

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

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

Defendants.

Case No. CV18-4315-DSF (JPRx)

**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 This matter is before the Court on 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 Good cause exists for the entry of a preliminary injunction, appointment of a
23 permanent receiver, and the related orders herein.

24 **II.**

25 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that defendants
26 TBIS, EHI, and Stollaire are preliminarily restrained and enjoined from violating,
27 directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and
28 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or

1 instrumentality of interstate commerce, or of the mails, or of any facility of any
2 national securities exchange, in connection with the purchase or sale of any security:

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

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

15 **III.**

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

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

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' officers, agents, servants, employees,
4 and attorneys; and (b) other persons in active concert or participation with any of the
5 Defendants or with anyone described in (a).

6 **IV.**

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

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

27 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, as
28 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also

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

5 **V.**

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

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

24 **VI.**

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

1 funds or assets, wherever located (with an allowance for necessary and reasonable
 2 living expenses to be granted only upon good cause shown by application to the
 3 Court with notice to and an opportunity for the SEC to be heard) in all accounts at
 4 any bank, financial institution, brokerage firm, third-payment payment processor,
 5 coin exchange, or any other holder or custodian of any digital assets, digital
 6 currencies, virtual currencies, digital tokens, cryptocurrencies, digital wallets, or other
 7 tangible, intangible, or digital funds or assets held in the name of, for the benefit of,
 8 or over which account authority is held by defendants TBIS, EHI, and/or Stollaire,
 9 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.	[REDACTED] 2796 [REDACTED] 2722 [REDACTED] 1125 [REDACTED] 0755 [REDACTED] 7471
JP MORGAN CHASE	EHI INTERNETWORK AND SYSTEMS MANAGEMENT, INC.	[REDACTED] 3680 [REDACTED] 3531 [REDACTED] 5136 [REDACTED] 0172 [REDACTED] 1001 [REDACTED] 9994
JP MORGAN CHASE	MICHAEL STOLLERY AKA MICHAEL ALAN STOLLAIRE	[REDACTED] 6740
PayPal	TITANIUM BLOCKCHAIN INFRASTRUCTURE SERVICES INC.	[REDACTED] 9120 [REDACTED] 0070 [REDACTED] 3031 [REDACTED] 4114
PayPal	EHI INTERNETWORK AND SYSTEMS MANAGEMENT, INC.	[REDACTED] 7714
VENMO	MICHAEL STOLLAIRE	[REDACTED] 7949

INSTITUTION	ACCOUNT NAME/OWNER	ACCOUNT NO.
VENMO	TITANIUM BLOCKCHAIN INFRASTRUCTURE SERVICES INC.	[REDACTED] 4336
U.S. BANK	TITANIUM BLOCKCHAIN INFRASTRUCTURE SERVICES INC.	[REDACTED] 6688
WELLS FARGO BANK	MICHAEL STOLLERY AND/OR OXANA STOLLERY	[REDACTED] 0492 [REDACTED] 6636 [REDACTED] 1463 [REDACTED] 5399 [REDACTED] 5141 [REDACTED] 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 defendants TBIS, EHI, or Stollaire.

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

7 **VIII.**

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

21 **IX.**

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

1 the SEC with a written statement identifying all such assets, the value of such assets,
2 or best approximation thereof, and any account numbers or account names in which
3 the assets are held.

4 **X.**

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

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

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

24 (C) Pursuant to Rule 34(b) of the Federal Rules of Civil Procedure, each
25 Defendant shall produce all documents requested by the SEC within fourteen days of
26 service of such request, with production of the documents made to David J. Van
27 Havermaat, U.S. Securities and Exchange Commission, Los Angeles Regional
28 Office, 444 S. Flower St., Suite 900, Los Angeles, California 90071, or such person

1 or place as counsel for the SEC may direct in writing.

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

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

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

13 **XI.**

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

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

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

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

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

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

27 E. to take such action as is necessary and appropriate to preserve and take
28 control of and to prevent the dissipation, concealment, or disposition of

1 any Assets;

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

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

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

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

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

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

1 to his business and the discharging of his duties as permanent receiver.

2 **XII.**

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

13 **XIII.**

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

26 **XIV.**

27 IT IS FURTHER ORDERED that no officer, agent, servant, employee, or
28 attorney of defendant TBIS shall take any action or purport to take any action, in the

1 name of or on behalf of defendant TBIS without the written consent of the permanent
2 receiver or order of this Court.

3 **XV.**

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

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

27 **XVI.**

28 IT IS FURTHER ORDERED that defendant TBIS and its subsidiaries,

1 affiliates, officers, agents, servants, employees, and attorneys, shall cooperate with
2 and assist the permanent receiver and shall take no action, directly or indirectly, to
3 hinder, obstruct, or otherwise interfere with the permanent receiver or his attorneys,
4 accountants, employees, or agents, in the conduct of the permanent receiver's duties
5 or to interfere in any manner, directly or indirectly, with the custody, possession,
6 management, or control by the permanent receiver of the funds, assets, collateral,
7 premises, and choses in action described above.

8 **XVII.**

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

23 **XVIII.**

24 IT IS FURTHER ORDERED that no bond shall be required in connection with
25 the appointment of the permanent receiver. Except for an act of gross negligence, the
26 permanent receiver shall not be liable for any loss or damage incurred by any of the
27 defendants, their officers, agents, servants, employees, and attorneys or any other
28 person, by reason of any act performed or omitted to be performed by the permanent

1 receiver in connection with the discharge of his duties and responsibilities.

2 **XIX.**

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

8 **XX.**

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

13
14 IT IS SO ORDERED.

15
16 Dated: 5/30/18



17
18 HONORABLE DALE S. FISCHER
19 UNITED STATES DISTRICT JUDGE
20
21
22
23
24
25
26
27
28