


1 DAVID J. VAN HAVERMAAT (Cal. Bar No. 175761)  
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3 Attorneys for Plaintiff  
4 Securities and Exchange Commission

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9 Washington, District of Columbia 20549

10 Michele Wein Layne, Regional Director  
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11 444 S. Flower Street, Suite 900  
Los Angeles, California 90071  
12 Telephone: (323) 965-3998  
Facsimile: (213) 443-1904

2018 MAY 29 AM 9:52  
U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIF.  
LOS ANGELES  
BY: 

FILED

14 UNITED STATES DISTRICT COURT  
15 CENTRAL DISTRICT OF CALIFORNIA  
16 WESTERN DIVISION

17 SECURITIES AND EXCHANGE  
18 COMMISSION,

19 Plaintiff,

20 vs.

21 TITANIUM BLOCKCHAIN  
22 INFRASTRUCTURE SERVICES,  
INC.; EHI INTERNETWORK AND  
23 SYSTEMS MANAGEMENT, INC.  
aka EHI-INSM, INC.; and MICHAEL  
24 ALAN STOLLERY aka MICHAEL  
25 STOLLAIRE,

26 Defendants.

Case No. CV18-4315-DSF (JPRx)

27 CONSENT OF DEFENDANTS  
28 TITANIUM BLOCKCHAIN  
INFRASTRUCTURE SERVICES,  
INC., EHI INTERNETWORK AND  
SYSTEMS MANAGEMENT, INC,  
AND MICHAEL ALAN STOLLERY  
aka MICHAEL STOLLAIRE TO  
ENTRY OF PRELIMINARY  
INJUNCTION AND ORDERS (1)  
FREEZING ASSETS; (2)  
PROHIBITING THE DESTRUCTION  
OR ALTERATION OF  
DOCUMENTS; (3) GRANTING  
EXPEDITED DISCOVERY; (4)  
REQUIRING ACCOUNTINGS; AND  
(5) APPOINTING A PERMANENT  
RECEIVER

1 WHEREAS, on May 22, 2018, Plaintiff Securities and Exchange Commission  
2 (“SEC”) filed this action against Defendants Titanium Blockchain Infrastructure  
3 Services, Inc., EHI Internetwork and Systems Management, Inc. aka EHI-INSM, Inc.,  
4 and Michael Alan Stollery aka Michael Stollaire (collectively, “Defendants”) alleging  
5 violations of the federal securities laws;

6 WHEREAS, on May 23, 2018, the Court granted the SEC’s *Ex Parte*  
7 Application for a Temporary Restraining Order (“TRO”) and Orders: (1) Freezing  
8 Assets; (2) Prohibiting the Destruction or Alteration of Documents; (3) Granting  
9 Expedited Discovery; (4) Requiring Accountings; and (5) Appointing a Temporary  
10 Receiver; and Order To Show Cause Re Preliminary Injunction and Appointment of a  
11 Permanent Receiver, and issued a TRO that, among other things, ordered Defendant  
12 to show cause why a preliminary injunction should not be granted and a permanent  
13 receiver not appointed;

14 WHEREAS, Defendants acknowledge that they each were properly served  
15 with a copy of the Complaint, the TRO, and all papers submitted by the SEC in  
16 support thereof, and admit the Court’s jurisdiction over them and over the subject  
17 matter of this action;

18 WHEREAS, Defendants, without admitting or denying any allegations of the  
19 Complaint (except as to personal and subject matter jurisdiction, which Defendants  
20 admit) consent to the entry of a preliminary injunction and to a continuation of the  
21 orders: (1) Freezing Assets; (2) Prohibiting the or Destruction of Alteration of  
22 Documents; (3) Granting Expedited Discovery; (4) Requiring Accountings; and (5)  
23 Appointing a Permanent Receiver (“Preliminary Injunction”) in the form attached  
24 hereto as Exhibit 1;

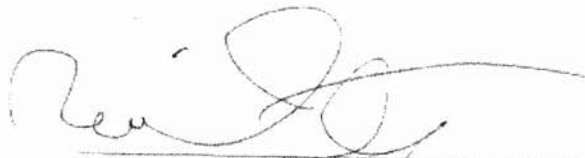
25 WHEREAS, Defendants waive the entry of findings of fact and conclusions of  
26 law pursuant to Fed. R. Civ. P. 65;

27 WHEREAS, Defendants enter into this Consent voluntarily and represent that  
28 no threats, offers, promises, or inducements of any kind have been made by the SEC

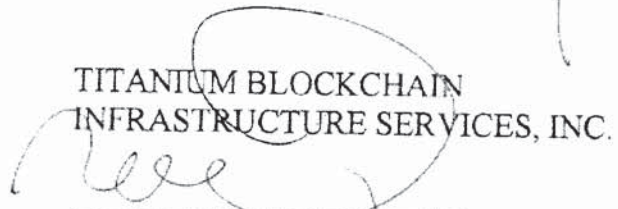
1 or any member, officer, employee, agent, or representative of the SEC to induce them  
2 to enter into this Consent;

3 ACCORDINGLY, DEFENDANTS CONSENT AND AGREE that the Court  
4 may enter a Preliminary Injunction in the form attached hereto as Exhibit 1 without  
5 further notice or hearing.

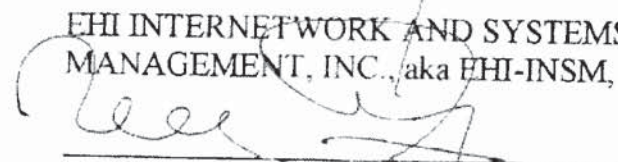
6  
7 Dated: May 25, 2018

  
MICHAEL ALAN STOLLERY aka  
MICHAEL STOLLAIRE  
*Pro se*

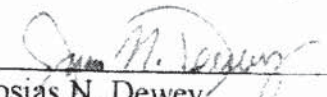
8  
9  
10  
11  
12  
13 Dated: May 25, 2018

TITANIUM BLOCKCHAIN  
INFRASTRUCTURE SERVICES, INC.  
  
By: Michael Alan Stollery aka Michael Stollaire  
President and Chief Executive Officer

14  
15  
16  
17  
18 Dated: May 25, 2018

EHI INTERNETWORK AND SYSTEMS  
MANAGEMENT, INC., aka EHI-INSM, Inc.  
  
By: Michael Alan Stollery aka Michael Stollaire  
President

19  
20  
21  
22 Approved as to form, and authorizing Michael Stollaire to sign for the limited  
23 purpose of entering into this Consent on behalf of defendant Titanium Blockchain  
Infrastructure Services, Inc.:

24   
25 Josias N. Dewey  
26 Temporary Receiver of defendant  
27 Titanium Blockchain Infrastructure Services, Inc.  
28

**PROOF OF SERVICE**

I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION,  
444 S. Flower Street, Suite 900, Los Angeles, California 90071  
Telephone No. (323) 965-3998; Facsimile No. (213) 443-1904.

On May 29, 2018 I caused to be served the document entitled **CONSENT OF DEFENDANTS TITANIUM BLOCKCHAIN INFRASTRUCTURE SERVICES, INC., EHI INTERNETWORK AND SYSTEMS MANAGEMENT, INC, AND MICHAEL ALAN STOLLERY aka MICHAEL STOLLAIRE TO ENTRY OF PRELIMINARY INJUNCTION AND ORDERS (1) FREEZING ASSETS; (2) PROHIBITING THE DESTRUCTION OR ALTERATION OF DOCUMENTS; (3) GRANTING EXPEDITED DISCOVERY; (4) REQUIRING ACCOUNTINGS; AND (5) APPOINTING A PERMANENT RECEIVER** on all the parties to this action addressed as stated on the attached service list:

**OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency’s practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

**PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

**EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

**HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

**UNITED PARCEL SERVICE:** By placing in sealed envelope(s) designated by United Parcel Service (“UPS”) with delivery fees paid or provided for, which I deposited in a facility regularly maintained by UPS or delivered to a UPS courier, at Los Angeles, California.

**ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

**E-FILING:** By causing the document to be electronically filed via the Court’s CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

**FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

I declare under penalty of perjury that the foregoing is true and correct.

Date: May 29, 2018 /s/ David J. Van Havermaat

1                   **SEC v. Titanium Blockchain Infrastructure Services, Inc., et al**  
2                   **United States District Court – Central District of California**  
3                   **Western Division**  
4                   **Case No. CV 18-04315 DSF (JPRx)**

5   **SERVICE LIST**

6                   Michael Alan Stollery aka Michael Stollaire  
7                   *Pro se*  
8                   15027 Dickens St., Apt. 4  
9                   Sherman Oaks, CA 91403  
10                  **(Served via Email)**

11                  Titanium Blockchain Infrastructure Services, Inc.  
12                  15027 Dickens St., Apt. 4  
13                  Sherman Oaks, CA 91403  
14                  c/o Michael Stollaire  
15                  **(Served via Email)**

16                  EHI Internetwork and Systems Management, Inc. aka EHI-INSM, Inc.  
17                  15027 Dickens St., Apt. 4  
18                  Sherman Oaks, CA 91403  
19                  c/o Michael Stollaire  
20                  **(Served via Email)**

# **EXHIBIT 1**

1 DAVID J. VAN HAVERMAAT (Cal. Bar No. 175761)  
Email: vanhavermaatd@sec.gov  
2 DAVID S. BROWN (Cal. Bar No. 134569)  
Email: browndav@sec.gov

3 Attorneys for Plaintiff  
4 Securities and Exchange Commission

5 Joseph G. Sansone, Unit Chief (Market Abuse Unit)  
New York Regional Office  
6 200 Vesey Street, Suite 400  
New York, New York 10281

7 Robert A. Cohen, Unit Chief (Cyber Unit)  
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Amy Jane Longo, Regional Trial Counsel  
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13  
14 **UNITED STATES DISTRICT COURT**  
15 **CENTRAL DISTRICT OF CALIFORNIA**  
16 **WESTERN DIVISION**

17 **SECURITIES AND EXCHANGE**  
18 **COMMISSION,**

19 Plaintiff,

20 vs.

21 **TITANIUM BLOCKCHAIN**  
22 **INFRASTRUCTURE SERVICES,**  
23 **INC.; EHI INTERNETWORK AND**  
24 **SYSTEMS MANAGEMENT, INC.**  
25 **aka EHI-INSM, INC.; and MICHAEL**  
**ALAN STOLLERY aka MICHAEL**  
**STOLLAIRE,**

26 Defendants.

Case No. CV18-4315-DSF (JPRx)

**[PROPOSED] PRELIMINARY**  
**INJUNCTION AND ORDERS (1)**  
**FREEZING ASSETS; (2)**  
**PROHIBITING THE DESTRUCTION**  
**OR ALTERATION OF**  
**DOCUMENTS; (3) GRANTING**  
**EXPEDITED DISCOVERY; (4)**  
**REQUIRING ACCOUNTINGS; AND**  
**(5) APPOINTING A PERMANENT**  
**RECEIVER**

27  
28

1 This matter is before the Court upon the Consent of Defendants Titanium  
2 Blockchain Infrastructure Services, Inc. (“TBIS”), EHI Internetwork and Systems  
3 Management, Inc. aka EHI-INSM, Inc. (“EHI”), and Michael Alan Stollery aka  
4 Michael Stollaire (“Stollaire”) (collectively, “Defendants”) to the Entry of a  
5 Preliminary Injunction and Orders (1) Freezing Assets; (2) Prohibiting the  
6 Destruction or Alteration of Documents; (3) Granting Expedited Discovery; (4)  
7 Requiring Accountings; and (5) Appointing a Permanent Receiver.

8 The Court, having previously entered a Temporary Restraining Order and  
9 Orders (1) Freezing Assets; (2) Prohibiting the Destruction or Alteration of  
10 Documents; (3) Granting Expedited Discovery; (4) Requiring Accountings; and (5)  
11 Appointing a Temporary Receiver; and Order to Show Cause Re Preliminary  
12 Injunction and Appointment of a Permanent Receiver on May 23, 2018 (“TRO”), and  
13 having considered the SEC’s Complaint, Application for a Temporary Restraining  
14 Order, the supporting Memorandum of Points and Authorities, the supporting  
15 declarations and exhibits, and the other evidence and argument presented to the  
16 Court, as well as the Defendants’ Consents, finds that:

- 17 A. This Court has jurisdiction over the parties to, and the subject matter of,  
18 this action.  
19 B. The Defendants have consented to the entry of a preliminary injunction  
20 on the terms below.

21 **I.**

22 IT IS HEREBY ORDERED that good cause exists for the entry of a  
23 preliminary injunction, appointment of a permanent receiver, and the related orders  
24 herein.

25 **II.**

26 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that defendants  
27 TBIS, EHI, and Stollaire are preliminarily restrained and enjoined from violating,  
28 directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and



1 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or  
2 instrumentality of interstate commerce, or of the mails, or of any facility of any  
3 national securities exchange, in connection with the purchase or sale of any security:

- 4 (a) to employ any device, scheme, or artifice to defraud;
- 5 (b) to make any untrue statement of a material fact or to omit to state a  
6 material fact necessary in order to make the statements made, in the light  
7 of the circumstances under which they were made, not misleading; or
- 8 (c) to engage in any act, practice, or course of business which operates or  
9 would operate as a fraud or deceit upon any person.

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as  
11 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also  
12 binds the following who receive actual notice of this Preliminary Injunction by  
13 personal service or otherwise: (a) Defendants' officers, agents, servants, employees,  
14 and attorneys; and (b) other persons in active concert or participation with any of the  
15 Defendants or with anyone described in (a).

16 **III.**

17 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
18 defendants TBIS, EHI, and Stollaire are preliminarily restrained and enjoined from  
19 violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the offer or sale  
20 of any security by the use of any means or instruments of transportation or  
21 communication in interstate commerce or by use of the mails, directly or indirectly:

- 22 (a) to employ any device, scheme, or artifice to defraud;
- 23 (b) to obtain money or property by means of any untrue statement of a  
24 material fact or any omission of a material fact necessary in order to  
25 make the statements made, in light of the circumstances under which  
26 they were made, not misleading; or
- 27 (c) to engage in any transaction, practice, or course of business which  
28 operates or would operate as a fraud or deceit upon the purchaser.

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as  
2 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also  
3 binds the following who receive actual notice of this Preliminary Injunction by  
4 personal service or otherwise: (a) Defendants' officers, agents, servants, employees,  
5 and attorneys; and (b) other persons in active concert or participation with any of the  
6 Defendants or with anyone described in (a).

7 **IV.**

8 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
9 defendants TBIS and Stollaire are preliminarily restrained and enjoined from  
10 violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly,  
11 in the absence of any applicable exemption:

- 12 (a) Unless a registration statement is in effect as to a security, making use of  
13 any means or instruments of transportation or communication in  
14 interstate commerce or of the mails to sell such security through the use  
15 or medium of any prospectus or otherwise;
- 16 (b) Unless a registration statement is in effect as to a security, carrying or  
17 causing to be carried through the mails or in interstate commerce, by any  
18 means or instruments of transportation, any such security for the purpose  
19 of sale or for delivery after sale; or
- 20 (c) Making use of any means or instruments of transportation or  
21 communication in interstate commerce or of the mails to offer to sell or  
22 offer to buy through the use or medium of any prospectus or otherwise  
23 any security, unless a registration statement has been filed with the  
24 Commission as to such security, or while the registration statement is the  
25 subject of a refusal order or stop order or (prior to the effective date of  
26 the registration statement) any public proceeding or examination under  
27 Section 8 of the Securities Act [15 U.S.C. § 77h].

28 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as

1 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also  
2 binds the following who receive actual notice of this Preliminary Injunction by  
3 personal service or otherwise: (a) defendants TBIS's and Stollaire's officers, agents,  
4 servants, employees, and attorneys; and (b) other persons in active concert or  
5 participation with defendant TBIS or Stollaire or with anyone described in (a).

6 **V.**

7 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,  
8 Defendants TBIS, EHI, and Stollaire be and hereby are preliminarily restrained and  
9 enjoined from, directly or indirectly, transferring, assigning, selling, hypothecating,  
10 changing, wasting, dissipating, converting, concealing, encumbering, or otherwise  
11 disposing of, in any manner, any funds, securities, claims or other real or personal  
12 property, including any digital assets, digital currencies, virtual currencies, digital  
13 tokens, cryptocurrencies, digital wallets, or other tangible, intangible, or digital  
14 assets, wherever located, of any of the Defendants, or their subsidiaries or affiliates,  
15 owned by, controlled by, managed by, or in the possession or custody of any of them,  
16 and from transferring, encumbering, dissipating, or incurring charges or cash  
17 advances on any debit or credit card or the credit arrangement of any of the  
18 Defendants, or their subsidiaries and affiliates.

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as  
20 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also  
21 binds the following who receive actual notice of this Preliminary Injunction by  
22 personal service or otherwise: (a) Defendants' officers, agents, servants, employees,  
23 and attorneys; and (b) other persons in active concert or participation with any of the  
24 Defendants or with anyone described in (a).

25 **VI.**

26 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,  
27 the asset freeze previously ordered by the TRO shall remain in place on all monies  
28 and assets, including all digital assets, digital currencies, virtual currencies, digital

1 tokens, cryptocurrencies, digital wallets, or other tangible, intangible, and digital  
 2 funds or assets, wherever located (with an allowance for necessary and reasonable  
 3 living expenses to be granted only upon good cause shown by application to the  
 4 Court with notice to and an opportunity for the SEC to be heard) in all accounts at  
 5 any bank, financial institution, brokerage firm, third-payment payment processor,  
 6 coin exchange, or any other holder or custodian of any digital assets, digital  
 7 currencies, virtual currencies, digital tokens, cryptocurrencies, digital wallets, or other  
 8 tangible, intangible, or digital funds or assets held in the name of, for the benefit of,  
 9 or over which account authority is held by defendants TBIS, EHI, and/or Stollaire,  
 10 including but not limited to the accounts listed below:

INSTITUTION	ACCOUNT NAME/OWNER	ACCOUNT NO.
COINBASE	MICHAEL STOLLERY AKA MICHAEL ALAN STOLLAIRE	0x98935ab01caA7a162892FdF9c6423de2 4b078a4c [Wallet Address]
COINBASE	TITANIUM BLOCKCHAIN INFRASTRUCTURE SERVICES INC.	0x1818409Ff612A6d574ca979904396bB 4B8EA6d51 [Wallet Address]
JP MORGAN CHASE	TITANIUM BLOCKCHAIN INFRASTRUCTURE SERVICES INC.	██████████ 2796 ██████████ 2722 ██████████ 1125 ██████████ 0755 ██████████ 7471
JP MORGAN CHASE	EHI INTERNETWORK AND SYSTEMS MANAGEMENT, INC.	██████████ 3680 ██████████ 3531 ██████████ 5136 ██████████ 0172 ██████████ 1001 ██████████ 9994
JP MORGAN CHASE	MICHAEL STOLLERY AKA MICHAEL ALAN STOLLAIRE	██████████ 6740
PayPal	TITANIUM BLOCKCHAIN INFRASTRUCTURE SERVICES INC.	██████████ 9120 ██████████ 0070 ██████████ 3031 ██████████ 4114
PayPal	EHI INTERNETWORK AND SYSTEMS	██████████ 7714

INSTITUTION	ACCOUNT NAME/OWNER	ACCOUNT NO.
	MANAGEMENT, INC.	
VENMO	MICHAEL STOLLAIRE	██████ 7949
VENMO	TITANIUM BLOCKCHAIN INFRASTRUCTURE SERVICES INC.	██████ 4336
U.S. BANK	TITANIUM BLOCKCHAIN INFRASTRUCTURE SERVICES INC.	██████ 6688
WELLS FARGO BANK	MICHAEL STOLLERY AND/OR OXANA STOLLERY	██████ 0492 ██████ 6636 ██████ 1463 ██████ 5399 ██████ 5141 ██████ 1998

Any bank, financial institution, brokerage firm, third-party payment processor, or coin exchange, or any other holder or custodian of any digital assets, digital currencies, virtual currencies, digital tokens, cryptocurrencies, or such monies or assets described above shall hold and retain within their control and prohibit the withdrawal, removal, transfer or other disposal of any such funds or other assets except as otherwise ordered by this Court.

**VII.**

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, each of defendants TBIS, EHI, and Stollaire be and hereby are preliminarily restrained and enjoined from, directly or indirectly: destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, any documents, which includes all books, records, computer programs, computer files, data objects existing in any state, computer printouts, contracts, emails, correspondence, memoranda, brochures, or any other documents of any kind in their possession, custody or control, however created, produced, or stored (manually, mechanically, electronically, or otherwise), and any accounts, account passwords, computer passwords, device PINs and passwords, cryptographic keys, or digital wallets, pertaining in any manner to

1 defendants TBIS, EHI, or Stollaire.

2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided  
3 in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the  
4 following who receive actual notice of this Preliminary Injunction by personal service  
5 or otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and  
6 (b) other persons in active concert or participation with any of the Defendants or with  
7 anyone described in (a).

8 **VIII.**

9 IT IS FURTHER ORDERED that the obligations of defendants TBIS, EHI,  
10 and Stollaire each to prepare and deliver to the SEC a detailed and complete schedule  
11 of all of their assets shall remain in effect. The accountings shall include all real and  
12 personal property exceeding \$5,000 in value, and all bank, securities, and other  
13 accounts identified by institution, branch address, and account number, and all digital  
14 assets, digital currencies, virtual currencies, digital tokens, cryptocurrencies, digital  
15 wallets, or other tangible, intangible, or digital funds or assets, wherever located. The  
16 accountings shall include a description of the sources of all such assets. Such  
17 accountings shall be filed with the Court and copies shall be delivered to the SEC to  
18 the attention of David J. Van Havermaat, Trial Counsel no later than May 29, 2018.  
19 After completion of the accountings, each of the Defendants shall produce to the SEC  
20 at a time agreeable to the SEC, all books, records and other documents supporting or  
21 underlying their accounting.

22 **IX.**

23 IT IS FURTHER ORDERED that any person who receives actual notice of this  
24 Preliminary Injunction by personal service or otherwise, and who holds, possesses, or  
25 controls assets exceeding \$5,000 for the account or benefit of any of the Defendants,  
26 including any digital assets, digital currencies, virtual currencies, digital tokens,  
27 cryptocurrencies, digital wallets, or other tangible, intangible, or digital assets,  
28 wherever located, including any such assets held in any safe deposit box, shall within

1 5 days of receiving actual notice of this Preliminary Injunction provide counsel for  
2 the SEC with a written statement identifying all such assets, the value of such assets,  
3 or best approximation thereof, and any account numbers or account names in which  
4 the assets are held.

5 **X.**

6 IT IS FURTHER ORDERED that the SEC may continue to conduct expedited  
7 discovery concerning Defendants, their assets and activities, as previously granted in  
8 the TRO, in lieu of the time periods, notice provisions, and other requirements of  
9 Rules 26, 30, 33, 34, 36, and 45 of the Federal Rules of Civil Procedure and the  
10 corresponding Local Rules of this Court, and that discovery shall proceed as follows:

11 (A) Pursuant to Rule 30(a) of the Federal Rules of Civil Procedure, the SEC  
12 may take depositions upon oral examination on five days' notice of any such  
13 deposition. Depositions may be taken Monday through Friday. As to the  
14 Defendants, and their agents, servants, promoters, employees, brokers, and associates,  
15 and any person who transferred money to or received money from any account(s) at  
16 any of the bank, financial institution, brokerage firm, third-payment payment  
17 processor, or coin exchange identified above, or any other holder or custodian of any  
18 digital assets, digital currencies, virtual currencies, digital tokens, or cryptocurrencies  
19 identified above, the SEC may depose such witnesses after serving a deposition  
20 notice by facsimile, hand, or overnight courier upon such individuals, and without  
21 serving a subpoena on such witness.

22 (B) Pursuant to Rule 33(a) of the Federal Rules of Civil Procedure, each  
23 Defendant shall answer the SEC's interrogatories within fourteen days of service of  
24 such interrogatories upon Defendant.

25 (C) Pursuant to Rule 34(b) of the Federal Rules of Civil Procedure, each  
26 Defendant shall produce all documents requested by the SEC within fourteen days of  
27 service of such request, with production of the documents made to David J. Van  
28 Havermaat, U.S. Securities and Exchange Commission, Los Angeles Regional

1 Office, 444 S. Flower St., Suite 900, Los Angeles, California 90071, or such person  
2 or place as counsel for the SEC may direct in writing.

3 (D) Pursuant to Rule 36(a) of the Federal Rules of Civil Procedure, each  
4 Defendant shall respond to the SEC's requests for admissions within fourteen days of  
5 such requests;

6 (E) All written responses to the SEC's requests for discovery under the  
7 Federal Rules of Civil Procedure shall be delivered by hand or overnight courier to  
8 the SEC to the attention of David J. Van Havermaat, U.S. Securities and Exchange  
9 Commission, Los Angeles Regional Office, 444 S. Flower St., Suite 900, Los  
10 Angeles, California 90071, or such other place and person as counsel for the SEC  
11 may direct in writing; and

12 (G) All discovery requests and responses may be served via email, facsimile,  
13 or by hand on counsel for the parties.

14 **XI.**

15 IT IS FURTHER ORDERED that Josias N. Dewey is appointed as permanent  
16 receiver of defendant TBIS and its subsidiaries and affiliates, with full powers of an  
17 equity receiver, including, but not limited to, full power over all funds, assets,  
18 collateral, premises (whether owned, leased, occupied, or otherwise controlled),  
19 choses in action, books, records, papers and other property belonging to, being  
20 managed by or in the possession of or control of defendant TBIS and its subsidiaries  
21 and affiliates, and that such receiver is immediately authorized, empowered and  
22 directed:

23 A. to have access to and to collect and take custody, control, possession,  
24 and charge of all funds, assets (including any digital assets, digital  
25 currencies, virtual currencies, digital tokens of any kind,  
26 cryptocurrencies, digital wallets, or private keys associated with any of  
27 the foregoing, whether encrypted or not, or other tangible, intangible, or  
28 digital assets, wherever located), collateral, premises (whether owned,



1 leased, pledged as collateral, occupied, or otherwise controlled), choses  
2 in action, books, records, papers, and other real or personal property,  
3 wherever located, of or managed by defendants TBIS and its subsidiaries  
4 and affiliates (collectively, the "Assets"), with full power to sue,  
5 foreclose, marshal, collect, receive, and take into possession all such  
6 Assets (including access to and taking custody, control, and possession  
7 of all such Assets);

8 B. to assume full control of defendant TBIS by removing, as the receiver  
9 deems necessary or advisable, any director, officer, attorney,  
10 independent contractor, employee, or agent of any of defendant TBIS  
11 and its subsidiaries and affiliates, including any named defendant, from  
12 control of, management of, or participation in, the affairs of defendant  
13 TBIS;

14 C. to have control of, and to be added as the sole authorized signatory for,  
15 all accounts of the entities in receivership, including all accounts at any  
16 bank, title company, escrow agent, financial institution, brokerage firm  
17 (including any futures commission merchant), or coin exchange, which  
18 has possession, custody or control of any Assets, or which maintains  
19 accounts over which defendant TBIS, and its subsidiaries and affiliates,  
20 and/or any of their employees or agents have signatory authority;

21 D. to conduct such investigation and discovery as may be necessary to  
22 locate and account for all of the assets (including any digital assets,  
23 digital currencies, virtual currencies, digital tokens, cryptocurrencies,  
24 digital wallets, or other tangible, intangible, or digital assets, wherever  
25 located) of or managed by defendant TBIS and its subsidiaries and  
26 affiliates, and to engage and employ attorneys, accountants and other  
27 persons to assist in such investigation and discovery;

28 E. to take such action as is necessary and appropriate to preserve and take

1 control of and to prevent the dissipation, concealment, or disposition of  
2 any Assets;

3 F. to choose, engage, and employ attorneys, accountants, appraisers, and  
4 other independent contractors and technical specialists, as the receiver  
5 deems advisable or necessary in the performance of duties and  
6 responsibilities under the authority granted by this Preliminary  
7 Injunction, including but not limited to, the law firm in which the  
8 receiver is a partner;

9 G. to make accountings, as soon as practicable, to this Court and the SEC of  
10 the assets and financial conditions of defendant TBIS and to file the  
11 accountings with the Court and deliver copies thereof to all parties;

12 H. to make such payments and disbursements from the Assets taken into  
13 custody, control, and possession or thereafter received by him, and to  
14 incur, or authorize the making of, such agreements as may be necessary  
15 and advisable in discharging his duties as permanent receiver;

16 I. to investigate and, where appropriate, to institute, pursue, and prosecute  
17 all claims and causes of action of whatever kind and nature that may  
18 now or hereafter exist as a result of the activities of present or past  
19 employees or agents of defendant TBIS, and its subsidiaries and  
20 affiliates;

21 J. to institute, compromise, adjust, appear in, intervene in, or become party  
22 to such actions or proceedings in state, federal, or foreign courts, that (i)  
23 the receiver deems necessary and advisable to preserve or recover any  
24 Assets, or (ii) the receiver deems necessary and advisable to carry out  
25 the receiver's mandate under this Preliminary Injunction; and

26 K. to have access to and monitor all mail, electronic mail, SMS, text, or  
27 other messaging applications, and video phones of the entities in  
28 receivership in order to review such mail, electronic mail, SMS, text, or

1 other messaging applications, and video phones which he deems relates  
2 to his business and the discharging of his duties as permanent receiver.

3 **XII.**

4 IT IS FURTHER ORDERED that defendant TBIS and its subsidiaries and  
5 affiliates, including all of the other entities in receivership, and their officers, agents,  
6 servants, employees and attorneys, and any other persons who are in custody,  
7 possession or control of any assets (including any digital assets, digital currencies,  
8 virtual currencies, digital tokens, cryptocurrencies, digital wallets, or any private keys  
9 associated with any of the foregoing, whether encrypted or not, or other tangible,  
10 intangible, or digital assets of any of the Defendants, wherever located), collateral,  
11 books, records, papers or other property of or managed by any of the entities in  
12 receivership, shall forthwith give access to and control of such property to the  
13 permanent receiver.

14 **XIII.**

15 IT IS FURTHER ORDERED that any person who receives actual notice of this  
16 Preliminary Injunction by personal service or otherwise who holds, possesses, or  
17 controls any account passwords, computer passwords, device PINs or passwords, or  
18 cryptographic keys, including any such passwords or cryptographic keys held in any  
19 manner in any safe deposit box or pursuant to any other bailee relationship, pertaining  
20 in any manner to any assets of any of the Defendants (including any digital assets,  
21 digital currencies, virtual currencies, digital tokens, cryptocurrencies, digital wallets,  
22 or other tangible, intangible, or digital assets of any of the Defendants, wherever  
23 located), shall within 5 days of receiving actual notice of this Order provide counsel  
24 for the SEC and the permanent receiver with continuing access to all such account  
25 passwords, computer passwords, device PINs or passwords, and cryptographic keys,  
26 which, if stored in an encrypted state, shall be provided in an unencrypted state.

27 **XIV.**

28 IT IS FURTHER ORDERED that no officer, agent, servant, employee, or

1 attorney of defendant TBIS shall take any action or purport to take any action, in the  
2 name of or on behalf of defendant TBIS without the written consent of the permanent  
3 receiver or order of this Court.

4 **XV.**

5 IT IS FURTHER ORDERED that, except by leave of this Court, during the  
6 pendency of this receivership, all clients, investors, trust beneficiaries, note holders,  
7 creditors, claimants, lessors, and all other persons or entities seeking relief of any  
8 kind, in law or in equity, from defendant TBIS, or its subsidiaries or affiliates, and all  
9 persons acting on behalf of any such investor, trust beneficiary, note holder, creditor,  
10 claimant, lessor, consultant group, or other person, including sheriffs, marshals,  
11 servants, agents, employees, and attorneys, are hereby restrained and enjoined from,  
12 directly or indirectly, with respect to these persons and entities:

- 13 A. commencing, prosecuting, continuing or enforcing any suit or  
14 proceeding (other than the present action by the SEC or any other action  
15 by the government) against any of them;
- 16 B. using self-help or executing or issuing or causing the execution or  
17 issuance of any court attachment, subpoena, replevin, execution or other  
18 process for the purpose of impounding or taking possession of or  
19 interfering with or creating or enforcing a lien upon any property or  
20 property interests owned by or in the possession of defendant TBIS; and
- 21 C. doing any act or thing whatsoever to interfere with taking control,  
22 possession or management by the permanent receiver appointed  
23 hereunder of the property and assets owned, controlled or managed by or  
24 in the possession of defendant TBIS, or in any way to interfere with or  
25 harass the permanent receiver or his attorneys, accountants, employees,  
26 or agents or to interfere in any manner with the discharge of the  
27 permanent receiver's duties and responsibilities hereunder.  
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**XVI.**

IT IS FURTHER ORDERED that defendant TBIS and its subsidiaries, affiliates, officers, agents, servants, employees, and attorneys, shall cooperate with and assist the permanent receiver and shall take no action, directly or indirectly, to hinder, obstruct, or otherwise interfere with the permanent receiver or his attorneys, accountants, employees, or agents, in the conduct of the permanent receiver’s duties or to interfere in any manner, directly or indirectly, with the custody, possession, management, or control by the permanent receiver of the funds, assets, collateral, premises, and choses in action described above.

**XVII.**

IT IS FURTHER ORDERED that defendant TBIS, and its subsidiaries and affiliates, shall pay the costs, fees and expenses of the permanent receiver incurred in connection with the performance of his duties described in this Preliminary Injunction, including the costs and expenses of those persons who may be engaged or employed by the permanent receiver to assist him in carrying out his duties and obligations. The permanent receiver’s fees, including all fees and costs for the permanent receiver and all others retained to assist in the administration and liquidation of the receivership estate, shall not exceed \$125,000 during the initial 30 days of the receivership. Further fee limitations, if any, will be set by the Court. All applications for costs, fees, and expenses for services rendered in connection with the receivership other than routine and necessary business expenses in conducting the receivership, such as salaries, rent, and any and all other reasonable operating expenses, shall be made by application setting forth in reasonable detail the nature of the services and shall be heard by the Court.

**XVIII.**

IT IS FURTHER ORDERED that no bond shall be required in connection with the appointment of the permanent receiver. Except for an act of gross negligence, the permanent receiver shall not be liable for any loss or damage incurred by any of the

1 defendants, their officers, agents, servants, employees, and attorneys or any other  
2 person, by reason of any act performed or omitted to be performed by the permanent  
3 receiver in connection with the discharge of his duties and responsibilities.

4 **XIX.**

5 IT IS FURTHER ORDERED that representatives of the SEC and any other  
6 government agency are authorized to have continuing access to inspect or copy any  
7 or all of the corporate books and records and other documents of defendant TBIS, and  
8 the other entities in receivership, and continuing access to inspect their funds,  
9 property, assets, and collateral, wherever located.

10 **XX.**

11 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this  
12 action for the purpose of implementing and carrying out the terms of all orders and  
13 decrees that may be entered herein and to entertain any suitable application or motion  
14 for additional relief within the jurisdiction of this Court.

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16 IT IS SO ORDERED.

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18 Dated: \_\_\_\_\_, 2018

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21 HONORABLE DALE S. FISCHER  
22 UNITED STATES DISTRICT JUDGE  
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