



United States Marshals Service Bitcoin Auction Participation Details

50,000 BTC (~2,300,000,000 JPY) seized by the United States Marshals Service will be auctioned off on December 4th, 2014(EST).

[Reference Article]

<http://online.wsj.com/articles/u-s-marshals-to-auction-50-000-bitcoins-1416244997>

[Auction Details]

bitFlyer will once again arrange a joint bid to participate in the USMS Auction on behalf of our clients.

*** Please note that for this auction we will be participating via the US company SecondMarket.*

bitFlyer will participate in this auction entrusted by our clients. There will be a 2% commission charged to participants, paid in BTC.

***** Please note that the deadline to participate is coming soon!***

[Conditions of Participation]

***** Application conditions will be strictly applied. If one or more conditions are not satisfied, the application will be deemed invalid, and the joint purchasing expense will be refunded.***

***** bitFlyer will make a telephone call or send email to all applicants for verification purposes. Please note that questions regarding verification results are not accepted.***

- **A bitFlyer account at the Business Class level or above is required.** Please note that bitFlyer will not be responsible in case account creation or account class updates do not meet the participation deadline.
- **An external Bitcoin wallet is required in case the BTC amount in a successful bid exceeds the BTC holding limit applied to your bitFlyer account.**

[Participation Amount]

A minimum of **JPY 1,000,000**, up to **JPY 100,000,000** per person. Only Japanese Yen is acceptable.

[Application Method]

Send an email with the required information to the email address below:

info+usms-auction@bitflyer.jp

Required Information:

- Your Full Name

- bitFlyer Account Number (ex. BF10-1234-5678-90)
- Your Bidding Price (in USD) **** Please fill in the price for 1 BTC (i.e. \$450), as opposed to the total Bid Price. No cent is acceptable.**
** The minimum bidding price per Bitcoin is USD 100.
- BTC amount (in BTC, whole numbers only - no decimal point)
- JPY amount to deposit into bank account (Please refer to the calculation method below.
From JPY 1,000,000 up to JPY 100,000,000)

Deposit Amount = (Your Bidding Price x BTC Amount) x 1.10 (*1) x 118.77 (*2) **** Any amount below 1 JPY will be discarded**

*1: Please note that JPY may weaken versus USD from November 26, 2014 to the date of payment to SecondMarket, a U.S company. In the case JPY weakens more than 10%, we will require the customer to top up the insufficient amount of funds. After completion of the auction, we will refund the difference between the current and actual settlement rate.

*2: Official TTS rate as of November 26, 2014: <http://www.smbc.co.jp/market/pdf/fixing1126.pdf>

[Applicant Verification]

bitFlyer will contact all applicants by telephone or email.

[Deadlines]

Application Deadline: 2PM on Wednesday, December 3rd (JST)

Deadline to Transfer Funds: 2PM on Wednesday, December 3rd (JST)

**** Participation will be limited to those who have confirmed funds in bitFlyer. Funds must be received by this date in order for the application to be valid**

[Target Bitcoin Series]

Bitcoin in blocks of 2,000 BTC shall be formed for the Series A block (total 20,000 BTC).
Bitcoin in blocks of 3,000 BTC shall be formed for Series B block (total 30,000 BTC) block,
based on the auction details provided by the U.S. Marshals Service.

**** All funds collected by bitFlyer will be applied to the SecondMarket joint bid. Please note that the bidding block cannot be selected. In case the bid is low, there is a chance SecondMarket may deem the bid invalid.**

[SecondMarket Bidding Price]

The Bitcoin bid price of each customer will be submitted to SecondMarket.

**** FX rate will be the actual rate which bitFlyer applies.**

**** SecondMarket will decide the bidding price to the USMS by sorting all bids from highest to lowest, and using the weighted average of all bids applied to each block. As such, please be aware that bitFlyer cannot foretell the final bidding price submitted to the USMS by SecondMarket.**

[Bank Account for Joint Auction Funds Transfer]

**Sumitomo Mitsui Banking Corporation
Tokyo Daiichi Branch (Branch code: 931)
Savings Account Number 2900001**

カ)ビットフライヤー

[Commission]

In the case the bid is successful, 2% of the total proceeds (in BTC) will be charged as commission to bitFlyer. Any Bitcoin not used for the purchase will be refunded.

i.e. If the number of Bitcoin won by a successful bid Bitcoin is 1,000 BTC, 980 BTC will be sent to your registered external wallet, after deducting the commission.

[Important Notes]

** In case the bid is not successful, purchasing expenses will be fully refunded to applicants.

** There is a potential risk that bitFlyer will be unable to participate in the auction due to delay related to internal bitFlyer processes, government decisions, or other reasons. bitFlyer does not hold any responsibility for failing to participate in the auction.

** In the case that bitFlyer's bidding price to SecondMarket is too low, there is a possibility that SecondMarket will not accept the bid or deem the bid invalid.

** In the case that the total amount of collected funds is lower than JPY 5,000,000, there is a possibility that bitFlyer may not participate in this auction.

** Bank fees to process refunds will be paid by bitFlyer.

** Auction results will be reported to all participants by email.

[USMS Website Official Auction Detail]

<http://www.usmarshals.gov/assets/2014/dpr-bitcoins/>

[Reference]

Please find below materials from the bitFlyer USMS Bitcoin Auction coordination in June, 2014.

<https://bitflyer.blob.core.windows.net/pub/fbiauction.pdf>

SecondMarket

<https://www.secondmarket.com/>

bitFlyer, Inc