

**PX**  
**7**

**DECLARATION OF ALIKA REPPUN  
PURSUANT TO 28 U.S.C. § 1746**

I, Alika Reppun, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years old. I live in Honolulu, Hawaii.
2. On May 17, 2013, I purchased a 50 gigahertz Bitcoin mining machine from Butterfly Labs for \$2,567. At the time of my purchase, Butterfly Labs' website stated "orders placed now will not ship until the month of July." I understood this to mean my order would be delivered in or around July 2013. A true and correct copy of my order confirmation from Butterfly Labs is appended hereto as **Attachment A**.
3. I purchased a machine from Butterfly Labs because of my expected return on investment from this purchase, calculated using Butterfly Labs' estimated delivery time and advertised machine specifications. The Bitcoin profit generated by the machine would have paid for the cost of the machine within approximately 3 months, provided a delivery date when promised.
4. On June 22, 2013, a Butterfly Labs employee named Josh Zerlan posted on the Butterfly Labs website that machines would be shipped by the middle of September. A true and correct copy of this post is appended hereto as **Attachment B**.
5. Because of continual delays and the vague wording of the post by Josh Zerlan, *see Attachment B*, I realized that my order was very unlikely to be delivered by Butterfly Labs' original estimated delivery date. I no longer wanted to receive the machine because I felt duped by Butterfly Labs regarding this shipment date.

6. On July 2, 2013, I e-mailed Butterfly Labs to request a refund of my order. A true and correct copy of my e-mail correspondence with Butterfly Labs representatives regarding this refund request is appended hereto as **Attachment C**.

7. On July 11, 2013, I received an e-mail response from a representative of Butterfly Labs named Abbey. In her response, Abbey stated that I could not receive a refund. She stated, "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." *See Attachment C*.

8. On or around July 11, 2013, I used an internet service called Way Back Machine to view Butterfly Labs' website as it appeared at the time of my order in May 2013. A true and correct copy of Butterfly Labs' refund policy at the time of my order is appended hereto as **Attachment D**.

9. On July 11, 2013, I responded to Abbey via e-mail. In my e-mail, I quoted Butterfly Labs' website as it appeared at the time of my order. This quote from Butterfly Labs' website stated, "All sales are final unless we fail to perform. That means if we do not ship any machine at all. If you would really like a refund anyway, just ask and we'll probably be able to take care of you." In this e-mail, I indicated that Butterfly Labs changed the refund section of their website after I placed my order. *See Attachment C*.

10. Between July and October 2013, I requested a refund from Butterfly Labs 4 times. *See Attachment C*.

11. On November 3, 2013, I received an e-mail from Butterfly Labs with the subject line "Your order has been shipped!" A true and correct copy of this e-mail is appended hereto as **Attachment E**.

12. On November 15, 2013, I refused shipment of my order from Butterfly Labs. A true and correct copy of my shipment tracking information showing this refusal is appended hereto as **Attachment F**.

13. On November 21, 2013, I sent an e-mail to Butterfly Labs. In this e-mail, I stated that I refused the delivery of my order. I asked for a full refund of my order. A true and correct copy of this e-mail is appended hereto as **Attachment G**.

14. On December 8, 2013, I received an e-mail response from an employee of Butterfly Labs named Jody. In this e-mail, Jody denied my refund again. She stated, “we fulfilled our responsibility to ship. We can reship it or you can abandon the unit.” A true and correct copy of this e-mail is appended hereto as **Attachment H**.

15. On December 10, 2013, I sent an e-mail response to Jody. In this e-mail, I stated that Butterfly Labs consistently was unwilling to show any respect or concern for its customers. I also stated that I had filed complaints with the Kansas Better Business Bureau, the Federal Trade Commission, the Kansas Attorney General, and the Wyoming Attorney General. A true and correct copy of this e-mail is appended hereto as **Attachment I**.

16. A true and correct copy of my complaint with the Kansas Better Business Bureau, as well as the response from Butterfly Labs and my subsequent rejection of Butterfly Labs’ response, is appended hereto as **Attachment J**.

17. A true and correct copy of my complaint with the Kansas Attorney General is appended hereto as **Attachment K**.

18. As of November 7, 2014, I have not received any refund from Butterfly Labs. If I received my original order in the next few weeks, I would not want the machine because the



machine would cost more in electricity bills each month than the Bitcoin profit it would generate.

I would absolutely prefer a refund of my original purchase from Butterfly Labs.

19. Certain confidential information has been redacted from the attachments to this declaration.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed this 11 day of November, 2014, in Honolulu, Hawaii



Alike Reppun

# ATTACHMENT A



Alika Reppun <[REDACTED]>

### Butterfly Labs - Bitcoin Mining Hardware: New Order # 100058326

9 messages

Sales at Butterfly Labs <office@butterflylabs.com>  
To: Alika Reppun <[REDACTED]>

Fri, May 17, 2013 at 9:29 AM



## Hello, Alika Reppun

Thank you for your order from Butterfly Labs - Bitcoin Mining Hardware. Once your package ships we will send an email with a link to track your order. You can check the status of your order by logging into your account. If you have any questions about your order please contact us at office@butterflylabs.com or call us at 913-271-6744 Monday - Friday, 8am - 5pm PST.

Your order confirmation is below. Thank you again for your business.

### Your Order #100058326 (placed on May 17, 2013 2:26:32 PM CDT)

#### Billing Information:

Alika Reppun  
[REDACTED]  
Honolulu, Hawaii, [REDACTED]  
United States  
T: [REDACTED]

#### Payment Method:

PayPal  
  
Payer Email:  
[REDACTED]

#### Shipping Information:

Alika Reppun  
[REDACTED]  
Honolulu, Hawaii, [REDACTED]  
United States  
T: [REDACTED]

#### Shipping Method:

Standard Shipping - Only

Item	SKU	Qty	Subtotal
50 GH/s Bitcoin Miner	BF0050G	1	\$2,499.00
		Subtotal	\$2,499.00
		Shipping & Handling	\$68.00
		<b>Grand Total</b>	<b>\$2,567.00</b>

Thank you, Butterfly Labs - Bitcoin Mining Hardware

# **ATTACHMENT B**

for 10-26-2014



Join Date: Aug 2012

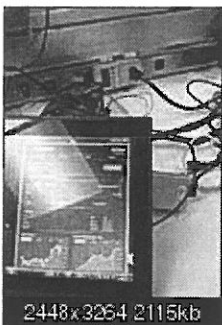
Posts: 2,508

Blog Entries: 13

**Ignore User**

on testing out the short boards tomorrow. We should be getting in many of the reworked short boards tomorrow as well as some long boards. Next week, we expect a much larger shipment of both long and short boards to arrive (possibly even this Saturday, but that's still up in the air.)

In any event, we should have the firmware finalized by tomorrow night or Friday at the latest and ready to go.



**Send PM**

06-22-2013, 12:25 PM

#28

**BFL\_Josh**

Employee



Blog Entries: 13

Mentioned: 183 Post(s)

Tagged: 1 Thread(s)

Quoted: 2113 Post(s)



Latest Blog: Monarch Power and Light (Sound)

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



Join Date: Aug 2012

Posts: 2,508

Blog Entries: 13

**Ignore User**

### 22 June 2013 - ASIC Update

I haven't updated in awhile because I thought the shipping was self explanatory, but people seem to be clamoring for an update, so here we are.

We have been working our way through the backlog of orders over the past month. Production is slowly ramping up and we are easily able to manufacture 200 units a day currently - there will be no problem hitting 400 units a day once things are in full production. Right now, we are stymied by the inflow of chips. However, the inflow rate of chips is increasing and we expect it to be quite high within the next week or two. It's been a long road to smoothing out these bottlenecks here and there.

Lots of Jalapeno's have been sent out the door, as well as some singles and minirigs. Production on the longboard lines are really going to start to ramp up next week and the following weeks.

We have been refining the firmware for both the short board but mostly for the longboard. One of the primary changes has been to switch from a one job per board method to a one job per chip method. This has fixed a lot of the latency issues we were experiencing with the early firmware and what held up production on some of the 60 GH/s units. We have not yet finished the XLINK portion of the firmware to be operating at 100% yet, so the first few minirigs that are going out the door are shipping as individual USB devices (8



per box) instead of 1 big USB device. Going forward, once the XLINK stuff is finalized, minirigs will be shipped out as XLINK equipped.

We will continue to refine the firmware as we go along. With the current firmware, we are seeing between 260w to 280w per 60 GH/s unit, or 4.3w - 4.6w per GH at the wall on 120v. Actual chip wattage is just under 3w per GH.

In other news, we have released all the documentation necessary for people to begin creating their own boards to house our chips and we have begun selling our chips in bulk. The first deliveries of our chips are expected in roughly 100 days from the time of order. We still expect the current back order backlog to be cleared by the middle of September or so, although given what we can likely achieve with our production rate, I suspect it may be sooner than that. No guarantees on that either way, though.

Send PM

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 You may not post replies  
 You may not post attachments  
 You may not edit your posts

**BB code** is On  
**Smilies** are On  
**[IMG]** code is On  
**[VIDEO]** code is On  
 HTML code is Off  
**Forum Rules**

-- BFL Official

-- English (US)

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All times are GMT -5. The time now is 11:52 AM.

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# ATTACHMENT C

11/6/2014

Gmail - Butterfly Labs - Bitcoin Mining Hardware: New Order # 100058326

Alika <[REDACTED]>  
To: Sales at Butterfly Labs <office@butterflylabs.com>

Tue, Jul 2, 2013 at 1:35 PM

Dear Butterfly,

Please cancel my order. At the time of my purchase, your website stated that you expected to be caught up in July. However, that no longer appears to be the case. Honestly, I am glad to see that you are catching up on orders and I have no doubt that you are doing your best. But I do feel a little duped.

I do hope you can accommodate my request.

Thank you,

Alika  
[Quoted text hidden]

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Butterfly Labs Inc <office@butterflylabs.com>  
To: Alika <[REDACTED]>

Thu, Jul 11, 2013 at 8:59 AM

Hi Alika,

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.

For more information on our refund policy please visit our FAQ: [www.butterflylabs.com/faq](http://www.butterflylabs.com/faq)

Thank you for your patience and understanding.

Sincerely,  
Abbey  
BF Labs, Inc.

For Jody's Customer Service Blog, and more, please visit our new BFL Forums at  
<[https://forums.butterflylabs.com/blogs/bfl\\_jody/](https://forums.butterflylabs.com/blogs/bfl_jody/)>

[Quoted text hidden]

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Alika <[REDACTED]>  
To: Butterfly Labs Inc <office@butterflylabs.com>

Thu, Jul 11, 2013 at 9:19 AM

Hi Abby,

Thank you for the reply. It is very disappointing.

Per your FAQ at the time of my purchase:

*When will you start shipping machines?*

*We plan on shipping the ASIC versions of our products by the end of April. We have orders that date back to June of 2012. Those are the orders that will be delivered first. **Orders placed now will not ship until the month of July.***

*Can I get a refund on my pre-order?*

*All sales are final unless we fail to perform. That means if we do not ship any machine at all. **If you would really like a refund anyway, just ask and we'll probably be able to take care of you.** Nonetheless, we reserve the right to handle it on a case by case basis.*

It is good to see that you no longer have the misleading information on your current FAQ.

Regards,

11/6/2014

Gmail - Butterfly Labs - Bitcoin Mining Hardware: New Order # 100058326

Alika

[Quoted text hidden]

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Alika <[REDACTED]>

Wed, Sep 4, 2013 at 11:37 AM

To: Butterfly Labs Inc <office@butterflylabs.com>

Dear Butterfly,

I am again requesting a full refund of my purchase. At the time of my purchase, your website stated that "Orders placed now will not ship until the month of July". You have not been able to meet that projection of delivering in the month of July. It is now September and it does not appear that you are even close to fulfilling my order; the last blog post by Jody indicates you are still fulfilling orders from July 2012.

I can only imagine the number of customer support issues you are dealing with. Please refund my order so that you no longer have to deal with me.

If you do not refund me, given the FTC Selling on the Internet: Prompt Delivery Rules, please explain to me in great detail how you can continue to hold my money without providing any delivery date or without delivering in a timely manner.

*If you can't ship within the promised time (or within 30 days if you made no promise), you must notify the customer of the delay, provide a revised shipment date and explain his right to cancel and get a full and prompt refund.*

*For definite delays of up to 30 days, you may treat the customer's silence as agreeing to the delay. But for longer or indefinite delays - and second and subsequent delays - you must get the customer's written, electronic or verbal consent to the delay. If the customer doesn't give you his okay, you must promptly refund all the money the customer paid you without being asked by the customer.*

Please cancel my order (# 100058326) and provide a full refund.

Thank you,

Alika

[Quoted text hidden]

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Alika <[REDACTED]>

Mon, Sep 30, 2013 at 1:02 PM

To: Butterfly Labs Inc <office@butterflylabs.com>

I have not yet received a response to my previous email. Please respond and cancel my order.

Alika

[Quoted text hidden]

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ButterflyLabsINC . <office@butterflylabs.com>

Thu, Oct 3, 2013 at 8:59 AM

To: Alika <[REDACTED]>

Hi Alika,

While we reserve the right to handle refund requests on a case by case basis, pre-ordered products are non-refundable as is clearly stated at the time of purchase. The reason for this is that pre-order funds are used in the build process which makes it impractical to reverse. It's also been observed that some small number of customers have placed orders as part of a bitcoin price hedging strategy which involves multiple requests to cancel and then re-enstate their orders as market conditions change. This has created an enormous customer service burden which is resolved by enforcing the all sales final policy.

Some customers have asked why we've given order cancellation refunds to others, but they can't get one. The answer is that we had opted to process order cancellation requests during our long



product development phase as a courtesy to those who endured the stress of the unknown.

However, once full production began, a notice was sent out advising that orders would be shipped as produced according to the order queue and that if anyone was unwilling to endure the wait, they had a final opportunity to cancel. Customers were required to positively confirm their desire to remain in the order queue and accept the order terms.

Pre-Order terms for new orders were updated on the website on April 1, 2013. The terms state, "I accept the terms of the sale and understand that all sales are final and there is a backlog of orders and production & delivery of my order may take 2 months or longer."

As a Wyoming Corporation, we operate under the US Federal Trade Commission's business guide for mail or telephone ordered merchandise. The relevant guideline suggests that if no delivery terms are stated or agreed to, then 30 days should be assumed. In our case, we've gone to great length to ensure there is no ambiguity. Customers are/were notified of the back order situation, the inability to cancel their order and the multi month wait to be expected. However, we have added a new feature to your account dashboard. You have the option of selling your order. There are more details and instructions on how to do so on our facebook page.

Announcing a Pre-Order Marketplace

Butterfly Labs is excited to announce a platform that will help merge the needs of both parties. A seller will be able to announce the sale of their pre-order position in our classifieds forum. They will establish the terms of sale and make the deal on their own. Once a deal has been made, they will use the transfer system in their account Dashboard to transfer an order to a new owner. When both parties verify and agree to the terms, the order will be moved to the buyer's account.

The order transfer system was set in place September 10, 2013. Butterfly Labs will only provide the platform for the order transfer to take place. We are not responsible for any deals made between our customers. Use of the order transfer system is solely the risk of the parties making the order transfer deal. Buyer's must agree to the original terms of the sale, and specifically to the no refund policy.

Here is the relevant FTC guideline text:

"when you advertise merchandise, you must have a reasonable basis for stating or implying that you can ship within a certain time. If you make no shipment statement, you must have a reasonable basis for believing that you can ship within 30 days."

Kindest Regards,  
Tamika  
Butterfly Labs

For Jody's Customer Service Blog, and more, please visit our new BFL Forums at  
<[https://forums.butterflylabs.com/blogs/bfl\\_jody/](https://forums.butterflylabs.com/blogs/bfl_jody/)>

[Quoted text hidden]

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**Alika** <[REDACTED]>  
To: "ButterflyLabsINC ." <[office@butterflylabs.com](mailto:office@butterflylabs.com)>

Thu, Oct 3, 2013 at 10:39 AM

Tamika,

Thank you for your response.

You state, "*While we reserve the right to handle refund requests on a case by case basis, pre-ordered products are non-refundable as is clearly stated at the time of purchase.*" and your website stated, "*If you would really like a refund anyway, just ask and we'll probably be able to take care of you.*" Your words sound so friendly and nice and yet you refuse to look at my case and "take care of" me. I respectfully request that you treat my case as a refundable order. I paid with USD via Paypal. I am not hedging anything.



You state "*However, once full production began, a notice was sent out advising that orders would be shipped as produced according to the order queue and that if anyone was unwilling to endure the wait, they had a final opportunity to cancel.*" I received no notice. When and how was the notice sent?

Yes, your Pre-Order terms stated 2 months or longer. But that is completely indeterminate and has turned out to be grossly misleading. As you stated, the FTC says "you must have a reasonable basis for stating or implying that you can ship within a certain time." You clearly have not provided a deterministic time frame. "2 months or longer" is not a CERTAIN time; it is clearly an UNCERTAIN amount of time. You state, "*we've gone to great length to ensure there is no ambiguity*", and yet "2 months or longer" cannot be construed as anything but ambiguous.

It is the expectation side of things that hurts the most. I realize that projections may have been difficult to make, but the expectations you set (such as "2 months or longer" or "delivery in July" or "delivery in September") have never erred in favor of your customers. Maybe my expectations are not realistic, but I usually expect to be (and have experienced being) taken care of as a customer. If you are not going to take care of your customers because of your miss-managed expectations, then why would they possibly repeat? If you don't care that they never come back again, then that would explain the way I feel I have been treated.

I'm not sure why I am arguing these points with you. I can only imagine the number of cancellation requests you have received. I do hope that you can find a way to treat my request as a case rather than just lumping me in with the all-sales-final.

Again, I do very much appreciate that you have provided a response and I respectfully request that you cancel and refund my order on the grounds that you have been unable to meet projections or estimates.

Regards,

Alika

[Quoted text hidden]

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Alika <[REDACTED]>  
To: "ButterflyLabsINC ." <office@butterflylabs.com>

Mon, Oct 14, 2013 at 8:16 AM

Dear BFL,

Please cancel my order #100058326. This is now the 4th time I have requested a cancellation. I do not want to do business with you.

Per FTC guidelines "You must cancel an order and provide a prompt refund when: the customer exercises any option to cancel before you ship the merchandise;"

**When You Must Cancel an Order**

You *must* cancel an order and provide a prompt refund when:

- the customer exercises any option to cancel before you ship the merchandise;
- the customer does not respond to your first notice of a definite revised shipment date of

Cancel my order, please.

Alika

[Quoted text hidden]

# **ATTACHMENT D**

INTERNET ARCHIVE <http://www.butterflylabs.com/faq> Go APR Close  
 waybackMachine 162 captures 20 Aug 11 - 7 Oct 14  
 2012 2011 Help

CALL US: 1-800-809-MINE (6463)

| FOLLOW US: [facebook](#) [twitter](#) [google plus](#)

- [MY ACCOUNT](#)
- [CONTACT US](#)
- [GIFT STORE](#)
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## FAQ

[Home](#) / [FAQ](#)

Frequently asked questions are presented here for your convenience. These are the most common questions we're asked about our products & services.

QWhen will you start shipping machines?

QWhat methods of payment do you accept?

QWhere am I in line and when will my order ship?

QI tried calling Butterfly Labs, but no one answered. How can I talk to someone?

QCan Butterfly Labs ship items as a 'gift' or for a lower price than was paid?

QWhat shipping company does Butterfly Labs use?

QCan I get a refund on my pre-order?

A

All sales are final unless we fail to perform. That means if we do not ship any machine at all. If you would really like a refund anyway, just ask and we'll probably be able to take care of you. Nonetheless, we reserve the right to handle it on a case by case basis.

Refunds usually take 3-4 days to begin the process. If you paid with a bank wire, it will take an additional week or so for the funds to appear in your account. PayPal and Bitcoin refunds can take 2-3 days for the funds to appear in your account.

Bitcoin payments and refunds are processed through a third-party vendor. The amount refunded is based on the US Dollar



QDo your products fall under US encryption export control classification?

QIf I choose Express Shipping, does that mean my order gets processed ahead of others in line?

QHow long will the full price trade in program last?

QCan orders be picked up at Butterfly Labs?

QWhat is "Hosting" and how do I setup my order to be "Hosted"?

QIf I purchase a machine that someone else ordered and is selling it through another entity, Can I have it shipped directly to me?

QWhat is your 1/3 shipping plan?

QAre your algorithms, PCB's or other products available for purchase separately?

QCan I get an educational buyer discount for University research purchases?

QWhat does GH/s stand for?

QOfficial BFL policy on eBay and other Internet auctions for pre-orders.

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# **ATTACHMENT E**





Alika Reppun <[redacted]>

**Your order has been shipped!**

4 messages

**Butterfly Labs** <tracking@shipstation.com>  
Reply-To: office@butterflylabs.com  
To: [redacted]

Wed, Nov 13, 2013 at 4:44 AM



Dear Alika Reppun,

Thank you for your order from **Butterfly Labs!** Your order (#100058326) was shipped via USPS, USPS Priority Mail on 11/13/2013. You can track your package at any time using the link below.

**Shipped To:**  
Alika Reppun  
[redacted]  
HONOLULU, HI [redacted] US

**Track Your Shipment:** 9482010200986147641361

This shipment includes the following items:

Item #	Description	Qty
BF0050G	50 GH/s Bitcoin Miner	1

**Thank you for your business and we look forward to serving you in the future!**

**Butterfly Labs**  
**Phone:** 913-271-6744  
**Email:** office@butterflylabs.com  
**Website:** http://www.butterflylabs.com

**Alika** <[redacted]>  
To: "ButterflyLabsINC ." <office@butterflylabs.com>

Thu, Nov 21, 2013 at 1:27 PM

BF Labs,

Against my wishes and numerous requests, you have shipped my order. Based on your poor logistics and customer service, I do not want to do any business with you.

I have refused the delivery of your package.

Refund my money in full.

Alika Reppun  
[Quoted text hidden]

**ButterflyLabsINC .** <office@butterflylabs.com>

Sun, Dec 8, 2013 at 6:03 PM

# **ATTACHMENT F**



Alika Reppun <[REDACTED]>

**USPS Shipment Info for 9482010200986147641361**

1 message

US\_Postal\_Service@usps.com <US\_Postal\_Service@usps.com>

Mon, Nov 25, 2013 at 11:15 AM

To: [REDACTED]

This is a post-only message. Please do not respond.

Track & Confirm e-mail update information provided by the U.S. Postal Service.

Label Number: 9482010200986147641361

Service Type: Signature Confirmation

Shipment Activity	Location	Date & Time
Depart USPS Sort Facility	KANSAS CITY, KS 66106	November 18, 2013
Processed through USPS Sort Facility	KANSAS CITY, KS 66106	November 17, 2013 11:12 pm
Depart USPS Sort Facility	HONOLULU, HI 96820	November 15, 2013
Processed through USPS Sort Facility	HONOLULU, HI 96820	November 15, 2013 4:47 pm
Refused	HONOLULU, HI [REDACTED]	November 15, 2013 11:39 am
Available for Pickup	HONOLULU, HI [REDACTED]	November 15, 2013 7:58 am
Arrival at Post Office	HONOLULU, HI 96813	November 15, 2013 5:49 am
Electronic Shipping Info Received		November 14, 2013
Depart USPS Sort Facility	KANSAS CITY, MO 64121	November 13, 2013
Processed through USPS Sort Facility	KANSAS CITY, MO 64121	November 13, 2013 1:28 pm

Reminder: Track & Confirm by email

Date of email request: November 25, 2013

Future activity will continue to be emailed for up to 2 weeks from the Date of Request shown above. If you need to initiate the Track & Confirm by email process again at the end of the 2 weeks, please do so at the USPS Track & Confirm web site at <http://www.usps.com/shipping/trackandconfirm.htm>

# ATTACHMENT G

11/6/2014

Gmail - Your order has been shipped!



Alika Reppun <[REDACTED]>

**Your order has been shipped!**

4 messages

**Butterfly Labs** <tracking@shipstation.com>  
Reply-To: office@butterflylabs.com  
To: [REDACTED]

Wed, Nov 13, 2013 at 4:44 AM



Dear Alika Reppun,

Thank you for your order from **Butterfly Labs!** Your order (#100058326) was shipped via USPS, USPS Priority Mail on 11/13/2013. You can track your package at any time using the link below.

**Shipped To:**  
Alika Reppun

[REDACTED]  
HONOLULU, HI [REDACTED]

**Track Your Shipment:** 9482010200986147641361

This shipment includes the following items:

Item #	Description	Qty
BF0050G	50 GH/s Bitcoin Miner	1

**Thank you for your business and we look forward to serving you in the future!**

**Butterfly Labs**  
**Phone:** 913-271-6744  
**Email:** office@butterflylabs.com  
**Website:** http://www.butterflylabs.com

**Alika** <[REDACTED]>  
To: "ButterflyLabsINC ." <office@butterflylabs.com>

Thu, Nov 21, 2013 at 1:27 PM

BF Labs,

Against my wishes and numerous requests, you have shipped my order. Based on your poor logistics and customer service, I do not want to do any business with you.

I have refused the delivery of your package.

Refund my money in full.

Alika Reppun  
[Quoted text hidden]

**ButterflyLabsINC .** <office@butterflylabs.com>

Sun, Dec 8, 2013 at 6:03 PM



# ATTACHMENT H



Alika Reppun &lt;[REDACTED]&gt;

## Your order has been shipped!

4 messages

**Butterfly Labs** <tracking@shipstation.com>  
 Reply-To: office@butterflylabs.com  
 To: [REDACTED]

Wed, Nov 13, 2013 at 4:44 AM



Dear Alika Reppun,

Thank you for your order from **Butterfly Labs**! Your order (#100058326) was shipped via USPS, USPS Priority Mail on 11/13/2013. You can track your package at any time using the link below.

**Shipped To:**

Alika Reppun

[REDACTED]  
HONOLULU, HI [REDACTED]**Track Your Shipment:** 9482010200986147641361

This shipment includes the following items:

Item #	Description	Qty
BF0050G	50 GH/s Bitcoin Miner	1

**Thank you for your business and we look forward to serving you in the future!**

**Butterfly Labs****Phone:** 913-271-6744**Email:** office@butterflylabs.com**Website:** http://www.butterflylabs.com

Alika &lt;[REDACTED]&gt;

Thu, Nov 21, 2013 at 1:27 PM

To: "ButterflyLabsINC ." &lt;office@butterflylabs.com&gt;

BF Labs,

Against my wishes and numerous requests, you have shipped my order. Based on your poor logistics and customer service, I do not want to do any business with you.

I have refused the delivery of your package.

Refund my money in full.

Alika Reppun

[Quoted text hidden]

**ButterflyLabsINC .** <office@butterflylabs.com>

Sun, Dec 8, 2013 at 6:03 PM

11/6/2014

Gmail - Your order has been shipped!

To: Alika <[REDACTED]>

When you purchased the unit, you agreed to our policy of no refunds before you were allowed to complete your transaction. We fulfilled our responsibility to ship. We can reship it or you can abandon the unit.

Jody

For Jody's Customer Service Blog and more, please visit our new BFL Forums at  
<[https://forums.butterflylabs.com/blogs/bfl\\_jody/](https://forums.butterflylabs.com/blogs/bfl_jody/)>

[Quoted text hidden]

---

**Alika** <[REDACTED]>

Tue, Dec 10, 2013 at 9:45 AM

To: "ButterflyLabsINC ." <[office@butterflylabs.com](mailto:office@butterflylabs.com)>

Jody,

I understand that is your response. You may have fulfilled your "responsibility to ship" but you left out the part where you "did it in a timely manner". I am no longer willing to argue the legality of your "no-refund" policy because BFL has refused to present any rational argument. BFL has been nothing less than consistent in its unwillingness to show any respect or concern for its customers.

In addition to the Kansas BBB, I have filed complaints with the FTC, the Kansas Attorney General, the Wyoming Attorney General, and I will be filing with the Hawaii Attorney General. I have also contacted an Attorney.

If you remain unwilling to cancel my order and refund my money, I will be filing for a judgement against you via the Hawaii judicial system. I will give you 7 days from today, 12/10/2013, to notify me of your intent to refund.

Regards,

Alika Reppun

[Quoted text hidden]

# ATTACHMENT I

11/6/2014

Gmail - Your order has been shipped!

To: Alika <[REDACTED]>

When you purchased the unit, you agreed to our policy of no refunds before you were allowed to complete your transaction. We fulfilled our responsibility to ship. We can reship it or you can abandon the unit.

Jody

For Jody's Customer Service Blog and more, please visit our new BFL Forums at  
<[https://forums.butterflylabs.com/blogs/bfl\\_jody/](https://forums.butterflylabs.com/blogs/bfl_jody/)>

[Quoted text hidden]

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**Alika** <[REDACTED]>

Tue, Dec 10, 2013 at 9:45 AM

To: "ButterflyLabsINC ." <[office@butterflylabs.com](mailto:office@butterflylabs.com)>

Jody,

I understand that is your response. You may have fulfilled your "responsibility to ship" but you left out the part where you "did it in a timely manner". I am no longer willing to argue the legality of your "no-refund" policy because BFL has refused to present any rational argument. BFL has been nothing less than consistent in its unwillingness to show any respect or concern for its customers.

In addition to the Kansas BBB, I have filed complaints with the FTC, the Kansas Attorney General, the Wyoming Attorney General, and I will be filing with the Hawaii Attorney General. I have also contacted an Attorney.

If you remain unwilling to cancel my order and refund my money, I will be filing for a judgement against you via the Hawaii judicial system. I will give you 7 days from today, 12/10/2013, to notify me of your intent to refund.

Regards,

Alika Reppun

[Quoted text hidden]

# ATTACHMENT J



Home | Closed Complaints | Update Profile

Logout

Overview | Complaint | Messages | Action | History |

Complaint ID 9775492

WHAT Do I Do NEXT?

The consumer has rejected the company offer in regards to this complaint, and the BBB has forwarded it to the business for review

The time limit has exceeded while waiting for a response from the business regarding the rejection.

PICK YOUR NEXT STEP:

There is nothing for you to do on this complaint right now.

Complaint Data

PROBLEM

Nature of Complaint: Delivery Issues - No Detail Provided

Problem:

I placed an order, with BF Labs Inc. on May 17, 2013 using PayPal. BFL claims that their order terms stated that orders would be shipped in an indeterminate amount of time. At that time, the BFL FAQ stated, "Orders placed now will not ship until the month of July." On July 2, 2013 I received a negative response stating that all sales are final. Now outside of the 45 day PayPal dispute window, I was uncertain of what to do. After working through their backlog of orders, on September 4, 2013 I again requested a refund and asked for clarification regarding the FTC rule: transaction. I received no reply. On September 30, 2013 I again requested a refund. 3 days later, I again received a negative reply due to all the fact that I had agreed to the terms of "2 months or longer". BFL also noted that I could pay a 10% fee to exchange my order for a new being developed or use their marketplace to auction my unfulfilled order. Given my existing experience, I have absolutely no confidence to deliver on their "new products" and I am not at all interested. As of today, BFL has held my money for 159 days of which 113 days are again want to do business with BFL. They have not yet fulfilled or shipped my order and I no longer want their product. BFL has been very slow and provided next to nothing with regards to customer confidence. I am disappointed to have been so easily misled by their marketing of order fulfillment. I would very much like my order cancelled and my money fully refunded.

DESIRED OUTCOME

Desired Settlement: Refund

Desired Outcome:

Please refund my money in full. Per FTC Guidelines: You must cancel an order and provide a prompt refund when: the customer exercises a before you ship the merchandise;

COMPLAINT BACKGROUND

Not all of these questions are required. Please provide as much information as you have.

- 1. Product/Service Purchased: 50 GH/s Bitcoin Miner
- 2. Model Number: BF0050G
- 4. Order #: 100058326
- 5. Purchase Date: 5/17/2013
- 6. Date Problem First Occurred: 7/2/2013

Dates you complained to the company/organization

- 7. First Date: 7/2/2013
- 8. Second Date: 9/4/2013
- 9. Third Date: 9/30/2013

Complaint Data

**Name of Sales Person**

15. Last Name:	
17. Purchase Price:	\$2,499.00
18. Disputed Amount:	\$2,499.00

[Privacy Policy](#) [Trademarks](#) [Terms of Use](#)

Alika Reppun

[REDACTED]  
Honolulu , HI, [REDACTED]

Dear Alika Reppun :

This message is in regard to your complaint submitted on 10/23/2013 12:35:52 PM against BF Labs, Inc.. Your complaint was assigned ID 9775492.

Your complaint has been sent to the business for their response. Once they have responded to the BBB, we will contact you again. In the meantime, if the complaint gets resolved, please send us a message to inform us.

The text of your complaint may be publicly posted on the BBB web site (BBB reserves the right to not post in accordance with BBB policy). Please do not include any personally identifiable information in describing the nature of your complaint. By submitting your complaint, you are representing that it is a truthful account of your experience with the business. BBB may edit your complaint to protect privacy rights and to remove inappropriate language.

Regards,

Stephanie Sutton  
The Better Business Bureau

Alika Reppun

Honolulu , HI, [REDACTED]

Dear Alika Reppun :

This message is in regard to your complaint submitted on 10/23/2013 12:35:52 PM against BF Labs, Inc.. Your complaint was assigned ID 9775492.

The business has sent the BBB a message regarding this complaint, and we are passing it on to you. The contents of this message are below or attached. All responses will be copied to the company. Please respond within 14 days or the complaint will be closed as assumed resolved.

The text of your complaint may be publicly posted on the BBB web site (BBB reserves the right to not post in accordance with BBB policy). Please do not include any personally identifiable information in describing the nature of your complaint. By submitting your complaint, you are representing that it is a truthful account of your experience with the business. BBB may edit your complaint to protect privacy rights and to remove inappropriate language.

Regards,

Stephanie Sutton  
The Better Business Bureau

**MESSAGE FROM BUSINESS:**

Please see attached file...

Regards,  
Paul  
BF Labs, Inc.

November 7, 2013

To: Stephanie Sutton

RE: BBB Complaint ID: 9775492

Pre-ordered products are non-refundable as is clearly stated at the time of purchase. The reason for this is that pre-order funds are used in the build process which makes it impractical to reverse. It's also been observed that some small number of customers have placed orders as part of a Bitcoin price hedging strategy which involves multiple requests to cancel and then re-instate their orders as market conditions change. This has created an enormous customer service burden which is resolved by enforcing the all sales final policy.

Some customers have asked why we've given order cancellation refunds to others, but they can't get one. The answer is that we had opted to process order cancellation requests during our long product development phase as a courtesy to those who endured the stress of the unknown. However, once full production began, a notice was sent out advising that orders would be shipped as produced according to the order queue and that if anyone was unwilling to endure the wait, they had a final opportunity to cancel. Customers were required to positively confirm their desire to remain in the order queue and accept the order terms. Pre-Order terms for new orders were updated on the website on April 1, 2013. The terms state, "I accept the terms of the sale and understand that all sales are final and there is a backlog of orders and production & delivery of my order may take 2 months or longer."

We operate under the US Federal Trade Commission's (FTC) business guide for mail or telephone ordered merchandise. The relevant guideline suggests that if no delivery terms are stated or agreed to, then 30 days should be assumed. In our case, we've gone to great length to ensure there is no ambiguity. Customers are/were notified of the back order situation, the inability to cancel their order and the multi month wait to be expected.

Here is the relevant FTC guideline text:

"when you advertise merchandise, you must have a reasonable basis for stating or implying that you can ship within a certain time. If you make no shipment statement, you must have a reasonable basis for believing that you can ship within 30 days."

We are working to fulfill our current order backlog as soon as possible. We are shipping April 11st orders today and I estimate, based on past production numbers, this order will ship within the next 7 days.

With appreciation  
Paul Scholes  
Butterfly Labs, Inc.



**[To assist us in bringing this matter to a close, you must give us a reason why you are rejecting the response. If no reason is received your complaint will be closed Administratively Resolved]**

Complaint: 9775492

I am rejecting this response because:

BF LABS INC (www.butterflylabs.com) has made no attempt to resolve my complaint. Instead, BF LABS INC continues to take no responsibility for their grossly erroneous delivery estimates and poor customer service.

Paul Scholes (no title provided) of BF LABS INC states in his attached PDF response:

*...terms for new orders were updated on the website on April 1, 2013. The terms state, "I accept the terms of the sale and understand that all sales are final and there is a backlog of orders and production & delivery of my order may take **2 months or longer.**"*

*We operate under the US Federal Trade Commission's (FTC) business guide for mail or telephone ordered merchandise. The relevant guideline suggests that if no delivery terms are stated or agreed to, then 30 days should be assumed. In our case, we've gone to great length to ensure there is no ambiguity. Customers are/were notified of the back order situation, the inability to cancel their order and the multi month wait to be expected.*

*Here is the relevant FTC guideline text:*

*"when you advertise merchandise, you must have a reasonable basis for stating or implying that you can ship **within a certain time**. If you make no shipment statement, you must have a reasonable basis for believing that you can ship within 30 days."*

BF LABS INC did NOT provide a "**certain time**". "**2 months or longer**" is definitively an indeterminate or uncertain amount of time.

How much longer is "or longer", Mr. Scholes? Are you saying that you can hold my money indefinitely without shipping me anything?

So no, **BF LABS INC is not adhering to the FTC guidelines quoted by Mr. Scholes**. In addition and more relevantly, the guidelines state:

**<http://www.business.ftc.gov/documents/bus02-business-guide-mail-and-telephone-order-merchandise-rule>**

*When You Must Cancel an Order*

***You must cancel an order and provide a prompt refund when:***

- ***the customer exercises any option to cancel before you ship the merchandise;***
- *the customer does not respond to your first notice of a definite revised shipment date of 30 days or less and you have not shipped the merchandise or received the customer's consent to a further delay by the definite revised shipment date;*
- *the customer does not respond to your notice of a definite revised shipment date of more than 30 days (or your notice that you are unable to provide a definite revised shipment date) and you have not shipped the merchandise within 30 days of the original shipment date;*
- *the customer consents to a definite delay and you have not shipped or obtained the customer's consent to any additional delay by the*



View Complaint Message

- shipment time the customer consented to;*
- you have not shipped or provided the required delay or renewed option notices on time; or*
- you determine that you will never be able to ship the merchandise.*

I have requested and do continue to request the cancellation of my order. No, BF LABS INC has still not shipped my order. No, BF LABS INC is not following FTC guidelines. No, I do not want to do any business with BF LABS INC.

Regards,

Alika Re ppun

# **ATTACHMENT K**



Alika Reppun &lt;[REDACTED]&gt;

**Copy of Consumer Investigation Request Form from ALIKA HENRY REPPUN**

1 message

agweb@ks.gov &lt;agweb@ks.gov&gt;

Mon, Dec 2, 2013 at 10:26 PM

To: [REDACTED]

Your Consumer Investigation Request Form has been submitted to the Kansas Attorney General's office!

Thank you for filing with our office. Once your request is received, it will be processed by our office and reviewed by attorneys to determine how we can assist you. A case number and Investigator will be assigned. The Investigator will contact you and provided you with your case number in approximately 2 weeks from receiving your complaint. Also, please be aware that the business you are filing against will be contacted and given a chance to respond. Normal initial processing time is between 2-3 weeks, but an investigation could take several months. If you need assistance sooner, you may want to contact a private attorney.

**Information about the consumer**

Month and Year of Birth: [REDACTED]

\* Salutation: Mr.

\* First Name: Alika

Middle Initial:

\* Last Name: Reppun

\* Address Line 1: [REDACTED]

Address Line 2: [REDACTED]

\* City: HONOLULU

\* State: Hawaii

\* Zip Code: [REDACTED]

\* County: \_Out-of-State

\* Daytime Phone Number: [REDACTED]

\* Email Address: [REDACTED]

I am (mark all that apply):

**Information about the company you are requesting we investigate**

Company Name: BF LABS INC

Name of Salesperson or Contact Person:

Address: 10770 El Monte

City: Leawood

State: Kansas

Zip Code: 66211

Phone Number: (913) 271-6744

Email Address: office@butterflylabs.com

Website: http://www.butterflylabs.com

### **Information about the transaction**

Date of Transaction: 05/17/2013

County/Place of Transaction: ONLINE

Please describe the transaction in chronological order: 05/17/2013 - Placed an online order for a "50 GH/s Bitcoin Miner". Transaction was paid in full via PayPal. 07/02/2013 - Requested via email that my order be cancelled and a full refund be issued; the product had not yet shipped and there was no indication that it would be shipped in the near future. 07/11/2013 - Received a negative reply from BFL due to an "All Sales Final" policy. 09/04/2013 - Again requested via email that my order be cancelled and a full refund be issued; the product had not yet shipped and there was no indication that it would be shipped in the near future. 09/30/2013 - Because I had not received any response to my previous email, I again emailed requesting a refund. 10/04/2013 - Again received a negative reply indicating "all sales final". 10/14/2013 - Again requested via email that my order be cancelled. No reply received. 10/23/2013 - Filed a complaint with the Kansas City BBB. 11/04/2013 - Filed a complaint with the Wyoming Attorney General's office (BF LABS INC is WY based). 11/08/2013 - Received a response to the BBB complaint from BFL indicating "all sales final" and that my product would be shipped in a week. 11/08/2013 - I rejected the BBB response from BFL indicating that I no longer want to do business with BFL and do not want them to ship me any product. I again notified BFL that I would like a full refund. 11/13/2013 - Received an email from BFL stating that my order had been shipped. 11/15/2013 - I REFUSED the USPS delivery, requesting a return to the sender. 11/21/2013 - Again emailed BFL notifying them of my refusal and requesting a full refund. No response received. I have attached email correspondence: AREPPUN-BFL-R.pdf I have attached BBB correspondence: AREPPUN-BFL-BBB-R.pdf I have attached shipping correspondence: AREPPUN-BFL-Shipped-R.pdf I have attached shipment tracking via USPS: AREPPUN-BFL-Shipped-Tracking-R.pdf

Did you sign a contract?: No

Did you have a verbal agreement?: No

Product or service involved: 50 GH/s Bitcoin Miner

Amount paid: 2567.00

Paid by: Other

Describe the first contact between you and the company: Other

Where did the transaction take place?: On the Internet

How could this harm be remedied?: Refund

Refund Amount/Service Requested: 2567.00

### **Action you have taken**

Have you contacted the company?: Yes

Describe the result, or explain why you have not contacted the company: I requested a cancellation of my order and a full refund on 07/02/2013, 09/04/2013, 09/30/2013, 10/14/2013, 10/23/2013, and 11/08/2013 all of which occurred prior to BFL shipping my order. On the occasions where I received a response, BFL always stated that "all sales are final" and refused to honor the cancellation or refund of my order. BFL's own forums are full of others in situations similar to mine own. It is very frustrating to see that they willingly violate FTC guidelines and hold their customers money hostage. My money was held against my will for over 4.5 months prior to my order



being shipped and continues to be held against my will; it has been a total of 6.5 months as of this submission. BFL has not responded to my latest email and has not provided any acknowledgment of my rejection of the package delivery. On principle, I do not want to (and will never again) do business with BFL as they treat their customers terribly. As stated in my initial email, I feel duped. Now that I have refused the order and received no response from them, I am frustrated that I may not ever be able to recover my money.

Have you filed a complaint with the Better Business Bureau or any other agencies?: Yes

If yes, what response have you received?: BFL stated that they would not refund my order due to "All Sales Final".

Do you know of other consumers who have had similar experiences with this company?: Yes

Have you contacted an attorney regarding this transaction?: No

Has legal action been taken by you or against you regarding this transaction?: No

Are you considering filing a claim in small claims court?: Yes

### **Supporting Documentation**

AREPPUN-BFL-R.pdf, AREPPUN-BFL-BBB-R.pdf, AREPPUN-BFL-Shipped-R.pdf, AREPPUN-BFL-Shipped-Tracking-R.pdf

### **Verification**

*In filing this request, I understand and agree that the Attorney General and the Attorney General's Office staff are not my private attorneys, but instead represent the State of Kansas in enforcing laws designed to protect the public from deceptive and unconscionable business acts and practices. I understand that Kansas Law limits the period of time during which I may file any private legal action(s). I further understand and agree that the contents of this request may be forwarded to the business or person the request is directed against, may be forwarded to other appropriate agencies, and will become accessible to others under the Kansas Open Records Act. I hereby authorize any party to whom the Attorney General directs this complaint to release any and all information about this matter, including account information, to the Kansas Attorney General's Office. Finally, I declare and verify under penalty of perjury and the laws of Kansas that all of the foregoing is true and accurate to the best of my knowledge.*

\* Please certify your agreement to the above statement by typing your full name in the box below:

ALIKA HENRY REPPUN

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Date Submitted: 12/3/2013 2:26:23 AM

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*Please do not reply directly to the sender of this email. If you have questions or comments regarding this form, please email the Attorney General's office at [cprotect@ksag.org](mailto:cprotect@ksag.org).*

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#### **4 attachments**



**AREPPUN-BFL-R.pdf**

192K



**AREPPUN-BFL-BBB-R.pdf**

224K



**AREPPUN-BFL-Shipped-R.pdf**

88K



**AREPPUN-BFL-Shipped-Tracking-R.pdf**

79K