IN THE IOWA SUPREME COURT

SUPREME COURT NO. 24-0879
LINN COUNTY NOS. SPCR153138 & SPCR153335

IN THE MATTER OF PROPERTY SEIZED FROM SHELBY CASON,

BITCOIN DEPOT OPERATING, LLC,
Intervenor-Appellant,

IN THE MATTER OF PROPERTY SEIZED FROM BITCOIN DEPOT OPERATING, LLC,

BITCOIN DEPOT OPERATING, LLC,
Claimant-Appellant

APPEAL FROM THE DISTRICT COURT OF LINN COUNTY
THE HONORABLE IAN THORNHILL, JUDGE

BRIEF OF INTERVENOR-APPELLANT AND CLAIMANT-APPELLANT BITCOIN DEPOT OPERATING, LLC

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STATEMENT OF ISSUES PRESENTED FOR REVIEW

I. **Whether The District Court Erred In Finding That The Agreement Between Cason And Bitcoin Depot Was Voidable Due To Duress.**

II. **Whether The District Court Erred In Failing To Order The Return Of Bitcoin Depot's Property To Bitcoin Depot.**

ROUTING STATEMENT

The Iowa Supreme Court should retain this appeal. *See* Iowa R. App. P. 6.1101(2)(d). This case presents urgent issues of broad public importance regarding whether transfers of digital currency in Iowa are voidable upon an allegation of third-party duress without requiring proof that the contract counterparty had reason to know of the duress, in contrast with the requirements of the Restatement (Second) of Contracts.

NATURE OF THE CASE

On January 24, 2024, Shelby Cason filed a Claim for Return of Seized Property *pro se* in the Iowa District Court for Linn County. D0002 (SPCR153138), Cason Claim for Ret. at 1 (01/24/24). Cason's Claim for Return of Seized Property requested that the Linn County Sheriff's Office (the "Sherriff's Office") turn over to Cason $14,800 in cash that had been seized on July 31, 2023 from an ATM kiosk, which was owned by Bitcoin Depot Operating, LLC ("Bitcoin Depot"). D0002 (SPCR153138) at 1 & 5. On February 9, 2024, Bitcoin Depot filed—as a separate action—an Application for Return of Seized Property pursuant to Iowa Code Chapter 809 in the Iowa District Court for Linn County requesting return of $14,840 in cash that was seized. D0001 (SPCR153335), Bitcoin Depot App. for Ret. at 1 (02/09/24). Bitcoin Depot's Application for Return of Seized Property requested an order directing the Sherriff's Office to return to Bitcoin Depot $14,840 in seized funds, among any other equitable relief. D0001 (SPCR153335) at 8.

On February 9, 2024, Bitcoin Depot moved to intervene in Case No. SPCR153138, the action initiated by Cason. D0004 (SPCR153138), Bitcoin Depot Mot. to Intervene at 1 (02/09/24). The Court granted that motion. D00007 (SPCR153138), Order Granting Bitcoin Depot Mot. to Intervene at 1 (02/13/24). Bitcoin Depot also moved to consolidate the two actions. D0005 (SPCR153138), Bitcoin Depot Mot. to Consolidate at 1 (02/09/24). The court granted that motion as

well, and the two actions were consolidated under Case No. SPCR153138. D0008 (SPCR153138), Order Granting Bitcoin Depot Mot. to Consolidate at 1 (02/13/24). On February 14, 2024, the district court held a hearing on both Cason's Claim for Return of Seized Property and Bitcoin Depot's Application for Return of Seized Property. *See* D0010 (SPCR153138), Court Reporter Mem. at 1 (02/15/24). On April 26, 2024, the district court ordered the Sheriff's Office to turn over the $14,800.00 in seized funds to Cason. D0016 (SPCR153138), Ruling at 5 (04/26/24). This appeal followed. D0017 (SPCR153138), Notice of Appeal at 1 (05/23/24); D0004 (SPCR153335), Notice of Appeal at 1 (05/23/24).

STATEMENT OF THE FACTS

Bitcoin Depot operates the world's leading digital currency ATM network. D0001 (SPCR153335) at 3, ¶ 4; Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 1, ¶ 6. Bitcoin Depot's kiosks offer customers the ability to purchase and sell digital currency. *See* Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 1, ¶ 6. Customers can purchase bitcoin with cash at Bitcoin Depot's kiosks. *See* Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 1, ¶ 6. When a customer purchases bitcoin with cash at a Bitcoin Depot kiosk, the customer inserts cash into the machine, and Bitcoin Depot transfers bitcoin that it owns to the customer's digital bitcoin wallet. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 2–3, ¶ 12.

Bitcoin Depot's business is highly regulated. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 1, ¶ 7. Bitcoin Depot is registered with the United States Department of Treasury's Financial Crimes Enforcement Network as a "Money Services Business" as that term is defined by 31 C.F.R. 1010.1OO(ff). Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 1, ¶ 7. As a Money Services Business, Bitcoin Depot, like a bank, must comply with various reporting requirements under the Bank Secrecy Act, including the filing of Suspicious Activity Reports. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 1–2, ¶ 7. Bitcoin Depot has also implemented Anti-Money Laundering programs to comply

with Bank Secrecy Act requirements. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 1–2, ¶ 7.

Bitcoin Depot will only satisfy purchase orders for digital currencies sent to a digital wallet that the customer certifies is under their control. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 2, ¶ 10. Bitcoin Depot's customers are required to review and approve Bitcoin Depot's Terms and Conditions before a Bitcoin Depot kiosk will allow the customer to insert funds. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 2, ¶ 8. Customers are also required to affirmatively certify that the digital currency they are purchasing is going to a digital wallet they personally own or control. *See* Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 2, ¶ 10. Customers are presented with a prompt that asks whether the digital currency is going to their own digital wallet or to someone else's. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 2, ¶ 10. If the latter option is selected, Bitcoin Depot does not allow the customer to complete the transaction. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 2, ¶ 10. The below image is an excerpt of a warning regarding the terms and conditions displayed to customers of Bitcoin Depot's kiosks:

Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 2, ¶ 9.

On July 28, 2023, Shelby Cason received "a pop up warning" on his computer saying that he was "shut down" and purportedly provided "a number for Microsoft." D0002 (SPCR153138) at 6. Cason called the provided number. D0002 (SPCR153138) at 6. The record regarding Cason's subsequent actions is unclear and/or inconsistent. In a hand-written, voluntary statement submitted to the Linn County Sherriff's office on July 28, 2023, Cason stated that, upon calling the provided number, Cason gave an individual "access to [his] laptop to fix." D0002 (SPCR153138) at 6. The statement further asserts that Cason then "got a call from Patrick from my bank and was given instructions to withdraw $15,000 from bank in cash to take to ATM and make a duplicate account." D0002 (SPCR153138) at 6. However, a supplemental police report from July 31, 2023 states that, after Cason

called the number from the pop-up, a person told Cason "he had child pornography on his computer and threated to turn [Cason] into [sic] the FBI" unless he "withdr[e]w $15,000.00 from his bank and . . . deposit[ed] the money in a Bitcoin machine . . . ." D0002 (SPCR153138) at 7.

Regardless of the nature of the phone call, the record is clear that on July 28, 2023, Cason subsequently withdrew $15,000.00 from his personal checking account. *See* D0002 (SPCR153138) at 4 (showing that $15,000.00 was withdrawn from and debited to Cason's checking account at Community Savings Bank). Cason then inserted $14,800.00 of the withdrawn cash into the Bitcoin Depot kiosk located at 1396 7th Ave. in Marion, Iowa. D0002 (SPCR153138) at 1–2 & 5. In exchange, Bitcoin Depot sent a corresponding amount of bitcoin (0.38817342 BTC) to the digital wallet provided by Cason. D0002 (SPCR153138) at 2; Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 3, ¶ 14. Cason agreed to Bitcoin Depot's terms and conditions, meaning that he represented to Bitcoin Depot that 1) he was directing Bitcoin Depot to send its bitcoin to a wallet within Cason's control, and 2) he understood that all cash he inserted into Bitcoin Depot's kiosk became property of Bitcoin Depot upon receipt. *See* Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 2–3, ¶¶ 10–11 & 14.

Later that day, Cason submitted his hand-written report to the Sheriff's Office. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 3, ¶ 15; D0002

(SPCR153138) at 6. Based on Cason's report, the Sheriff's Office executed a search warrant at the Bitcoin Depot kiosk on July 31, 2023 and seized $14,840.00 in cash that Cason had inserted and provided to Bitcoin Depot.[1] Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 3, ¶ 15. Bitcoin Depot complied with all requests from law enforcement but was unable to recover the bitcoin that it originally transferred at Cason's request to a digital wallet Cason claimed that he controlled. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 3, ¶ 17.

Cason filed a Claim for Return of Seized Property on January 24, 2024 seeking the "$14,800 cash seized from bitcoin machine . . . ." D0002 (SPCR153138) at 1. As his basis of ownership, Cason stated, "I was scammed and threatened by a man claiming my bank account had been hacked. I withdrew $15,000.00 from my account and put money in bitcoin machine." D0002 (SPCR153138) at 1. Accompanying Cason's Claim for Return of Seized Property were several documents which appear to have been part of the Sheriff's Office's investigation file. D0005 (SPCR153138) at 2–17.

Bitcoin Depot filed an Application for Return of Seized Property on February 9, 2024, requesting a court order requiring the return of the $14,840.00 in cash seized from its kiosk. *See* D0001 (SPCR153335) at 1 & 8. Bitcoin Depot argued that

[1] Cason's transaction receipt states that he deposited $14,800 in Bitcoin Depot's kiosk. D0001 (SPCR153138) at 2. However, the Sheriff's Office's report states that $14,840.00 was seized from the Bitcoin Depot kiosk. D0001 (SPCR153138) at 5.

Bitcoin Depot became the rightful owner of the funds when Cason inserted the funds into the kiosk in exchange for bitcoin and that law enforcement no longer required physical possession of the property under Iowa Code Section 809.5. D0001 (SPCR153335) at 6–7. Bitcoin Depot presented evidence in support of its application in the form of an affidavit from Joel Rimby, Assistant General Counsel of Bitcoin Depot. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 1.

By March 2024, the Sheriff's Office's investigation had reached a dead end and was considered closed. D0014 (SPCR153138), Linn Cty.'s Br. at 1–2. The State, appearing on behalf of the Sheriff's Office, acknowledged that the property seized was "no longer required for use in an investigation or as evidence." D0014 (SPCR153138) at 2. The State did not seek forfeiture and acknowledged that it did not allege a property interest in the seized items. D0014 (SPCR153138) at 1–2.

Accordingly, the only issue for the district court to determine was where to direct the Sheriff's Office to return the seized property. *See* D0021 (SPCR153138), Tr. Hearing on Claim for Ret. and App. for Return at 19:12–24 (02/14/24). The district court held a hearing on Cason's Claim for Return of Seized Property and Bitcoin Depot's Application for Return of Seized Property on February 14, 2024. *See* D0010 (SPCR153138) at 1. During the hearing, Cason relied primarily on his written Claim for Return of Seized Property. *See* D0021 (SPCR153138) at 8:19 ("I wrote everything down pretty much."). Cason stated, "[The scammers] caught me—

and I take responsibility for it . . . .” *See* D0021 (SPCR153138) at 8:20. Yet Cason requested that the funds be returned to him. *See* D0021 (SPCR153138) at 9:24–10:1.

During the hearing, the State argued that Cason was entitled to recovery of the funds and sought to present evidence in rebuttal to the evidence presented in Bitcoin Depot’s Application for Return of Seized Property. *See* D0021 (SPCR153138) at 19:7–11; D0021 (SPCR153138) at 26:14–16 (“I thought that [the possessory interest decision] was going to be based on the issues that were outlined by Bitcoin [Depot]’s petition, and I came prepared to present evidence on that.”). The State acknowledged it did not represent Cason and agreed that the State could not take a position on which party was entitled to the return of seized property. D0021 (SPCR153138) at 22:23 (“I don’t represent Mr. Cason . . . .”); D0021 (SPCR153138) at 23:7–24:1. The Court declined to take evidence at the hearing and admonished the State for attempting to make arguments on behalf of Cason. D0021 (SPCR153138) at 22:17–19 (“Now it sounds to me like you’re representing Mr. Cason, and I don’t know if you can cross that line.”).

Following the hearing, the State and Bitcoin Depot submitted additional briefing regarding disposition of the funds. *See* D0014 (SPCR153138) at 1–3 (State’s Brief); D0015 (SPCR153138), Bitcoin Depot’s Br. in Supp. of App. for Return at 1–8 (03/26/24). Cason did not submit any briefing. D0016 (SPCR153138) at 2. The State acknowledged that it was legally prohibited from making arguments

or submitting evidence in favor of any particular claimant to the seized property. D0014 (SPCR153138) at 2 (citing *In re 1972 Euclid Ave*, No.07–0552, 2008 WL 2039310, at *3 (Iowa Ct. App. May 14, 2008)). The State nevertheless asserted that Bitcoin Depot's right to the property was "taint[ed]" by the fraud committed by a third-party against Cason. D0014 (SPCR153138) at 2–3.

On April 26, 2024, the district court ordered the Sheriff's Office to return $14,800 in seized funds to Cason. D0016 (SPCR153138) at 5. In its written order, the district court focused on an issue that was not raised or discussed by any of the parties. D0016 (SPCR153138) at 3. Citing three journal articles, the district court concluded that "[a] Bitcoin transaction is a type of contract that is commonly referred to as a 'smart contract.'" D0016 (SPCR153138) at 3–4. The district court found, with no citations to evidence in the record or to any legal authority, that "smart contract platforms . . . turn a blind eye to the use of their ATMs in connection with fraudulent or coercive schemes and other criminal activity." D0016 (SPCR153138) at 4. The district court then purported to apply the test for the affirmative defense of duress under Section 175(2) of the Restatement (Second) of Contracts. D0016 (SPCR153138) at 4. The district court acknowledged that a contract procured by duress by a third party is not voidable where the other party to the transaction in good faith and without reason to know of the duress either gives value or relies materially on the transaction. D0016 (SPCR153138) at 4. However, the district court

found the digital currency transaction between Cason and Bitcoin Depot to be voidable without requiring Cason to prove that Bitcoin Depot had reason to know of the duress against Cason, did not give value or rely materially on the transaction, or acted in bad faith. D0016 (SPCR153138) at 4. Instead, the district court compared Bitcoin Depot to a pawnbroker in possession of stolen property and found that "[t]he nature of smart contracting itself . . . provides Bitcoin Depot with a reason to know that a portion of the transactions it facilitates on its platform are being made under duress from third parties" generally. D0016 (SPCR153138) at 4. In essence, the district court found as a matter of law that purchases of digital currency such as bitcoin in Iowa are automatically voidable upon an allegation of third-party duress by the purchaser—regardless of the seller's lack of knowledge of any purported duress with respect to the transaction in question. *See* D0016 (SPCR153138) at 4. The district court ordered the Sheriff's Office to return $14,800.00 in seized funds to Cason, and Bitcoin Depot appealed. *See* D0016 (SPCR153138) at 5; D0017 (SPCR153138) at 1; D0004 (SPCR153335) at 1.

ARGUMENT

I. The District Court Erred In Finding That The Agreement Between Cason And Bitcoin Depot Was Voidable Due To Duress.

A. Error Preservation

The district court erred when it found that Cason was entitled to $14,800.00 in seized cash, which Cason conveyed to Bitcoin Depot in exchange for bitcoin, on the grounds that the transaction was the product of duress. D0016 (SPCR153138) at 5. Bitcoin Depot preserved error by arguing that Bitcoin Depot was entitled to the property seized from the kiosk that Bitcoin Depot owns. D0001 (SPCR153335) at 1–8; D0015 (SPCR153138) at 3–8; D0021 (SPCR153138) at 10:16–18:24.

B. Standard of Review

The standard of review applied to this appeal turns on whether the underlying proceeding was one at law or in equity. *See Tschiggfrie Excavating Co. v. Midwest Rail & Dismantling, Inc.*, No. 01–0392, 2002 WL 1072051, at *2 (Iowa Ct. App. May 31, 2002) (considering whether the underlying matter was tried at law, and subject to review for errors of law, or tried in equity, and subject to *de novo* review). This action arises out of two separate requests for specific performance—namely, Cason's Claim for Return of Seized Property and Bitcoin Depot's Application for Return of Seized Property. In determining whether a case is one in equity or at law, this Court looks to the pleadings, relief sought, and essential nature of the cause of action. *Homeland Energy Sols., LLC v. Retterath*, 938 N.W.2d 664, 684–85 (Iowa

2020). In *Retterath*, the Iowa Supreme Court held that a contract action seeking only specific performance was an equitable action not offering a right of trial by jury. *Id.* Where there is uncertainty, a "litmus test" the Court has applied "is whether evidentiary objections were ruled on by [the] trial court." *Citizens Sav. Bank v. Sac City State Bank*, 315 N.W.2d 20, 24 (Iowa 1982) . Rulings on evidentiary objections indicate that an action was tried at law, while an absence of such rulings indicate an action was tried in equity. *Id.*; *see also Tschiggfrie*, 2002 WL 1072051, at *2 (stating that rulings on evidentiary objections are the "hallmark" of a trial at law).

The district court's resolution of the dueling requests for return of seized property is best understood as an equitable proceeding. Neither party sought damages or remedies at law. D0002 (SPCR153138) at 3; D0001 (SPCR153335) at 8. Neither party asserted breach of contract as a cause of action. D0002 (SPCR153138) at 1; D0001 (SPCR153335) at 8. Bitcoin Depot requested any other "relief that is equitable and just." D0001 (SPCR153335) at 1–8; *cf. Hedlund v. State*, 930 N.W.2d 707, 718 (Iowa 2019) (noting that reference to "any *other* equitable relief" in statute suggested that relief authorized by statute was equitable in nature (emphasis added)). The applications were tried to the bench based on the submission of evidence in connection with the parties' applications. *See* D0016 (SPCR153138) at 1; *cf. also* Iowa Code § 809.3(2) ("[C]laimant shall be limited at the judicial hearing to proof of the grounds set out in the application for immediate return.").

The district court did not rule on evidentiary objections. *See Citizens Sav. Bank*, 315 N.W.2d at 24.

Because the underlying proceeding was equitable in nature, the standard of review is *de novo*. *Retterath*, 938 N.W.2d at 684.

C. The District Court Failed To Require Cason To Meet His Burden Of Proof To Establish His Transaction With Bitcoin Depot Was Voidable Due To Duress

Cason and Bitcoin Depot entered into a contract whereby Cason agreed to insert funds into a Bitcoin Depot kiosk and Bitcoin Depot agreed, subject to its terms and conditions of service, to provide Cason with digital currency. No parties disputed that Cason agreed to Bitcoin Depot's terms and conditions. Both parties performed under the contract. Cason inserted $14,800.00 into the kiosk, and Bitcoin Depot delivered 0.38817342 bitcoin from its own holdings to the digital wallet identified by Cason. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 3, ¶ 14; D0002 (SPCR153138) at 1–2. Accordingly, under basic contract principles, Bitcoin Depot was the lawful owner of the $14,800.00 in cash that it received in consideration for the delivery of 0.38817342 bitcoin made at Cason's direction. *See In re: $12,700.00 in United States Currency Seized from a Crypto-Currency ATM Kiosk Owned by Bitcoin Depot Operating, LLC on Nov. 2, 2023*, 24-SW-000330-910, 2024 WL 3583898, at *4 (N.C. Super. Ct. Wake Cty. July 19, 2024) (finding

Bitcoin Depot to be the owner of funds inserted into its kiosk at the time of the transaction). The district court in this case did not find otherwise.

The district court found that the contract between Cason and Bitcoin Depot was voidable due to duress from a third-party pursuant to Section 175(2) of the Restatement (Second) of Contracts. This section provides:

> If a party's manifestation of assent is induced by one who is not a party to the transaction, the contract is voidable by the victim unless the other party to the transaction in good faith and without reason to know of the duress either gives value or relies materially on the transaction.

Restatement (Second) of Contracts § 175(2) (Am. Law Inst. 1981).

In Iowa, a party seeking to set aside a contract by reason of duress bears the burden to prove duress by clear and convincing evidence "in every particular." *Scott v. Seabury*, 262 N.W. 804, 807 (Iowa 1935) ("[T]he burden of proving that the contract was induced by fraud, actual or constructive, duress or undue influence, rests upon the party attacking it, who must establish the same by clear, convincing, and satisfactory evidence in every particular . . . ."); *Mohler v. Andrew*, 218 N.W. 71 (Iowa 1928) (holding that the burden to prove duress rests with party asserting duress); *see also Wellman Sav. Bank v. Adams*, 454 N.W.2d 852, 855 (Iowa 1990) ("The bank has the burden of proving by clear, satisfactory, and convincing evidence that the contract does not reflect the true intent of the parties . . . because of . . . duress . . . ."); *Hughes v. Silvers*, 151 N.W. 514, 516 (Iowa 1915) ("[H]e or she who alleges . . . duress . . . is charged with the burden of proving it."); *Hosier v. Hosier*

ex rel. Est. of Hosier, No. 00-1225, 2001 WL 1451137, at *4–5 (Iowa Ct. App. Nov. 16, 2001) ("Obviously, the burden of proving economic duress is upon the party alleging it."). Iowa law is not an outlier. *See Lucarell v. Nationwide Mut. Ins. Co.,* 97 N.E.3d 458, 463 (Ohio 2018) ("[T]he prevailing rule in other jurisdictions is that the party asserting duress has the burden of proving it by clear and convincing evidence."); *see, e.g., Helstrom v. North Slope Borough*, 797 P.2d 1192, 1197 (Alaska 1990) ("The burden is on the party seeking to void the contract to show the[] elements [of duress] by clear and convincing evidence."); *Regenold v. Baby Fold, Inc.*, 369 N.E.2d 858, 864 (Ill. 1977) (holding that duress sufficient to invalidate consent or surrender executed in accordance with Illinois Adoption Act must be proven with clear and convincing evidence); *Cooper v. Oakes*, 629 A.2d 944, 948 (Pa. Super. Ct. 1993) ("The proponent of avoiding the agreement then bears the burden of proving . . . duress by clear and convincing evidence."); *Nelson v. Nelson*, No. 0603-05-2, 2005 WL 1943248, at *2 (Va. Ct. App. Aug. 16, 2005) (holding clear and convincing evidence required to prove duress under Virginia law); *Warner v. Warner*, 294 S.E.2d 74, 78 (W. Va. 1990) ("[D]uress may exist sufficient to set aside an agreement which was executed under the influence of such threat. The individual claiming duress has the burden of demonstrating such allegations of duress by clear and convincing evidence."); 28 Williston on Contracts § 71:10,

Westlaw (4th ed. database updated May 2024) (citing similar authorities from other states).

Where the claimed duress was exerted by someone *other* than the counterparty to the contract at issue, additional requirements apply. "Duress by a third person will not avoid a contract made with a party who was not cognizant of [the duress]." 17A C.J.S. Contracts § 244, Westlaw (database updated May 2024). Accordingly, courts across the country have found, consistent with Section 175(2) of the Restatement (Second) of Contracts, that parties cannot establish a contract is voidable due to third-party duress where they cannot meet their burden to show the requirements of Section 175(2). The party asserting duress must show that the opposing party had knowledge, or reason to know, that duress was asserted *against the specific party* claiming duress. *See, e.g.*, *Zurich Am. Ins. Co. v. Ascent Constr., Inc.*, No. 1:20-CV-00089-DBB-CMR, 2023 WL 6318106, at *16 (D. Utah Sept. 28, 2023) (rejecting duress defense where the party claiming duress offered "no evidence that [the counterparty] had reason to know of the duress"); *Abate v. Wal-Mart Stores E., L.P.*, 503 F. Supp. 3d 257, 269 (W.D. Pa. 2020) (rejecting duress defense where the party claiming duress identified "no evidence that would establish [the counterparty's] notice of the actions [the third-party] allegedly took to place Plaintiff under 'duress'"); *Rotante v. Franklin Lakes Bd. of Educ.*, No. 13-3380 (JLL)(JAD), 2014 WL 6609034 (D.N.J. Nov. 20, 2014) ("[W]ithout alleging facts that indicate

Romano or the Board knew of the misrepresentation, nor facts that indicate Romano did not materially rely on the Agreement, the Court does not find that the contract is voidable by Plaintiff."); *Brown v. Est. of McLain*, No. 1802, Sept. Term., 2014, 2016 WL 1385622, at *5 (Md. Ct. Spec. App. Apr. 7, 2016) ("[T]he Browns would still need to assert, ***and then be able to demonstrate***, Mrs. McLain's knowledge of the alleged wrongdoing and having taken advantage of it." (emphasis added)); *Chan v. Lund*, 116 Cal. Rptr. 3d 122, 134 (Cal. Dist. Ct. App. 2010) (rejecting duress defense where the party asserting duress offered "no evidence that [the contract counterparties] were even aware of the alleged threat at the time of [the] execution of the Settlement Memorandum"); *Nathan v. Calco Duct & Vent Cleaning*, No. X09CV065005942, 2009 WL 3416440, at *3 (Conn. Super. Ct. Sept. 29, 2009) (rejecting duress defense where "the defendant did not know of the plaintiff's alleged duress until . . . weeks after the plaintiff had agreed to the settlement"); *Dalo v. Thalmann*, 878 A.2d 194, 198 n.4 (R.I. 2005) (rejecting duress defense where party asserting duress "failed to allege or present any evidence that plaintiff knew about the alleged duress or consented to [third-party] applying coercion upon defendant to sign the note"). Although Iowa courts have not addressed this precise issue, the existing Iowa authorities applying Section 175(2) support this conclusion. *See Dorale v. Dorale*, No. 08-0560, 2009 WL 1211969, at *3–4 (Iowa Ct. App. May 6, 2009) (applying Section 175(2) to invalidate contract procured by duress when the

party seeking to enforce the contract "was well aware of the pressure exerted" on the party seeking to invalidate the contract by that party's father, when all three parties were present in the same location "over a period of some three to four hours" when the contract was signed); *cf. In re Marriage of Hitchcock*, 265 N.W.2d 599, 606 (Iowa 1978) (applying draft version of Section 175(2) to invalidate contract where third-party, a judge, placed party under duress while contract counterparty was also physically present); *Luman v. Kerr's Adm'r*, 4 Greene 159, 159–60 (Iowa 1853) (observing that a plaintiff cannot assert superior title against a defendant who purchases property from a third-party in good faith and without notice of the third party's prior fraud against the plaintiff).

In this case, the district court's analysis correctly proceeded from the premise that a contract was formed between Cason and Bitcoin Depot when Cason agreed to insert $14,800.00 in funds and Bitcoin Depot agreed to transmit a corresponding amount of bitcoin to the wallet identified by Cason. *See* D0016 (SPCR153138) at 4. However, in purporting to apply Section 175(2) of the Restatement (Second) of Contracts, the district court erred. The district court did not require Cason to prove that Bitcoin Depot knew of or had reason to know of the duress against Cason, did not give value or rely materially on the transaction, or acted in bad faith.[2]

[2] The district court also did not find that Cason had in fact proved any of these points. *See* D0016 (SPCR153138) at 3–5.

The district court found that the contract between Cason and Bitcoin Depot was voidable by Cason because "[t]he nature of smart contracting . . . provides Bitcoin Depot a reason to know that *a portion* of the transactions it facilitates on its platform are being made under duress from third parties." D0016 (SPCR153138) at 4 (emphasis added). In reaching this conclusion, which itself lacked any record support,[3] the district court relieved Cason of his burden to prove that Bitcoin Depot knew or had reason to know about the specific duress allegedly exerted *against him*.

This was error. The district court lacked legal support for obviating Cason's burden of proof in this manner and cited none. *Contra, e.g.*, *Proch v. King*, No. 2:22-CV-12141, 2023 WL 4940527, at *4 (E.D. Mich. May 5, 2023) *report and recommendation rejected in part* by *Proch v. King*, 2023 WL 4936695, 2023 WL 4936695 (E.D. Mich. Aug. 2, 2023) (rejecting attempt to void arbitration agreement where party asserting duress did not cite any evidence that the agreement counterparty knew of the alleged duress, and where the party asserting duress had

[3] No party offered evidence that persons other than Cason had been "scammed." During the hearing, the attorney representing the State asserted that "Bitcoin Depot knows . . . their machines are used for these fraudulent transactions and that they don't have any mechanism to prevent people from getting scammed . . . ." *See* D0021 (SPCR153138) at 22:4–7. The district court, perhaps recognizing that its inquiry was limited to the evidence submitted in connection with the applications for seized property, *see* Iowa Code § 809.3(2), stated, "It seems to me that you are making some sort of different civil claim generally that seems to be outside the purview of what I'm doing here as far as this request for a seized property return under [Iowa Code Chapter] 809. *See* D0021 (SPCR153138) at 22:9–12.

already accepted the benefits of the contract); *Zurich Am. Ins. Co.*, 2023 WL 6318106, at *16 (requiring the party claiming duress to prove that the contract counterparty had reason to know of the duress); *Chan*, 116 Cal. Rptr. 3d at 134 (similar); *Dalo*, 878 A.2d at 198 n.4 (similar); *Emp'rs Ins. of Wausau v. Bond*, No. HAR-90-1139, 1991 WL 8431, at *2 (D. Md. Jan. 25 1991) ("[W]here the assent was induced by a third-party unrelated to the transaction and the opposing party to the transaction, without knowledge of the victim's duress, materially relied upon the victim's assent, the contract is not voidable." (citing Restatement (Second) of Contracts § 175)).

The district court justified its determination not to require Cason to show, with clear and convincing evidence, that Bitcoin Depot knew or had reason to know about the specific duress allegedly exerted against him by reference to the district court's *sua sponte* observations regarding whether the contract between Cason and Bitcoin Depot was a "smart contract." D0016 (SPCR153138) at 3–4. Neither Cason nor Bitcoin Depot argued in briefing or oral argument that this case presented a situation involving a "smart contract" or that different rules apply to "smart contracts" alleged to be the product of duress. The district court's discussion of "smart contracts" cited three legal journal articles but no statutes, regulations, or case law. D0016 (SPCR153138) at 3–4. Nor did the district court cite any factual evidence in the record to substantiate its assertion that this case involved a "smart contract." The

district court found that the contract between Cason and Bitcoin Depot was a "smart contract" because the contract involved the purchase of bitcoin. D0016 (SPCR153138) at 3. The district court then concluded, "[T]he nature of smart contracting itself . . . provides Bitcoin Depot with a reason to know that a portion of the transactions it facilitates on its platform are being made under duress from third parties." D0016 (SPCR153138) at 4.

The district court's *sua sponte* treatment of "smart contracts" illustrates the wisdom of then-Judge McDonald's observation that "[i]n raising issues *sua sponte*, 'the court risks making unsound decisions based on its own inadequately informed understanding of the questions involved.'" *Int. of J.C.*, No. 18-1514, 2018 WL 6719418, at *5 (Iowa Ct. App. Dec. 19, 2018) (McDonald, J., concurring) (cleaned up) (quoting *State v. Childs*, 898 N.W.2d 177, 194 (Iowa 2017) (Hecht, J., dissenting)). "[W]hen courts proceed *sua sponte*, any action taken must be done with restraint." *$99 Down Payment, Inc. v. Garard*, 592 N.W.2d 691, 695 (Iowa 1999) (emphasis added). The district court's *sua sponte* findings regarding "smart contracts" were erroneous, unnecessary, and done *without* restraint.

The district court's conclusions regarding "smart contracts" were erroneous because the district court misinterpreted the legal journal articles that it cited *and* because the district court's conclusions regarding whether a "smart contract" existed lacked any record support. The district court seems to have simply assumed that this

case involved a "smart contract" because the subject matter of the contract between Cason and Bitcoin Depot related to bitcoin, a popular digital currency. D0016 (SPCR153138) at 3 ("A Bitcoin transaction is a type of contract that is commonly referred to as a 'smart contract.'"). But the authorities cited by the district court are not so reductive. The Werbach & Cornell article, for example, *contrasts* a "smart contract" with a "simple transfer[] of Bitcoin between accounts"—the latter fact pattern being the one presented in this case.[4] *See* Kevin Werbach & Nicolas Cornell, *Contracts Ex Machina*, 67 Duke L.J. 313, 330 & 333 (2017). The Gerhardt & Thaw article describes smart contracts as "self-settling" software programs pursuant to which performance happens automatically in the presence of a contingency. Deborah R. Gerhardt & David Thaw, *Bot Contracts*, 62 Ariz. L. Rev. 877, 891 (2020); *see also* Mark Verstraete, *The Stakes of Smart Contracts*, 50 Loy. U. Chi. L.J. 743, 745 (2019) (defining "smart contracts" as "a new digital innovation that leverages the blockchain . . . to encode obligations so they execute automatically when certain triggering conditions are met."). These definitions and examples contrast markedly with the simple digital currency purchase transaction at issue here.

[4] That article includes as an example of a smart contract a hypothetical agreement whereby two individuals would jointly develop software code that automatically makes payment from one party's account based on verified public data in a self-executing manner. *See* Kevin Werbach & Nicolas Cornell, *Contracts Ex Machina*, 67 Duke L.J. 313, 331 (2017). That is decidedly *not* the scenario proposed by the currency purchase at issue in this case, and there is no record evidence that would support a contrary conclusion.

The transaction between Cason and Bitcoin Depot was not a "smart contract" any more than the preceding transaction between Cason and his bank to withdraw cash—which Cason never sought to void. *See* D0002 (SPCR153138) at 4. Had the issue of whether the transaction was a "smart contract" been raised prior to the district court's *sua sponte* ruling, Bitcoin Depot would have submitted evidence from qualified expert witnesses explaining the distinction between "smart contracts" and ordinary and commonplace transactions involving currency, such as ATM withdrawals, bank withdrawals, wire transfers or money orders, or currency conversions including but not limited to purchases of digital currency with dollars. Instead, the district court erroneously assumed, without evidence and contrary to its own cited sources, that any transaction involving bitcoin is a "smart contract." *See* D0016 (SPCR153138) at 3.

In fact, the evidence showed that the cash was converted to bitcoin through two steps undertaken by the parties: (1) Bitcoin Depot received cash from Cason; and (2) Bitcoin Depot transferred bitcoin to the wallet selected by Cason. This is not a "self-settling" agreement. *See* Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 3, ¶ 12. Bitcoin Depot never argued that its contract with Cason was a "smart contract" because it was simply an ordinary ATM transaction or currency exchange, enforceable in court like any other contract.

Perhaps more importantly, the district court's analysis of "smart contracts" was wholly unnecessary. Section 175(2) of the Restatement (Second) of Contracts provides a comprehensive framework for evaluating Cason's assertion that his contract with Bitcoin Depot was voidable due to duress imposed by an unknown third party. As discussed above, Cason simply had to prove that Bitcoin Depot knew or should have known of the duress against Cason and did not give value for the property received or did not take action in reliance upon the transaction. Had the district court found that Cason met his burden of proof to establish duress with clear and convincing evidence based on "the grounds set out in [Cason's] application," *see* Iowa Code § 809.3(2), there would have been no need to discuss the significance of "[t]he nature of smart contracting itself," *see* D0016 (SPCR153138) at 4.

The erroneous and quasi-legislative nature of the district court's findings is only further underscored by the district court's comparison between Bitcoin Depot transferring bitcoin from its own holdings *at Cason's direction* to a fact pattern "where a pawn shop customer conveys stolen goods to [a] pawn shop, and . . . the pawn shop must return the property to the claimant . . . ." D0016 (SPCR153138) at 5. Iowa Code Section 714.28(3)(b) provides that a "pawnbroker" who purchases stolen goods must return the goods to its original owner and may only recover its loss from the conveying customer "[i]f the conveying customer was convicted in a separate criminal proceeding of theft . . . ." This comparison is wholly inapt. Bitcoin

Depot is not a "pawnbroker" as the term is used in Section 714.28 and neither the district court nor any party has ever contended otherwise. The funds that Bitcoin Depot received in consideration for the bitcoin that Bitcoin Depot transferred from its own inventory were Cason's own property that *he* withdrew from his bank, not "misappropriated cash." D0002 (SPCR153138) at 1 ("I withdrew $15,000 from *my* account . . . .") (emphasis added); D0002 (SPCR153138) at 4 (bank records showing Cason's withdrawal of the funds from his personal checking account). To the extent Cason directed Bitcoin Depot to deliver its bitcoin to a wallet that was not Cason's own, it would have been *Cason* who made a materially false representation *to Bitcoin Depot*. *See* Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 2, ¶ 10; *see also In re: $12,700.00 in United States Currency*, 2024 WL 3583898, at *2 ("In order to complete the transactions of the purchasing and transfer of Bitcoin to a digital wallet not owned by the customer, the customer must make material misrepresentations to Bitcoin Depot . . .").

And critically, the Iowa Legislature made a specific determination to place the risk of loss upon pawnbrokers under particular circumstances. The statutory command embodied in Section 714.28 is an express deviation from contract enforcement rules that would otherwise apply to pawnbrokers. No statutory exception renders the transaction between Cason and Bitcoin Depot voidable or shifts the risk of loss upon Bitcoin Depot. Like the extensive and unnecessary

discussion of "smart contracts," this inapt pawnbroker analogy further suggests that the district court understood that it was deviating from ordinary contract principles, as embodied in the Restatement (Second) of Contracts, and improperly applied a lesser burden upon Cason to invalidate his agreement with Bitcoin Depot than would otherwise apply under Iowa contract law.

The district court's conclusion that Cason needed not show, pursuant to the Restatement (Second) of Contracts, that Bitcoin Depot knew or had reason to know of the duress imposed against him is tantamount to a legislative judgment that digital currency purchases are *per se* unenforceable. No such rule applies to other ATM transactions, to wire transfers or money orders, or to online or digital transactions that settle with electronic transfers of assets. And no party submitted evidence to support any argument that the requirements to prove duress under the Restatement should be relaxed in the context of digital currency or bitcoin purchases as compared to any other type of financial transaction. Whether agreements to purchase digital currency such as bitcoin should be enforced differently from other contracts is a question for the Legislature, not the courts; the district court should have applied ordinary contract principles that would place the burden on Cason to prove each element of the duress defense. *See Chavez v. MS Tech. LLC*, 972 N.W.2d 662, 670 (Iowa 2022) (declining to consider arguments regarding "policy considerations that are best left for the legislature to consider").

In exchange for funds that he provided to Bitcoin Depot, Cason received the benefit of 0.38817342 BTC transferred by Bitcoin Depot to a digital wallet that he selected. Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 3, ¶ 14; D0002 (SPCR153138) at 2. When Cason sought to claw back the funds he provided to Bitcoin Depot as part of his contract with Bitcoin Depot, the district court relieved Cason of his burden to show that Bitcoin Depot knew or should have known of the duress against him and did not give value or rely materially on the transaction. Instead, based on *sua sponte*—and incorrect—findings that the contract at issue was a "smart contract," the district court did not require Cason to make any particular showing. This was error, and the district court's ruling granting Cason's Application for Return of Property should be reversed.

D. Duress From An Unknown Third-Party Did Not Render Cason's Transaction With Bitcoin Depot Voidable.

In order to invalidate his contract with Bitcoin Depot, whereby Cason provided Bitcoin Depot $14,800.00 in funds and Bitcoin Depot transferred 0.38817342 BTC to the digital wallet designated by Cason, Cason had to prove that the requirements of Restatement (Second) of Contracts section 175(2) had been met. Because the alleged duress was imposed not by Bitcoin Depot but by an unknown third-party, Cason had to prove not only that his transaction with Bitcoin Depot was the product of duress, but also that Bitcoin Depot did not act in good faith and without reason to know of the duress, or did not give value or rely materially on the

transaction. *See* Restatement (Second) of Contracts § 175(2). Cason failed to meet his burden to establish that Bitcoin Depot did not act in good faith and without reason to know of the duress, or did not give value or rely materially on the transaction.

Cason did not dispute that Bitcoin Depot gave value and relied materially on the transaction. Cason did not dispute that the bitcoin transferred by Bitcoin Depot from its own account was a corresponding value to the funds that Cason conveyed to Bitcoin Depot. *See* Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 3, ¶ 14; D0002 (SPCR153138) at 2. Cason did not dispute that Bitcoin Depot transferred this bitcoin at Cason's direction and that such bitcoin was not recovered. *See* Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 3, ¶ 14.

Cason's duress defense to contract enforcement hinged entirely upon the notion that Bitcoin Depot entered into a contract with Cason in bad faith and with reason to know of the duress. However, Cason submitted ***no*** evidence in support of this proposition, which Cason never clearly asserted. Cason submitted no evidence that would have allowed a fact-finder to conclude that Bitcoin Depot was aware, or had reason to know, of any duress being exerted against Cason. *See, e.g.*, *Zurich Am. Ins. Co.* 2023 WL 6318106, at *16; *Abate*, 503 F. Supp. 3d 257, 269; *Chan*, 116 Cal. Rptr. 3d at 134; *Nathan*, 2009 WL 3416440, at *3; *Dalo*, 878 A.2d at 198 n.4. For this reason, Cason could not establish the affirmative defense of duress under Section 175(2) of the Restatement (Second) of Contracts.

Yet the district court concluded that Bitcoin Depot was aware of the possibility that "a portion" of its customers could be targeted by scams based on its *sua sponte* conclusion that the case involved a "smart contract." D0016 (SPCR153138) at 4. The district court made no findings regarding the frequency of scam transactions involving Bitcoin Depot's transaction platform, and Cason submitted no evidence that would have supported any such findings. The district court made no findings regarding the prevalence of transactions made under duress on Bitcoin Depot's platform as compared to any other transaction platform, such as cash ATMs, money orders or wire transfers, or online transaction platforms. And Cason submitted no evidence that would support any suggestion that transactions involving duress are any more prevalent on Bitcoin Depot's transaction platform than on any other platform.

In sum, the record contains no evidence that would support a determination that Bitcoin Depot knew or should have known that duress was exerted upon Cason at the time he entered into his transaction with Bitcoin Depot—and, critically, at the time Bitcoin Depot transferred digital currency from its own inventory to the digital wallet identified by Cason. According to the record before the district court, the only information that Bitcoin Depot possessed regarding Cason's transaction was that Cason affirmatively represented to Bitcoin Depot that he was directing Bitcoin Depot to transfer the bitcoin that he had purchased from Bitcoin Depot's own

inventory to a digital wallet that he controlled. *See* Attachment to D0001 (SPCR153335), Ex. A, Rimby Aff. at 3–4, ¶¶ 10, 14. The district court was required to resolve the parties' applications for return of seized property based on the "proof . . . set out in the application for immediate return." Iowa Code § 809.3(2). Cason did not attempt to identify evidence sufficient to establish all elements of the duress defense to contract enforcement under Section 175(2) of the Restatement (Second) of Contracts, and the district court therefore erred in concluding that the requirements of Section 175(2) were met.

It was Cason's burden to prove that his transaction was the product of duress, and the district court implicitly acknowledged that he failed to do so by referring to a "portion" of the transactions on Bitcoin Depot's platform rather than the specific transaction involving Cason. *See Mohler*, 218 N.W. at 73 (holding the burden to establish that a transaction was void on grounds of duress rests with the party asserting duress). Because Cason could not meet his burden to establish duress on the record, the district court was required to deny Cason's claim for return to the funds seized from Bitcoin Depot. The district court's decision should be reversed.

II. The District Court Erred In Failing To Order The Return Of Bitcoin Depot's Property To Bitcoin Depot.

A. Error Preservation

The district court erred when it found that Bitcoin Depot was not entitled to the return of $14,840.00 in cash seized from its kiosk. Bitcoin Depot preserved error

by arguing that Bitcoin Depot was entitled to the property seized from the kiosk that it owns. D0001 (SPCR153335) at 1–8; D0015 (SPCR153138) at 3–8; D0021 (SPCR153138) at 10:16–18:24.

B. Standard of Review

The district court's resolution of Bitcoin Depot's Application for Return of Seized Property was an equitable determination to be reviewed *de novo*. *See Retterath*, 938 N.W.2d at 684. The district court's resolution of Bitcoin Depot's application is best understood as an equitable proceeding because Bitcoin Depot sought specific performance only in the form of return of funds, did not seek damages or remedies at law, and did not assert breach of contract but *did* request any other relief that was equitable and just; because the action was tried to the bench; and because the district court did not rule on evidentiary objections. *See id.; Citizens Sav. Bank*, 315 N.W.2d at 24.

C. Bitcoin Depot Is Entitled To Return Of The Seized Funds.

Iowa Code Section 809.5(1) provides:

> Seized property *shall* be returned to the owner if the property is no longer required as evidence or the property has been photographed and the photograph will be used as evidence in lieu of the property, if the property is no longer required for use in an investigation, if the owner's possession is not prohibited by law, and if a forfeiture claim has not been filed on behalf of the state.

Id. (emphasis added). The statute further provides that upon the filing of a claim and a hearing, "property which has been seized shall be returned to the person who

demonstrates a right to possession" unless the possession of the property by the claimant is prohibited by law, the state has requested forfeiture, or the state has demonstrated that the evidence is needed for a criminal investigation or prosecution. *Id.* § 809.5(2) (emphasis added).

Here, the district court did not find that any of the exceptions in Section 809.5(2) were met. The State conceded that physical possession of the funds seized from Bitcoin Depot was no longer necessary to the investigation or any potential prosecution. D0014 (SPCR153138) at 1–2. The State did not seek forfeiture of the funds. D0014 (SPCR153138) at 1. Bitcoin Depot's possession of cash is not prohibited by law. The district court instead determined that Cason "has the right to possession" of the funds seized from Bitcoin Depot on the basis that the contract between Cason and Bitcoin Depot was voidable due to third-party duress. D0016 (SPCR153138) at 5.

The district court did not therefore disagree with Bitcoin Depot that when Cason accepted Bitcoin Depot's terms of service and purchased bitcoin from Bitcoin Depot's kiosk, Cason and Bitcoin Depot entered into an agreement whereby Cason would exchange funds for bitcoin provided by Bitcoin Depot. *See* D0016 (SPCR153138) at 3–4. The district court instead found that this contract was voidable by Cason on grounds of duress pursuant to Restatement (Second) of Contracts Section 175(2). D0016 (SPCR153138) at 4.

As explained above, however, the district court erred in finding that the requirements of this affirmative defense had been met. In the absence of application of this affirmative defense to contract enforcement, Bitcoin Depot is entitled to the cash that Cason inserted into its kiosk in exchange for 0.38817342 bitcoin, just as Cason's bank was entitled to debit Cason's account in exchange for the $15,000.00 in cash that Cason withdrew from his account. *See In re: $12,700.00 in United States Currency*, 2024 WL 3583898, at *4 ("At the time the Victim purchased the Cryptocurrency, the Victim ceased to be the owner of the Currency and gained ownership of the Cryptocurrency."); *see also United States v. Chavez*, 29 F.4th 1223, 1230 (10th Cir. 2022) ("[W]e agree with the Seventh Circuit that money in an ATM is 'obviously' bank money."); *Schertzer v. Bank of Am., N.A.*, 445 F. Supp. 3d 1058, 1093 (S.D. Cal. 2020) (holding ATM operators were not liable for conversion where "[a]ny money became the literal property of [the ATM operator] upon deposit"); *United States v. Smith*, 670 F. Supp. 2d 1316, 1321 (M.D. Fla. 2009) ("[M]oney placed in the ATMs was the banks' property until lawfully withdrawn."). Accordingly, the district court's ruling should be reversed and the district court should be directed to order the return of Bitcoin Depot's funds to it.

CONCLUSION

For the foregoing reasons, Claimant-Appellant respectfully requests that the Court reverse the decision of the district court and order the district court to issue a

ruling granting Claimant-Appellant Bitcoin Depot Operating, LLC's Application for Return of Seized Property and denying Appellee's Claim for Return of Seized Property.

REQUEST FOR ORAL ARGUMENT

Bitcoin Depot requests oral argument in connection with this appeal.

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CERTIFICATE OF COMPLIANCE

This brief complies with the typeface requirements and type-volume limitation of Iowa Rs. App. P. 6.903(1)(d) and 6.903(1)(g)(1) because:

[X] this brief has been prepared in a proportionally spaced typeface Times New Roman, font 14 point and contains 8,608 words, excluding the parts of the brief exempted by Iowa R. App. P. 6.903(1)(g)(1).

/s/ Matthew A. McGuire

CERTIFICATE OF FILING AND SERVICE

On the 11th day of September 2024, the undersigned served the within Appellant's Brief on all parties to this appeal by e-filing it on the State of Iowa's Electronic Data Management System. I further certify that on the 11th day of September 2024, I filed this document with the Clerk of the Supreme Court, Iowa Judicial Branch Building, 1111 E. Court Avenue, Des Moines, Iowa 50319, by e-filing it in the State of Iowa's Electronic Data Management System.

/s/ Matthew A. McGuire