JOHN J. HOFFMAN ACTING ATTORNEY GENERAL OF NEW JERSEY Division of Law 124 Halsey Street - 5<sup>th</sup> Floor P.O. Box 45029 Newark, New Jersey 07101 Attorney for Defendant

By: Kevin R. Jespersen (019151981) Assistant Attorney General Lorraine K. Rak (035771985) Deputy Attorney General/ Section Chief Glenn T. Graham (013822009) Edward J. Mullins III (027892006) Deputy Attorneys General

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SUPERIOR COURT OF NEW JERSEY LAW DIVISION ESSEX COUNTY DOCKET NO.: ESX-L-567-14

JEREMY RUBIN d/b/a TIDBIT

Plaintiff,

Civil Action

#### CERTIFICATION OF BRIAN MORGENSTERN

STATE OF NEW JERSEY DIVISION OF CONSUMER AFFAIRS,

v.

Defendant.

I, BRIAN MORGENSTERN, being of full age, hereby certify and state as follows:

1. I make this Certification based upon my personal knowledge and review of documents in my possession and in connection with the above-referenced action.

2. I am currently employed as an Investigator with the New Jersey Division of Consumer Affairs ("Division"), Office of Consumer Protection, Cyber Fraud Unit. I have held this

position since approximately December 2011. In that capacity I have been involved in the Division's investigations as to possible violations of the New Jersey Consumer Fraud Act, <u>N.J.S.A.</u> 56:8-1 <u>et seq</u>. ("CFA"), and related statutes and regulations.

3. In November, 2013, the Division commenced an official investigation ("Investigation") as to whether Jeremy Rubin d/b/a Tidbit ("Tidbit") was engaged in conduct in violation of the CFA and/or related statutes and regulations through its unauthorized access and/or use of New Jersey residents' computers to mine for bitcoins. I have been responsible for the Division's Investigation since its inception.

#### A. Bitcoin Background

4. Bitcoins are a decentralized virtual form of currency that are purchased through online exchanges, transferred between individuals through electronic "wallets," or acquired through "mining."

5. Each bitcoin is generated through a process known as "mining." To mine for bitcoins, the resources of a computer, generally the central processing unit ("CPU") and/or graphics processing unit ("GPU") of computers are set to solve complex mathematical problems on a peer-to-peer network. To maintain a consistent level of bitcoin mining, the more processing power users dedicate to the peer-to-peer mining network, the more difficult the mathematical problems become.

6. Multiple users can join mining "pools" and user their computers collaboratively toward mining for bitcoins.

7. Once a bitcoin is mined, a time-stamped public record of that bitcoin is maintained on a "block chain." The public record of each time-stamped bitcoin acts to prevent double spending. Once mined, a bitcoin can then be divided and transferred between users or purchased and sold through online exchanges.

8. As a result of the increased processing power necessary to mine for bitcoins, a computer's life span may be curtailed and electricity costs increased.

B. Tidbit Code

9. On or about November 12, 2013, I became aware that Tidbit developed a bitcoin mining software code to be implemented on websites ("Tidbit Code"). When users visit a website utilizing the Tidbit Code, those users' computer resources may unknowingly be used to mine for bitcoins.

10. On November 20, 2013, and following a random website search, I confirmed that the Tidbit Code was present on at least three (3) websites that were registered and located in New Jersey ("New Jersey Coded Websites.")

11. During the course of the Investigation, I confirmed that the Tidbit Code was active on all New Jersey Coded Websites by accessing the source code for each website.

C. Tidbit Website

12. On or about November 12, 2013, I became aware of Tidbit's advertisement of the Tidbit Code through a website located at <u>http://www.tidbit.co.in</u> ("Tidbit Website"). That same day, I accessed and captured the contents of the Tidbit Website. (See Tidbit Website, attached as Exhibit A.)

13. On November 12, 2013 I accessed <u>http://domaintools.com</u> to determine the registrant information of the Tidbit Website. Such information indicated that the Tidbit Website was registered to Jeremy Rubin. (See WhoIs Results, attached as Exhibit B.)

14. Among other things, the Tidbit Website states: "Monetize without ads;" "Let your visitors help you mine Bitcoins;" and "Built on the bleeding edge." (See Ex. A.)

15. The Tidbit Website further provides: "How does it work? ... [1] Make an account – Sign up with your Bitcoin wallet ... [2] Paste the code – We'll give you a snippet to put in your website ... [3] Cash Out! – We'll send a transaction to your Bitcoin wallet." (See Ex. A.)

16. The Tidbit website features a "Sign up" button for visitors to sign-up to receive the Tidbit Code. On November 12, 2013, I accessed the "Sign up" button. To receive the code, Tidbit requires visitors to submit the following information: (1) E-mail address; (2) Bitcoin Wallet ID; and (3) Password ("Sign-up Information").

17. On January 24, 2014 and March 6, 2014, I re-accessed the Tidbit Website and confirmed Tidbit continued to require visitors to submit Sign-up Information to receive the Tidbit Code. (See Sign-up Page, attached as Exhibit C.)

18. On March 6, 2014 and after the issuance of an Administrative Subpoena Duces Tecum and Interrogatories to Tidbit, I accessed the New Jersey Coded Websites and determined that the Tidbit Code had been removed from such websites.

19. To date, the Tidbit Website is still active.

#### D. Division's Undercover Investigation

20. On February 7, 2014, I re-accessed the Tidbit Website. While on the Tidbit Website, I re-accessed the "Sign up" button. I submitted Sign-up Information to Tidbit using an undercover e-mail address and an undercover bitcoin wallet id. After receiving my Sign-up Information, Tidbit sent the Tidbit Code to me via a confirmation page ("Confirmation Page"). (See Sign-up Page and Confirmation Page, attached as Exhibit D.)

21. The Tidbit Code I received includes my undercover bitcoin wallet id within the code. (See Ex. D.)

22. Among other things, the Confirmation Page states "**Your embed code** - Paste this at the bottom of your HTML page, and your visitors will start mining Bitcoins for you!" (See Ex. D.)

23. On February 18, 2014, I found Jeremy Rubin's resume via a Google search. Under the section concerning Mr. Rubin's work experience, he is listed as the founder of Tidbit from November 2013 to Present. (See Resume, attached as Exhibit E.)

24. Certain of the above-referenced exhibits contain personal identifying information. That information has been redacted.

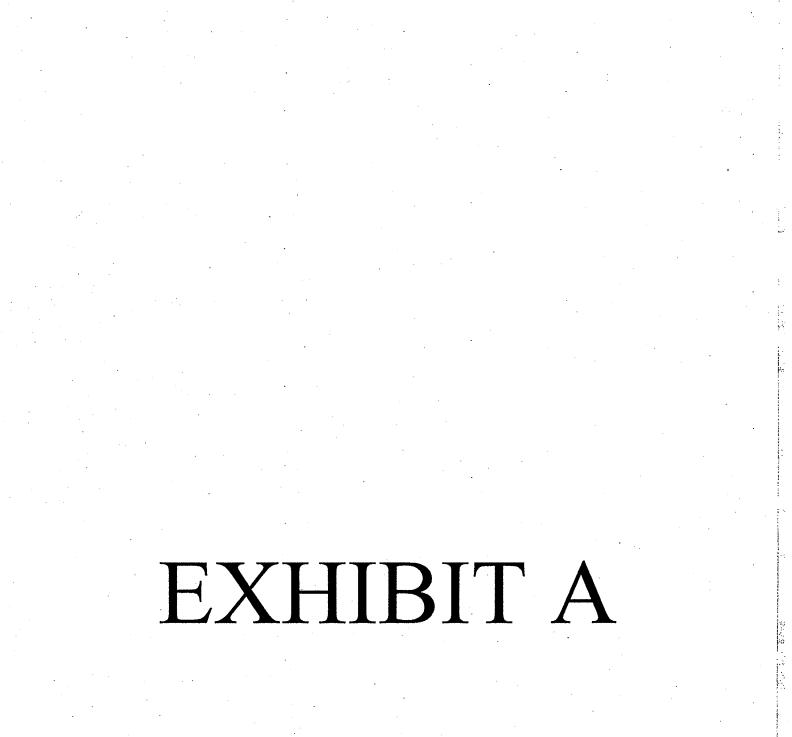
25. All documents submitted with this Certification are true copies of the documents in possession of the Division, with the redactions as specified above.

I certify that the foregoing statements made by me are true. I am aware that if any of those statements are willfully false, I am subject to punishment.

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N MORGENSTERN

Dated: March 6, 2014 Newark, New Jersey



Tidbit

# Monetize without ads.

Let your visitors help you mine Bitcoins.

Learn more

Fi Vote KI 65

Sign up

## How does it work?



Make an account Sign up with your

http://www.tidbit.co.in/[11/12/2013 6:35:36 AM]

Bitcoin wallet



#### Paste the code

We'll give you a snippet to put in your website



#### Cash out!

We'll send a transaction to your Bitcoin wallet

## Built on the bleeding edge

#### Node.js

Built on Express.js

Socket.io

Low latency, live data connections

Asm.js

Fast Bitcoin miner in pure JS

#### How's the performance?

>://www.tidbit.co.in/[11/12/2013 6:35:36 AM]

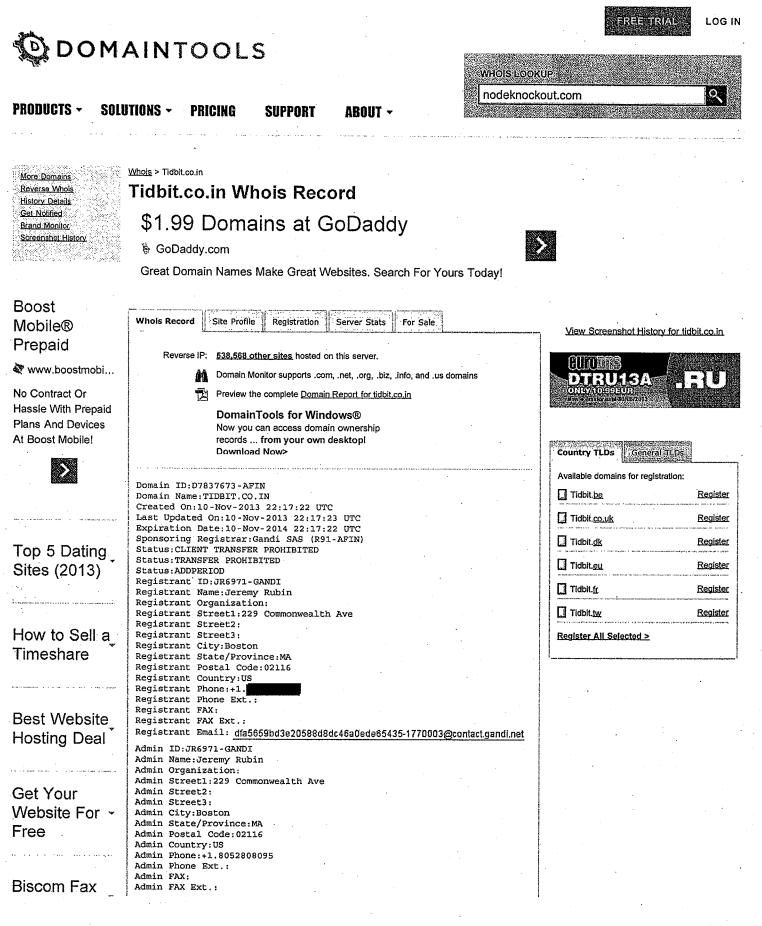
#### 20K hashes/client

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## EXHIBIT B

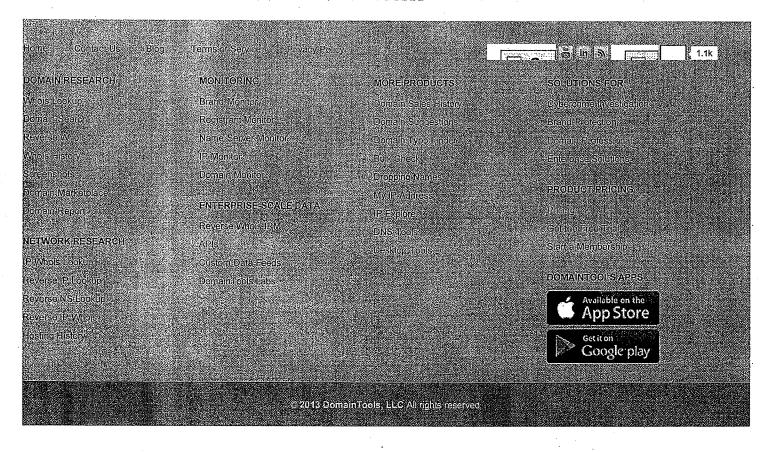


http://whois.domaintools.com/tidbit.co.in[11/12/2013 6:34:58 AM]

Server	Admin Email: dfa5659bd3e20588d8dc46a0ede65435-1770003@contact.gandi.net
	Tech ID: JR6971-GANDI
	Tech Name:Jeremy Rubin
	Tech Organization:
	Tech Street1:229 Commonwealth Ave
	Tech Street2:
Email Lookup	Tech Street3:
	Tech City:Boston
- Free	Tech State/Province:MA
	Tech Postal Code:02116
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votoruno	Name Server: A. DNS. GANDI, NET
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1 Tip To Lose	Name Server:
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	DNSSEC:Unsigned
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	Backorder this domain or Hire a domain broker

abcdefghijkimnopgrstyvwxyz0123456789

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http://whois.domaintools.com/tidbit.co.in[11/12/2013 6:34:58 AM]

## EXHIBIT C

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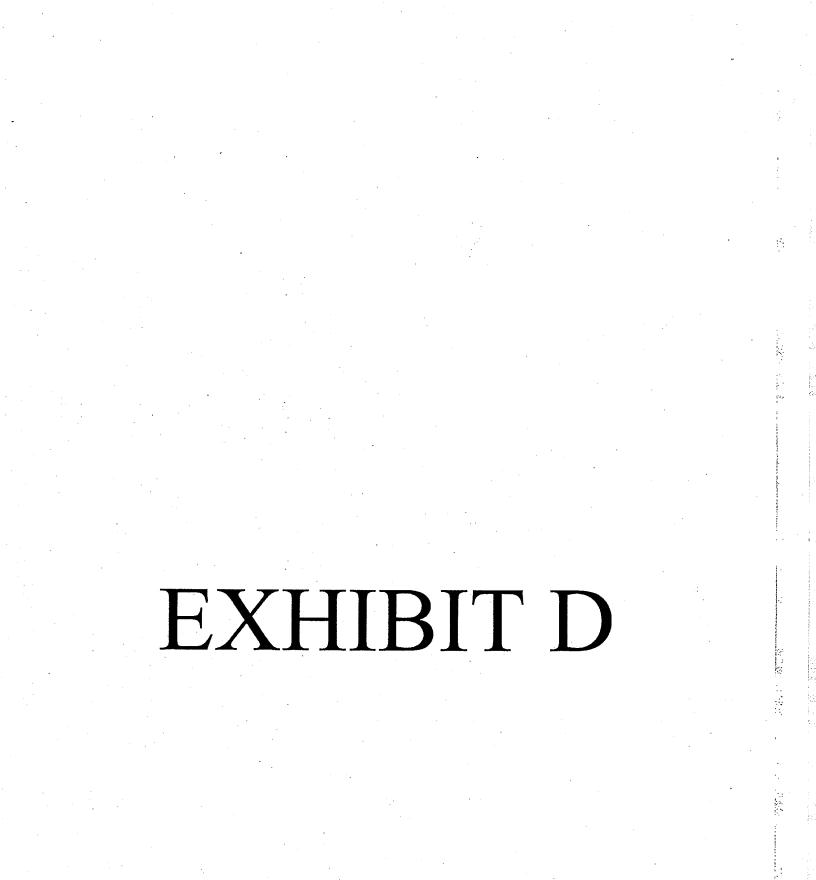
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Tidbit

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#### Tidbit

SAMERATE VIT

#### http://tidbit.co.in/signup

Sign up

전문 가 주말

#### Email

#### Bitcoin Wallet ID

Password

#### Sign up

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HMA! Pro VPN - Buy Nowl

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#### Tidbit

#### http://tidbit.co.in/home

SECTION AS A FREE MARKET AND A PARAMETER

## Account info

Email:

**Bitcoin Wallet:** 

#### Edit

HMA! Pro VPN - Buy Now!

GU:

## Your embed code

Paste this at the bottom of your HTML page, and your visitors will start mining Bitcoins for you!

Work done

## Dashboard

Here's how much you've made so far with Tidbit.

#### Shares earned

0

Cashout minimum

500 shares

## Average difficulty

n

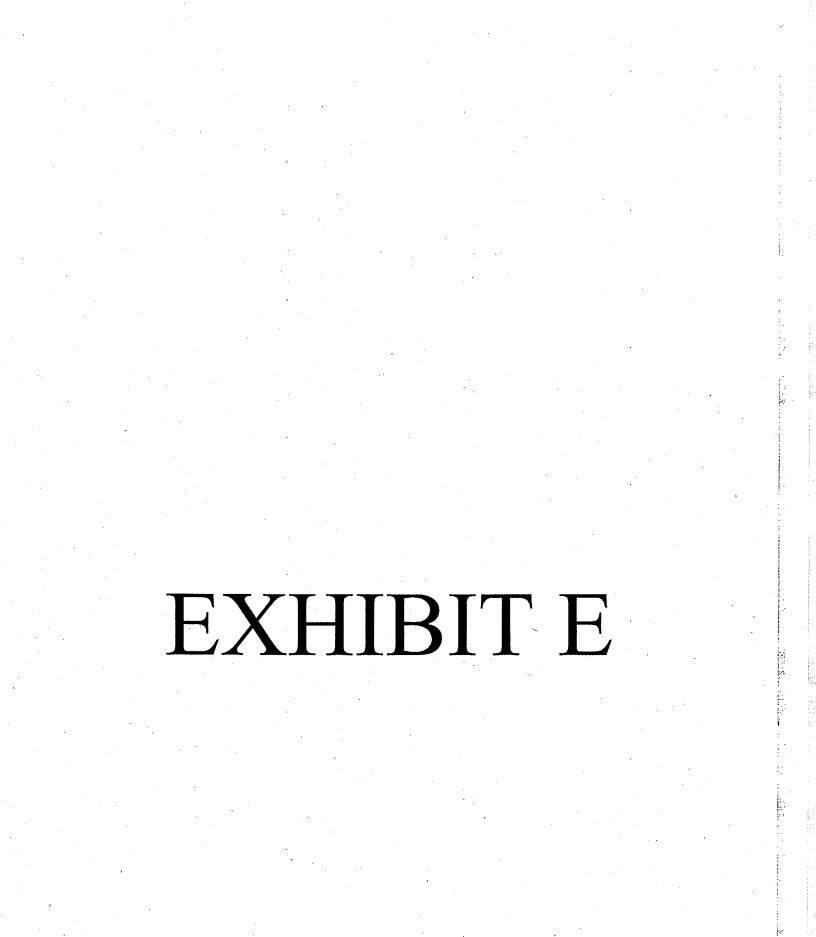
Clients connected

0

Total clients

#### © Tidbit | Created for Node Knockout 2013 | team@tidbit.co.in

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## JEREMY L. RUBIN

https://github.com/JeremyRubin

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