To: The European Parliament, Committee on Petitions

Re: Petition No. 0421/2020

INTRODUCTION

1. Honorable Chair and Committee, my name is Michael T. McKibben, and I am of legal age, sound mind and otherwise competent to make this affidavit. I am currently the Chairman and Chief Executive of Leader Technologies, Inc., P.O. Box 224, Lewis Center, Ohio 43019 USA and have been retained by Petitioner to provide an Expert Opinion in support of Petition No. 0421/2020 to establish a crypto asset victim fund utilizing a transaction based fee on crypto assets.
2. I have personal, direct knowledge of each of the facts set forth in this expert opinion.
3. I am a software engineer, inventor and developer.
4. I hold three patents for social networking (platform, applications, radio/telephony interoperability), in addition to related copyrights:
    a. U.S. Patent Number 7,139,762, McKibben et al, DYNAMIC ASSOCIATION OF ELECTRONICALL STORED INFORMATION WITH INTERATIVE WORKFLOW CHANGES awarded by Jon W. Dudas, Director, USPTO, Nov. 21, 2006;
    b. U.S. Patent Number 8,195,714, McKibben et al, CONTEXT INSTANTIATED APPLICATIONS PROTOCOL, awarded by David J. Kappos, Director, USPTO, Jun. 5, 2012; and
    c. U.S. Patent Number 7,925,246, RADIO/TELEPHONY INTEROPERABILITY SYSTEM, awarded by David J. Kappos, Director, USPTO, Apr. 12, 2001.
5. On July 28, 2010, I proved that Facebook is infringing 11 of 11 claims of my U.S. Pat. No. 7,139, 761 in *Leader Technologies, Inc. v. Facebook, Inc*., Case No. 08-862-LPS (D. Del. 2008). The conduct of the U.S. federal courts in my case was and remains one of, if not the most, scandalous breaches of the U.S. Fifth Amendments Takings Clause in world history. [1] [2] As an example, during *Leader v. Facebook*, the U.S. State Department was contracting with Facebook for a "template for winning elections,"[3] thus tampering with potential witnesses.[4]

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[1] *See* Petition for Writ of Certiorari, *Leader Technologies, Inc. v. Facebook, Inc*., No. 12-617 (U.S. Supreme Court Nov. 16, 2012).

[2] *See also* First Amended Miller Act Notice for Federal World Projects to the United States Executive, 40 USC §3131 Et. Seq., Apr. 25, 2019.

[3] Dmitry Shevelenko biography (Facebook Relationship Manager for the U.S. State Department account). LinkedIn Profile, accessed Apr. 28, 2016 ("Politics and November 2010: Developed Facebook's political advertising go-to-market strategy for the November 2010 elections. Worked with agencies and campaigns and help them use Facebook Ads & Pages to drive awareness, persuasion, fundraising, and votes. Established a template for winning elections using advanced Facebook marketing.").

BITSEED SERVER 3V1TB

6. I was asked to determine the evident operating attributes of the following device labelled:

Bitseed Server V31TB
Bitcoin Full Node S/N 1067
User: bitcoin
Password: ce4mz2ws6bbm
Housing dimensions: 5.25” wide x 1.75” high x 5” deep
Weight: 1 lb. 13.1 oz.

The front of the device housing from left to right has the following items:

1 Microphone female connector
2 SS USB port female connectors
2 USB port female connectors
1 COM1 serial port female connector
1 LED light
1 ON/OFF power button
1 “bitseed” graphic

The back of the device housing from left to right has the following items:

1 12V female connector
1 HD cable female connector
1 15-PIN female monitor connector
1 Ethernet port, female connector
1 USB port, female connector

In addition, the box has two 0.25” holes on each side with a classic Wireless icon under each. However, the holes are void of any evident function.

7. The device was delivered with: (1) a standard 120-240 volt computer power cord; (2) an AC ADAPTER, Model No: TDX-120300, INPUT: 100-240V, OUTPUT: 12V-3.0A, Made in China;

[4] Government Services Agency (GSA) Contract Nos. SAFMMA09M1870 (Sep. 30, 2009-Sep. 30, 2010); PC10825 (Aug. 90, 2010-May 07, 2011); SSA70011M3029 (Sep. 28, 2011); SAF20013M0397 (Jan. 03, 2013).

and (3) a standard 3 ft. Ethernet cable, Ser. No. 3522-54220014R, with a male Ethernet connector on each end.

8. I assigned one of my experienced onsite engineers to perform the following evaluation. His findings were as follows.
9. The machine was first visually inspected. It is labelled “Bitseed Server V3 1TB” and “Bitcoin Full Node S/N: 1067.”
10. I was able to connect the machine to a display, keyboard and mouse.
11. I booted the device and encountered an UBUNTU command line with no graphical user interface. Using the username and password on the device label (Sec. 6 above), I was able to login and see a list of directories, but was not able to read any of the data files which were not readable and presumed to be encrypted.
12. I opened the device box housing and pulled out the hard drive device inside. It is a standard laptop-style drive.
13. I connected to a drive converter and attempted to read on a Microsoft Windows 10 machine without success. I could not make the Windows machine see the drive.
14. The drive appears to be formatted in UBUNTU.
15. To my knowledge, the device is for a user to connect it to a home network and give it access to the Internet so that the user can become a support station known as a “node” in the so-called “Blockchain” Network. This also allows the network to distribute its data storage capabilities to more nodes, thus reducing the need for storage infrastructure.
16. As a notoriously known reward or payment, the node receives a fluctuating percentage of every transaction that passes through the BITSEED device.
17. This BITEED device does not have a graphical user interface, but once it has acquired an IP address at login, the user can navigate to the interface using and web browser on one’s network. From the interface the user can customize the device settings, add account information, and “stake” a first coin.
18. This device saves all transaction data on the local hard disk drive (HDD). These drives are known to fill up every few years and need to be replaced, as is widely known to be the case for any data storage device.
19. The stored data file headers themselves are not encrypted, but the device itself uses public and private key digital signatures to access the device.
20. The stored data on the device HDD is evidently a collection of ATM receipts with no other apparent purpose.

21. This node is a few years old and appears to be full of transactions, but without the public and private key signatures, they are not readable.
22. Encryption signatures are created at the instance of a transaction and are only good for that one transaction.
23. The private key is a static key for the user that produces the signature, and the public key is a dynamic key that changes with each transaction.
24. The device appears to be a slave device. There is no evidence of any application software or firmware other than the operating system.
25. Once these devices are disconnected from the "blockchain" distributed server network, they are little more than paperweights, meaning they cannot do anything besides store the transaction files sent to it for storage while connected to the network. In other words, this device is a slave node and has no evident application logic other than the UBUNTU operating system.

CONCLUSION

25. The BITSEED device is a BITCOIN node which facilitates BITCOIN so-called "blockchain" transactions. This particular node is a slave device. This means the possessor or owner of the node does not control any aspect of this device node file storage and retrieval operations except to provide power, a connection to the Internet and user login. The BITSEED device evidently collects some sort of relay fee payable as a small percentage of the transaction which is transmitted to somewhere in the Internet to an account not known by this slave BITSEED device. To the extent this device is used to facilitate transactions, it exercises no independent judgment and thus any consent or consensus it provides comes from a master server device located elsewhere in the Internet. Certainly, no such "consensus" with other slave BITSEED devices is evident since there is no application software to manage any sort of collaboration.
26. Based on my technical understanding of this BITSEED device, it has the capacity to store local transaction records for a fee of .0001 cents per unit, or any other amount for that matter, that are associated with this BITSEED device user profile accessed through the username and password provided on the device. Presumably each username and password is unique to each BITSEED device, although this cannot be intrinsically verified from analysis of this BITSEED device. However, this uniqueness can be reasonably assumed since the system would have no other way to validate a user, thus making it impossible for the infrastructure to know on which BITSEED device to store and read transaction files for the user of each device.

27. Since this BITSEED device node functions as distributed file storage for the BITCOIN server network, each BITSEED device user (irrespective of profit or altruism motivation), forms an integral distributed file storage function for the BITCOIN infrastructure, no matter how the BITCOIN master server that reads and writes to the slave BITSEED device is deployed (central or distributed).

28. I therefore find that Petitioner's proposal to set a .0001 fee per unit of transaction to be both viable and auditable.

FURTHER AFFIANT SAYETH NAUGHT

/S/ Michael T. McKibben

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Michael T. McKibben
October 19, 2020