

**IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-- against --

**TRENDON T. SHAVERS AND BITCOIN
SAVINGS AND TRUST,**

Defendants.

**CIVIL ACTION NO.
4:13-CV-416 (RC) (ALM)**

**UNOPPOSED MOTION FOR LEAVE TO SUBMIT SUPPLEMENTAL
AUTHORITY IN SUPPORT OF PLAINTIFF'S RESPONSE IN OPPOSITION
TO DEFENDANTS' RENEWED 12(b)(1) MOTION**

In connection with Plaintiff Securities and Exchange Commission's ("Commission") opposition to Defendants' Renewed 12(b)(1) Motion [Doc. 46, 60], enclosed for the Court's consideration is the August 18, 2014 opinion in *United States v. Faiella, et al.*, 14-CR-243 JSR, 2014 U.S. Dist. LEXIS 116114 (S.D.N.Y. 2014), concluding that Bitcoin is money within the context of 18 U.S.C. § 1960 and the United States' allegations that the defendant therein operated as an unlicensed money transmitting business, and stating:

"Bitcoin clearly qualifies as 'money' or 'funds' under these plain meaning definitions. Bitcoin can be easily purchased in exchange for ordinary currency, acts as a denominator of value, and is used to conduct financial transactions. *See, e.g., SEC v. Shavers*, 2013 WL 4028182, at *2 (E.D.Tex. Aug. 6, 2013)."

The Commission submits this opinion as supplemental authority in support of its position that this Court has subject matter jurisdiction over the litigation because (1) Bitcoin is money; and (2) the instruments Defendants offered and sold were investment contracts and, therefore, securities. *See* Plaintiff's Response in Opposition to Defendants' Renewed 12(b)(1) Motion [Doc. 60].

Dated: August 22, 2014

Of Counsel:

Valerie A. Szczepanik*
Securities and Exchange Commission
Brookfield Place
200 Vesey Street, Ste. 400
New York, NY 10281-1022
(212) 336-0175
szczepanikv@sec.gov

**Not admitted in E.D. Tex.*

Respectfully Submitted,

/s/ Jessica B. Magee

JESSICA B. MAGEE
Texas Bar No. 24037757
Securities and Exchange Commission
Burnett Plaza, Suite 1900
801 Cherry Street, Unit 18
Fort Worth, TX 76102
(817) 978-6465
mageej@sec.gov

PHILIP MOUSTAKIS (PM-1748)
Securities and Exchange Commission
Brookfield Place
200 Vesey Street, Ste. 400
New York, NY 10281-1022
(212) 336-0542
moustakisp@sec.gov
Admitted Pro Hac Vice
ATTORNEYS FOR PLAINTIFF
SECURITIES AND EXCHANGE COMMISSION

CERTIFICATE OF CONFERENCE

I hereby certify that on August 22, 2014, I telephonically conferred with counsel for Defendants regarding the content of this motion and they are not opposed to the filing of this Motion and submission herewith of the attached opinion, but object to the opinion on the basis of relevance.

/s/ Jessica B. Magee
JESSICA B. MAGEE

CERTIFICATE OF SERVICE

I certify that on August 22, 2014, I electronically filed the foregoing *Unopposed Motion for Leave to Submit Supplemental Authority in Support of Plaintiff's Response in Opposition to Defendants' Renewed 12(b)(1) Motion* with the Clerk of the Court using the CM/ECF system, which will send notification of the filing to counsel for all parties who have registered with the Court as of the date of this filing.

/s/ Jessica B. Magee
Jessica B. Magee