

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

BF LABS, INC., *et al.*

Defendants.

CASE NO. 4:14-cv-00815-BCW

**PLAINTIFF'S RESPONSE TO RECEIVER'S MOTION TO APPROVE
RECEIVERSHIP WIND-DOWN PROCEDURES**

Plaintiff, the Federal Trade Commission ("FTC") hereby submits its response to the Temporary Receiver's motion to approve the receivership wind down procedures. (Dkt. No. 206.) Without waiving its motion to reconsider the Court's order denying a preliminary injunction (Dkt. No. 214), in addition to the Receiver's proposed wind down procedures (Dkt. No. 207), the FTC believes it appropriate that at least \$5.49 million remain subject to the Court's jurisdiction and control as a consumer refund reserve. As the Court is aware, Defendants have admitted that they have more than \$5.49 million in known outstanding refund liability, and anticipated refund requests amounting to \$3.55 million, which does not account for their liability should the FTC prevail. (*See* Def. PI Ex. 511 at 19.) The Court has already directed Defendants to submit monthly reports as to their "[a]ssessment of remaining pre-order refund liability, including status of refund requests," (Dkt. No. 201 at 12), which reflects the Court's view of the priority of consumer redress. The proposed consumer refund reserve, accordingly, would ensure that some funds remain for that articulated purpose.

Respectfully submitted,

JONATHAN E. NUECHTERLEIN
General Counsel

Dated: December 19, 2014

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Dated: December 19, 2014

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on December 19, 2014, a true and correct copy of the foregoing was filed electronically with the United States District Court for the Western District of Missouri using the CM/ECF system, which sent notification to all parties of interest participating in the CM/ECF system.

/s/ Gregory A. Ashe
Attorney for Plaintiff Federal Trade Commission