



KATTEN MUCHIN ROSENMAN LLP

Craig A. Barbarosh (SBN 160224)
craig.barbarosh@kattenlaw.com
650 Town Center Drive, Suite 700
Costa Mesa, CA 92626-7122
Telephone: (714) 966-6822

Signed and Filed: November 4, 2014

Jessica M. Mickelsen (SBN 277581)
jessica.mickelsen@kattenlaw.com
2029 Century Park East, Suite 2600
Los Angeles, CA 90067-3012
Telephone: (310) 788-4425
Facsimile: (310) 788-4471

DENNIS MONTALI
U.S. Bankruptcy Judge

Peter A. Siddiqui (*pro hac vice*)
peter.siddiqui@kattenlaw.com
525 W. Monroe Street
Chicago, IL 60661-3693
Telephone: (312) 902-5455
Facsimile: (312) 902-1061

Counsel for Debtor and Debtor-In-Possession
HashFast Technologies LLC and HashFast LLC

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:
HASHFAST TECHNOLOGIES LLC, a
California limited liability company,
Debtor and Debtor-In-Possession

Lead Case No. 14-30725
Jointly Administered and Substantively
Consolidated with:
Case No. 14-30866
Chapter 11

Affects HASHFAST LLC, a Delaware
limited liability company,
Debtor and Debtor-In-Possession

**ORDER APPROVING NOTICE OF
SALE OF CERTAIN ASSETS AT
AUCTION AND AUCTION
PROCEDURES**

A hearing on the motion of the above-captioned debtors and debtors in possession (the "Debtors") to approve notice of sale of certain assets at auction and auction procedures (the "Motion") was held before this Court on October 30, at 3:00 p.m., and appearances were as noted on the record.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Having considered the Motion and all related pleadings, any opposition thereto, and the arguments of counsel,

IT IS HEREBY ORDERED:

1. The Motion is GRANTED.
2. The Notice of Sale of Certain Assets attached hereto as Exhibit 1 is approved.

END OF ORDER

EXHIBIT 1

1 KATTEN MUCHIN ROSENMAN LLP
2 Craig A. Barbarosh (SBN 160224)
3 craig.barbarosh@kattenlaw.com
4 650 Town Center Drive, Suite 700
5 Costa Mesa, CA 92626-7122
6 Telephone: (714) 966-6822

7 Jessica M. Mickelsen (SBN 277581)
8 jessica.mickelsen@kattenlaw.com
9 2029 Century Park East, Suite 2600
10 Los Angeles, CA 90067-3012
11 Telephone: (310) 788-4425
12 Facsimile: (310) 788-4471

13 Peter A. Siddiqui (*pro hac vice*)
14 peter.siddiqui@kattenlaw.com
15 525 W. Monroe Street
16 Chicago, IL 60661-3693
17 Telephone: (312) 902-5455
18 Facsimile: (312) 902-1061

19 Counsel for Debtor and Debtor-In-Possession
20 HashFast Technologies LLC and HashFast LLC

21 **UNITED STATES BANKRUPTCY COURT**
22 **NORTHERN DISTRICT OF CALIFORNIA**
23 **SAN FRANCISCO DIVISION**

24 In re:) Lead Case No. 14-30725
25 HASHFAST TECHNOLOGIES LLC, a)
26 California limited liability company,) Jointly Administered and Substantively
27 Debtor and Debtor-In-Possession) Consolidated with:
28) Case No. 14-30866
Chapter 11
☒ Affects HASHFAST LLC, a Delaware) **NOTICE OF SALE OF CERTAIN ASSETS**
limited liability company,) **AT AUCTION**
Debtor and Debtor-In-Possession) Auction Date
Date: December 4, 2014
Time: 10:00 a.m.
Place: Four Embarcadero Center, 17th Floor
San Francisco, CA 94111

29 PLEASE TAKE NOTICE THAT:

30 Pursuant to the Order Approving Notice of Sale of Certain Assets at Auction and Auction
31 Procedures entered by the United States Bankruptcy Court for the Northern District of California
32 (the "Bankruptcy Court") on October 30, 2014, the above captioned debtors (the "Debtors") and
33 the Official Committee of Unsecured Creditors (the "Committee") will conduct an auction (the

1 “Auction”) for the sale of any or all of the assets of the Debtors (the “Assets”), including the
2 following (a) all of the assets previously or currently used in or useful to, necessary to, or related
3 to the conduct of all of the businesses of the Debtors, including chips, wafers, system components,
4 board components, hashing boards, and other inventory and equipment that remain at the time the
5 Auction, if any, is held, (b) the Debtors’ intellectual property, and (c) claims and causes of action
6 against Simon Barber. A list of the Assets that will be made available for sale is attached as
7 **Exhibit 1** hereto.¹

8 The Debtors and the Committee will conduct the Auction on **December 4, 2014** at 10:00
9 a.m. (Pacific time). All interested parties are invited to make an offer to purchase the some or all
10 of the Assets in accordance with the terms and conditions approved by the Bankruptcy Court (the
11 “Bidding Procedures”) by **5:00 p.m.** (Pacific time) on **December 2, 2014**, subject to the following
12 requirements and procedures:

13 (a) Participation Requirements. Any person or entity that wishes to
14 participate in the bidding process must become a “Qualifying Bidder”. A Qualifying Bidder must:
15 (i) submit a bid identifying the specific Assets for which such bid is made and the price offered for
16 such Assets; (ii) demonstrate to the satisfaction of the Debtors and the Committee, the ability to
17 consummate a transaction involving some or all of the Assets; (iii) not include any request for bid
18 protection or a break-up fee; (iv) certify that such bidder has not engaged in any form of bid
19 collusion with any other person or entity; (v) certify that such bidder will close on any bid deemed
20 by the Debtors and the Committee to a winning bid within five days of the Sale Hearing; (vi)
21 certify that such bidder is willing to serve as back-up bidder (a “Back-up Bidder”) in the event a
22 Prevailing Bid (as hereinafter defined) fails to close within five days of the Sale Hearing; and (vii)
23 submit contact information for the bidder or its designated agent for receipt of notice, including an
24 operational email address. A bid complying with the foregoing shall be “Qualified Bid”, and the
25 Debtor and/or Committee shall notify each bidder via email whether or not it has submitted a
26 Qualified Bid by **December 3, 2014**, at 12:00 p.m. (Pacific time).

27 ¹ The Debtors intend to continue selling their Assets in the ordinary course of business, with the
28 consent of the Committee. Accordingly, only those Assets not previously sold will be available for
sale at the Auction.

1 (b) Bid Deposit. No later than **December 2, 2014**, a Qualifying Bidder
2 must deliver a deposit equal to 10% of the Qualified Bid.

3 (c) Bid Deadline. Qualified Bids must be received by **December 2,**
4 **2014** at 5:00 p.m. (Pacific time).

5 (d) Bid Delivery. Qualified Bid shall be made in writing and delivered
6 by email to (i) the Debtors (attn: Victor Delalgio, victor@hashfast.com); (ii) Debtors' counsel
7 (attn: Peter Siddiqui, Katten Muchin Rosenman LLP, peter.siddiqui@kattenlaw.com); and (iii) the
8 Committee's counsel (attn: Ashley McDow, Baker Hostetler LLP, amcdow@bakerlaw.com).

9 (e) Auction. In the event the Debtors and Committee timely receive
10 one or more Qualifying Bids, the Debtors and the Committee will conduct the Auction at Four
11 Embarcadero Center, 17th Floor, San Francisco, CA 94111, commencing at 10:00 am (Pacific
12 time) on **December 4, 2014**. The Debtors and the Committee may, in their joint discretion,
13 adjourn the date, time, and place of the Auction.

14 (f) Auction Procedures. The Auction shall be governed by the
15 following procedures: (i) Representatives from the Debtors, the Committee, Qualifying Bidders,
16 and any party the Debtor and the Committee believe in their joint discretion likely will submit a
17 Qualifying Bid shall be entitled to attend the Auction; (ii) Qualifying Bidders must appear in
18 person at the Auction or through a duly authorized representative; (iii) bidding shall commence at
19 the amount of the highest Qualifying Bid submitted by the Qualifying Bidders prior to the
20 Auction; (iv) bidding increments shall be determined by the Debtors and the Committee and shall
21 be announced during the Auction; (v) all Qualifying Bidders shall have the right to submit
22 additional bids at the Auction; (vi) the Debtors and the Committee will commence the Auction
23 with any Qualifying Bids for all of the Assets and then proceed to Qualifying Bids by Lot; and
24 (vii) the Auction shall continue until there are one or more Qualifying Bids that are deemed by the
25 Debtors and the Committee as the highest and best bids for the Assets covered by such Qualifying
26 Bid (each, a "Prevailing Bid").

27 (g) Qualifying Bids Irrevocable. Each Qualifying Bid, including any
28 bid submitted at the Auction and any Prevailing Bid, shall be an irrevocable offer and shall be

1 binding on the Qualifying Bidder from the time it is submitted until the earlier of 48 hours after
2 the Auction concludes.

3 (h) Hearing on Bid Qualification. If a bidder has been advised by the
4 Debtor and the Committee that such bidder's bid did not constitute a Qualified Bid (a "Non-
5 Qualification Notice"), such bidder may contest such Non-Qualification Notice only by advising
6 the Debtor and the Committee in writing by no later than 4:00 p.m. (Pacific time) on **December 3,**
7 **2014**, of their intent to do so. If a written contest to a Non-Qualification Notice is made, the
8 Bankruptcy Court shall conduct a hearing on **December 4, 2014** at 9:00 a.m. (Pacific time) to rule
9 on whether the bid submitted qualifies as a "Qualified Bid" such that the prospective bidder
10 should be permitted to participate in the Auction.

11 (i) Sale Hearing. The Prevailing Bids will be subject to approval by
12 this Court. The hearing to approve the Prevailing Bids shall take place on **December 5, 2014**, at
13 1:00 p.m. (Pacific time).

14 (j) Return of Deposits. All deposits shall be returned to each bidder not
15 selected by the Debtors and the Committee as the Prevailing Bid no later than 3 business days
16 following the sale hearing

17 Dated: October __, 2014

KATTEN MUCHIN ROSENMAN LLP
Peter A. Siddiqui
Jessica M. Mickelsen

19 By: /s/ Jessica M. Mickelsen
20 Counsel for Debtor and Debtor-In-Possession
21 HashFast Technologies LLC and HashFast LLC

22 Dated: October __, 2014

BAKER HOSTETLER LLP
Ashley M. McDow

24 By: /s/ Ashley M. McDow
25 Counsel for the Official Committee of
26 Unsecured Creditors

EXHIBIT 1

Assets to be Sold

- 1
- 2
- 3
- 4 (a) Intellectual Property: including patents, patent applications, and masks
- 5 (b) Chips:
- 6 1. Golden Nonce ASIC – 15,578
- 7 2. Golden Nonce ASIC (Assembly in Progress) – 2,850
- 8 3. Golden Nonce ASIC Substrate – 2,396
- 9 (c) Wafers – 80.84
- 10 (d) Non-chip inventory (including power supplies, fans, chassis, boards, and long lead
- 11 parts)
- 12 1. Rev 1 boards (tested) – 424
- 13 2. Rev 2 boards (tested) – 150
- 14 3. Rev 3 boards Yoli Evo Mining Boards – 59
- 15 4. ECO III-120FB HASHFAST LIQUID COOLING SIERRA 430 – 4,922
- 16 5. AXIAL FAN, 120MM, 12VDC, 3A, 224 CFM – 13,850
- 17 6. IR3550 PQFN 6x6mm – 178,800
- 18 7. FP1007R3-R17-R (IND,SMT,10x7mm, 60A, 150-170nH) – 178,800
- 19 8. IR3566B Digital PWM Controller 1C – 29,800
- 20 9. ICE40HX1K-VQ100 FPGA 72 I/O - 100TQFP – 7,450
- 21 10. IR3823MTRPBF PQFN 4x5mm – 7,450
- 22 11. Bolster Plates – 173
- 23 12. Heatsinks – 558
- 24 13. LTC3855 Dual, Multiphase Synchronous DC/DC Controller – 25,000
- 25 14. Indium Foil Squares – 1,886
- 26 (e) Claims and causes of action against Simon Barber, co-founder and Chief
- 27 Technology Officer of the Debtors, including preference, fraudulent transfer, and breach of
- 28 fiduciary duty claims.