

Bitcoin operator allowed to resume some business

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A bitcoin company that was shut down after being sued by the U.S. government will be allowed to resume some of its business, a federal judge has ruled.

U.S. District Brian C. Wimes on Thursday allowed Leawood-based Butterfly Labs Inc. to reopen for limited operations. Its assets were frozen and a federal receiver was given temporary control of the company on Sept. 18 after the Federal Trade Commission sued, alleging that Butterfly defrauded up to 20,000 customers out of between \$20 million and \$50 million, The Kansas City Star reported.

Butterfly officials denied all the allegations and said in a statement Thursday that the judge's order was a positive step but it will continue to address what it called several inaccurate allegations.

"While the order does not allow Butterfly Labs to fully serve our customers as desired, it is a step in the right direction and will allow for limited order fulfillment," the statement said.

Federal attorneys and Butterfly representatives began negotiating earlier this week to resolve the issues.

Bitcoins are virtual currency that is used to buy and sell some goods and services without government-issued money. They are created by computers set up to resolve complex algorithmic formulas, which earns a person bitcoins.

The FTC alleged in its lawsuit that Butterfly either did not deliver computers to customers or sent machines that did not work and prevented customers from earning bitcoins.

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