue for refund from Butterfly Labs, how can that happen now? #AskFTC

A1 BFL accts are frozen until 9/29 when court holds hearing on future status of company. A temporary receiver is in place. #AskFTC

Q2 RT Why are you still able to purchase a #Bitcoin miner from Butterfly Labs as of this tweet? #AskFTC

A2 The accounts are frozen and should not be accepting payments. #AskFTC

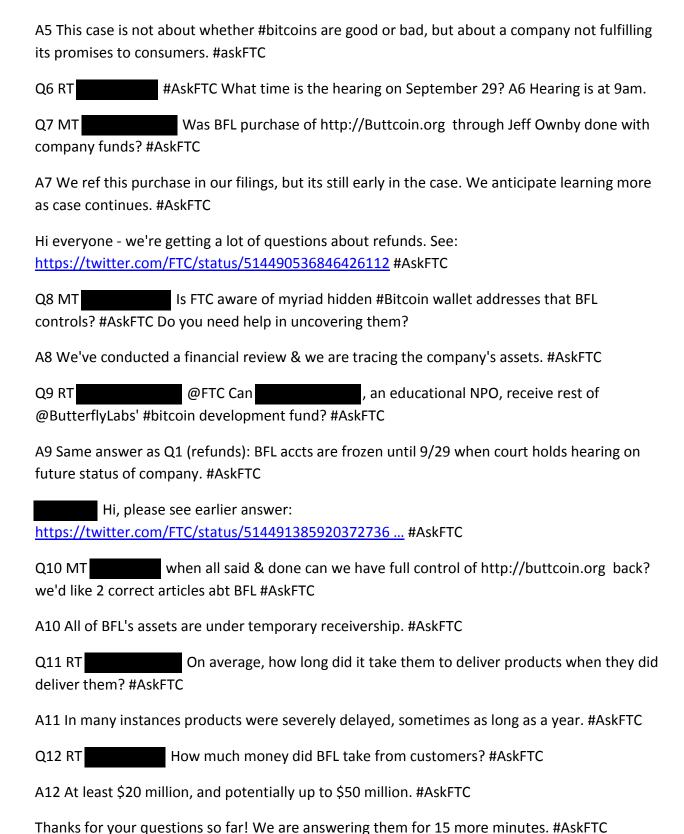
Q3 MT Were you aware Sonny Vleisides (CEO of Butterfly Labs) is currently on probation for prior conviction of mail fraud? #AskFTC

A3 Yes. That was referenced in our court filings. #AskFTC

Q4 MT FTC is suing Butterfly Labs for their criminal business practices! #askFTC will consumers get their \$ back from this case?

A4 We are a civil enforcement agency, not criminal. Our goal is to provide consumer refunds as a result of this case. #AskFTC

Q5 RT @FTC so... How long until you just do the right thing and ban bit coins outright? #AskFTC



Q13 MT Please can you address the same fraud perpetrated by KnCminer? I paid them upfront six months ago refund denied. #AskFTC

A13 If you have a complaint about a business, please file it at <a href="http://www.ftc.gov/complaint">http://www.ftc.gov/complaint</a>. #AskFTC

Q14 RT How many customers actually received equipment from BFL? How many ordered equipment? #AskFTC

A14 Thousands of orders were placed, and thousands of consumers have complained about non-delivery. #AskFTC

Q15 RT Approximately how many complaints did FTC receive about BFL? #AskFTC

A15 We received more than 300 complaints directly to the FTC. Plus, we reviewed thousands more from other sources. #AskFTC

Hi, please see earlier answer:

https://twitter.com/FTC/status/514490536846426112Thanks! #AskFTC

The FTC announced a case today against Butterfly Labs (BFL). Learn more in our press release: http://go.usa.gov/drfh #AskFTC

We'll take one more question. #AskFTC

Q16 MT Do you believe case against BFL is strong enough to receive permanent injunction on 29th? Is that the final aim? #AskFTC

A16 The hearing on Sept 29th is for preliminary injunction. We believe our case is strong. #AskFTC

That's all the time we have for questions. Complaints about BFL or other companies? File them here: <a href="http://ftc.gov/complaint">http://ftc.gov/complaint</a> #AskFTC

Thank you everyone for participating in our chat! #AskFTC