

Us judge approved
claims against
hashfast



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Last year, HashFast Technologies, a bitcoin equipment manufacturer went into bankruptcy and from then onwards the company has been surrounded by a number of legal troubles.

The company filed for bankruptcy and in July 2014 the court allowed them to enter Chapter 11 Bankruptcy protection.

A bitcoin miner, Plaintiff Pete Morici claimed that he bought two Baby Jets which is a special kind of bitcoin hardware devices that cost \$11, 200 of bitcoin from HashFast. Unfortunately, he did not receive his order nor did he receive any refund from the company.

Hence, Morici sued HashFast Technologies, HashFast LLC, the chief executive officer of HashFast Eduardo deCastro and the chief technology officer Simon Barber on January 2014 alleging the breach of contract and fraud.

Edward Davila, the US District Judge has approved of the claim against the company and the two officers.

The Judge rejected the motion of the company that was filed by the defendants and sided with Plaintiff Pete Morici by approving the claim that HashFast has violated the Unfair Competition Law which prohibits “ acts or practices which are unlawful, unfair or fraudulent.”

The order that was signed by the Judge stated, “ Based on the foregoing discussion, the court finds that Plaintiff has sufficiently pled a UCL claim against Barber.

The court also finds the fraud claim sufficient insofar as it is based on statements Barber made regarding the Baby Jet shipping date and the availability of refunds in bitcoin.”

In a 22- page complaint by Pete Morici it was stated that the owners of HashFast wanted make use of the collected funds to pay the vendors and other third parties, who would have sooner or later produced the Baby Jets.

“ HashFast was capitalized with a total of \$641, 643, a number that was totally inadequate to undertake production and development of bitcoin mining equipment (which would cost several millions of dollars)”

Though Judge Edward Davila admitted that Simon Barber was not directly engaged in the writing content in the website of the company and will not be charged individually until further evidences are presented in the court.

Judge Edward Davila stated, “ With regard to restitution against Barber individually, plaintiff contends that Barber personally benefitted from the unlawful business practices by taking salary bonuses from the proceeds received on undelivered Baby Jet orders.

Again, although the allegations may ultimately prove untrue, that determination must wait for another day. Plaintiff’s allegations, however, do not support liability against Barber for statements describing whether Baby Jets were ‘ in stock’.”