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11 LIQUIDBITS CORP.

12 UNITED STATES BANKRUPTCY COURT
13 NORTHERN DISTRICT OF CALIFORNIA
14 SAN FRANCISCO DIVISION

15 In re:

16 HASHFAST TECHNOLOGIES, LLC,
17 Debtor.

18 Case No. 14-30725 DM

19 Chapter 7

20 **DECLARATION OF KRISTEN A. PALUMBO IN SUPPORT OF EMERGENCY**
21 **MOTION OF LIQUIDBITS CORP. FOR ENTRY OF AN ORDER APPOINTING A**
22 **CHAPTER 7 TRUSTEE PURSUANT TO SECTION 303(G) OF THE**
23 **BANKRUPTCY CODE, OR FOR ALTERNATIVE RELIEF**

24 I, Kristen A. Palumbo, declare:

25 1. I am an attorney licensed to practice law in the state of California. I am a partner
26 in the law firm of Bingham McCutchen LLP, counsel for creditor Liquidbits Corp.

27 (“Liquidbits”). I have personal knowledge of the matters set forth in this declaration and if
28 called as a witness I could and would testify competently to them.

29 2. On April 14, 2014, Liquidbits initiated an arbitration against Hashfast
30 Technologies LLC (“Hashfast”) (the “Arbitration”) by filing a Demand for Arbitration with the
31 American Arbitration Association (“AAA”). In its demand, Liquidbits sought emergency
32 injunctive relief under Rule R-38 of the AAA’s Commercial Arbitration Rules to prevent

1 Hashfast from breaching a written agreement between the parties and otherwise taking action
2 that would disable Hashfast from ever performing under the parties' written agreement.
3 Liquidbits specifically sought, among other things, to prevent Hashfast from delivering, selling
4 or otherwise transferring ownership of the Golden Nonce Chips ("Chips") and wafers (from
5 which the Chips are cut) in Hashfast's inventory to any third party.

6 3. Pursuant R-38 of the AAA's Commercial Arbitration Rules, on April 17, 2014,
7 the AAA appointed Paul E. Burns, Esq. as an emergency arbitrator to address Liquidbits' request
8 for emergency relief.

9 4. Pursuant to an order of the emergency arbitrator, the parties filed briefs, and the
10 emergency arbitrator held a telephonic emergency hearing, regarding Liquidbits' request for
11 emergency relief.

12 5. On May 9, 2014, I received from the AAA case manager, Serena Lee, Emergency
13 Interim Order No. 1, dated May 8, 2014, issued by the emergency arbitrator in the Arbitration. A
14 true and correct copy of that Emergency Interim Order No. 1 is attached hereto as **Exhibit A**.

15 6. On May 12, 2014, Hashfast's counsel in the Arbitration submitted to the AAA
16 case manager via e-mail a document titled Hashfast Technology LLC's Notice and Suggestion
17 of Bankruptcy (the "Notice"). I was copied on Hashfast's counsel's email to the AAA case
18 manager attaching a copy of the Notice. A true and correct copy of the Notice is attached as
19 **Exhibit B**.

20 7. Attached as **Exhibit C** is a true and correct copy of an article available online,
21 titled *Meet Hashfast, another Bitcoin miner manufacturer accused of fraud*, dated May 6, 2014,
22 which I accessed on May 16, 2014 at [http://arstechnica.com/tech-policy/2014/05/meet-hashfast-
23 another-bitcoin-miner-manufacturer-accused-of-fraud/](http://arstechnica.com/tech-policy/2014/05/meet-hashfast-another-bitcoin-miner-manufacturer-accused-of-fraud/).

24 8. Attached as **Exhibit D** is a true and correct copy of an article available online,
25 titled *Bitcoin mining startup fires half its staff, declares "we're not scammers,"* dated May 8,
26 2014, which I accessed on May 16, 2014 at [http://arstechnica.com/business/2014/05/bitcoin-
27 miner-maker-fires-half-its-staff-declares-were-not-scammers/](http://arstechnica.com/business/2014/05/bitcoin-miner-maker-fires-half-its-staff-declares-were-not-scammers/).

