

1 MARC J. SCHNEIDER, State Bar No. 214609
mschneider@stradlinglaw.com
2 JASON DE BRETTEVILLE, State Bar No. 195069
jdebretteville@stradlinglaw.com
3 STRADLING YOCCA CARLSON & RAUTH LLP
660 Newport Center Drive, Suite 1600
4 Newport Beach, CA 92660-6422
Telephone: 949 725 4000
5 Facsimile: 949 725 4100

6 Attorneys for Plaintiff
7 COINMINT, LLC

8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**
10 **SAN FRANCISCO**

11 COINMINT, LLC,
12 Plaintiff,
13 vs.
14 KATENA COMPUTING
15 TECHNOLOGIES, INC.,
16 Defendant.

CASE NO. 3:23-cv-04683-RS
Honorable Richard Seeborg

**PLAINTIFF COINMINT, LLC'S
MOTION FOR AN ORDER
ENLARGING TIME TO RESPOND TO
DEFENDANT'S PETITION TO
CONFIRM ARBITRATION AWARD**

(Related to Dkt. 27)

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

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that pursuant to Rule 6 of the Federal Rules of Civil Procedure (“FRCP”) and Local Rule 6-3, Plaintiff Coinmint, LLC (“Coinmint”), hereby moves for an order to enlarge the time to respond to Defendant Katena Computing Technologies, Inc.’s (“Katena”) Petition to Confirm Arbitration Award by 31 days from the current March 1, 2024 deadline to a new deadline of April 1, 2024.

This motion is based upon this notice, the attached memorandum of points and authorities, the declaration of Steven D. Feldman (“Feldman Decl.”), the proposed order, the records, pleadings, and documents in this case, and upon such argument or evidence that is presented at any hearing on this motion.

Dated: February 21, 2024 STRADLING YOCCA CARLSON & RAUTH LLP

By: s/ Jason de Bretteville
Marc J. Schneider
Jason de Bretteville

Attorneys for Plaintiff
COINMINT, LLC

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Coinmint, LLC (“Coinmint”), hereby moves for an order to enlarge the time to respond to Defendant Katena Computing Technologies, Inc.’s (“Katena”) Petition to Confirm Arbitration Award (the “Petition”) by 31 days. Coinmint respectfully submits that a 31-day extension of time to allow Coinmint to file a *combined* 25-page opposition and cross-motion to vacate would serve the interests of justice and judicial economy.

Coinmint files this motion pursuant to Local Rule 6-3 because Coinmint would be irreparably prejudiced without an extension of time to respond due to the scope of—and profound infirmities affecting—the record underlying the 110-page arbitration award (the “Award”). Notably, under the parties’ stipulated schedule in the underlying arbitration, the Award was not even due to be filed until March 8, 2024, and therefore Katena cannot claim any undue prejudice.

II. ARGUMENT

Under Rule 6 of the Federal Rules of Civil Procedure, “the court may, for good cause, extend the time” to respond to a motion. “Once a particularized showing is made, requests for extensions of time made before the applicable deadline has passed should normally . . . be granted in the absence of bad faith or prejudice to the adverse party.” *Lilith Games Co. v. uCool, Inc.*, 2015 U.S. Dist. LEXIS 72641, *6-7 (N.D. Cal. 2015) (internal quotations omitted.)

Here, the applicable deadline has not passed, and granting Coinmint sufficient time to file a combined opposition and cross-motion would serve the interests of justice and judicial economy far better than hurried, piecemeal briefing, without resulting in any prejudice to Katena. Moreover, at least one circuit court has “encourage[d]” district courts to set “simultaneous deadlines” for filing an opposition to a motion to confirm and a motion to vacate in these circumstances. *McLaurin v. Terminex Int’l*, 13 F.4th 1232, 1243 (11th Cir. 2021).

1 **A. The Award Is Facially Flawed And Presents Unique Challenges**

2 The underlying dispute arises from a Sale and Purchase Agreement
3 (“SPA”) entered between Coinmint, as buyer, and Katena, as seller, for \$150
4 million in Bitcoin mining rigs. Coinmint contends, *inter alia*, that Katena
5 secured the SPA and \$23.4 million in payments by fraud, and seeks the return of
6 the \$23.4 million it paid to Katena, for which it received nothing in return.
7 Katena, in turn, asserts counterclaims for breach of contract and seeks liquidated
8 damages of \$37.5 million. (Feldman Decl. ¶ 6.)

9 Evidentiary proceedings before the arbitration panel (the “Panel”) were
10 completed on January 12, 2024, and the Panel issued its 110-page Award
11 twenty-five days later, on February 6, 2024—approximately one month before
12 the parties’ stipulated March 8, 2024 deadline. (*Id.* at ¶ 7.) The underlying
13 record includes roughly 64 orders, many with briefing, numerous hearings, and
14 transcribed and un-transcribed testimony from approximately 14 witnesses. (*Id.*)

15 Counsel’s ongoing review of this record has already identified potential
16 bases for vacatur. (*Id.*) For example, the Panel refused, in violation of AAA
17 R-28, to permit a stenographer to record the testimony of four witnesses that
18 both parties deemed critical based on the witnesses participation in, and
19 knowledge of, the central facts in dispute. (*See id.* at ¶¶ 4, 8, Ex. B (Order 24.))
20 Although not labeled as such by the Panel, this highly-prejudicial order acted as
21 an improper sanctioning of Coinmint, leveled *sua sponte*, and was imposed
22 without making the parties aware that the Panel was considering it, despite full
23 knowledge of the contrary AAA rule. (*Id.* at ¶ 9.)

24 This order deprived Coinmint of its due process right to confront
25 witnesses and impeach them with conflicting testimony, and subsequently to use
26 their testimony with other witnesses and in briefs. Indeed, the Panel later
27 sustained objections to Coinmint’s references to the undocumented testimony on
28 the ground that the Panel’s notes did not agree with those taken by Coinmint.

1 (*Id.* at ¶ 10.) In addition, the lack of any contemporaneous record of the
 2 evidentiary rulings made by the Panel during key witness testimony obscures the
 3 Panel’s further misconduct in refusing to hear material evidence. (*Id.* at ¶ 11.)

4 Worst of all, material factual findings in the Award are plagued by the
 5 Panel’s prohibition of a record. For example, the Award asserts that there was
 6 no evidence that one witness, Coinmint’s former Chief Financial Officer,
 7 Michael Maloney, was offered a job at Katena—a key component of Katena’s
 8 alleged wrongdoing. (Petition, Ex. A (Award) at 38, Dkt. No. 27.) That is
 9 patently false as Maloney admitted to the contrary in his testimony—testimony
 10 that the Panel blocked Coinmint from recording. (Feldman Decl. ¶ 12.)

11 **B. Katena’s Refusal To Stipulate To The Time Change**

12 The panel issued its Award on February 6, 2024, and Katena filed its
 13 Petition two days later. (Feldman Decl. ¶ 7; *see* Petition, Dkt. No. 27.) Coinmint
 14 immediately reviewed the 110-page Award, noted possible bases for vacatur,
 15 and initiated discussions with Katena regarding a briefing schedule. (Feldman
 16 Decl. at ¶¶ 2, 7, Ex. A.)

17 In those discussions, Coinmint’s counsel requested a telephonic
 18 conference with Katena’s counsel to work together on a combined briefing
 19 schedule, and explained the substantive bases for their position. (Feldman Decl.
 20 ¶ 2, Ex. A.) Katena’s counsel, in response, refused to confer telephonically for a
 21 week, insisted that Coinmint “advance the conversation by email,” indicated that
 22 they did not consider the Petition to be a motion, stated that they would “be
 23 filing a motion to confirm the Award on Tuesday[,]” and proposed a mere 7-day
 24 extension for Coinmint to “file a combined 25-page cross-motion to vacate and
 25 opposition to our motion[.]” (*Id.* at ¶¶ 2, 3, Ex. A.)

26 Shortly thereafter, on February 16, 2024, the Court issued an order in
 27 which it rightly construed the Petition as a motion, and set Coinmint’s deadline
 28 to file an opposition at the default period of two-weeks. (Ord., Dkt. No. 28.) In

1 response to this order, on February 19, 2024, Katena indicated that it would not
 2 be filing its anticipated motion the next day, withdrew its proposal for a
 3 combined briefing schedule, and refused to entertain further discussion, thereby
 4 forcing Coinmint to make this motion. (Feldman Decl. ¶ 3, Ex. A.)

5 **C. Coinmint Faces Irreparable Harm**

6 Coinmint cannot, within 14 days, review the voluminous record of the
 7 underlying proceedings, narrow the potential bases for vacating the Award, and
 8 draft a concise opposition to the Petition, much less a combined opposition and
 9 motion to vacate—particularly in light of the stringent standard for vacatur. *See,*
 10 *e.g., Stolt-Nielsen S.A. v. AnimalFeeds Int'l Corp.*, 559 U.S. 662, 671 (2010)
 11 (describing the “high hurdle” required to vacate an arbitration award). If
 12 Coinmint is not allowed to adequately brief its opposition to the Petition, it faces
 13 irreparable harm through confirmation of an Award that, but for a gratuitously
 14 restrictive briefing schedule, could have been shown to be unlawful.

15 **D. Good Cause Exists For the Proposed Briefing Schedule**

16 Although Coinmint is working diligently to meet the March 1, 2024
 17 deadline, filing a hurried opposition brief less than two weeks from now,
 18 followed later by a cross-motion for vacatur, would be inefficient for the Court
 19 and the parties, and contrary to the interests of justice. As noted above, Coinmint
 20 has already identified bases on which this Court could vacate the Award. The
 21 Court’s assessment of this and other potential bases for vacatur should be based
 22 on a careful and complete presentation of the lengthy record and the law, not
 23 conclusory briefing prepared in insufficient time.

24 Notably, a party has three-months from the issuance of an arbitration
 25 award to move to vacate that award. 9 U.S.C. § 12. The FAA’s grant of this
 26 expansive time recognizes that a party seeking vacatur faces challenges
 27 tantamount to briefing an appeal after trial. Moreover, the parties’ stipulated
 28 deadline for issuance of the Award, March 8, 2024, has not yet passed. Katena,

1 therefore, cannot claim an expectation-interest in a default two-week deadline,
2 much less actual prejudice resulting from the requested enlargement of time.
3 Thus, good cause exists to allow Coinmint enlarged time to file a combined
4 opposition to the Petition and cross-motion to vacate.

5 **III. CONCLUSION**

6 Good cause having been shown, we respectfully request that the Court
7 enlarge the time to respond to the Petition by 31 days so that Coinmint may file
8 a combined opposition and cross-motion to vacate, not to exceed 25 pages.

9 Dated: February 21, 2024 STRADLING YOCCA CARLSON & RAUTH LLP

10
11 By: /s/ Jason de Bretteville
12 Marc J. Schneider
13 Jason de Bretteville
14 Attorneys for Plaintiff
15 COINMINT, LLC
16
17
18
19
20
21
22
23
24
25
26
27
28