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6 *Attorneys for Josias Dewey, Court-appointed*
7 *Receiver for Receivership Entities*

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

11
12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 TITANIUM BLOCKCHAIN
17 INFRASTRUCTURE SERVICES,
18 INC.; EHI INTERNETWORK AND
19 SYSTEMS MANAGEMENT, INC.
aka EHI-INSM, INC.; and MICHAEL
20 ALAN STOLLERY aka MICHAEL
21 STOLLAIRE,

22 Defendants.

Case No. 18-4315 DSF (JPRx)

**RECEIVER’S NOTICE OF
RETENTION OF HOLLAND &
KNIGHT LLP AS LEGAL COUNSEL;
[PROPOSED] ORDER APPROVING
OF SAME**

1 **NOTICE AND REQUEST FOR ORDER**

2 **RECOGNIZING AND APPROVING OF RETENTION OF LEGAL COUNSEL**

3 Josias Dewey, as Court-appointed Receiver (the “Receiver”) for the estates of
4 Defendant Titanium Blockchain Infrastructure Services, Inc. and its subsidiaries and/or
5 affiliates (collectively the “Receivership Entities”), respectfully notifies the Parties and
6 the Court and requests an order from the Court recognizing and approving of the retention
7 of his firm, Holland & Knight LLP, to serve as the Receiver’s legal counsel in this matter.
8 In support of this Notice and Request For Order, the Receiver states the following:

9 1. On May 22, 2018, the United States Securities and Exchange Commission
10 (“SEC”) filed under seal a complaint against Titanium Blockchain Infrastructure Services,
11 Inc. (“TBIS”), EHI Internetwork and Systems Management, Inc. a/k/a EHI-INSM, Inc.
12 (“EHI”), and Michael Alan Stollery, a/k/a Michael Stoller, a/k/a Michael Stollaire
13 (“Stollaire” with TBIS and EHI collectively the “Defendants”) alleging that: (i)
14 Defendants have engaged in, are engaging in, are about to engage in, and unless restrained
15 and enjoined will continue to engage in in transactions, acts, practices, and courses of
16 business that constitute violations of Section 17(a) of the Securities Act, 15 U.S.C. §
17 77q(a), and Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5
18 thereunder, 17 C.F.R. § 240.10b-5, and (ii) TBIS and Stollaire have engaged in, are
19 engaging in, are about to engage in, and unless restrained and enjoined will continue to
20 engage in transactions, acts, practices, and courses of business that constitute violations
21 of Section 5 of the Securities Act, 15 U.S.C. §§ 77e.

22 2. On May 23, 2018, the Court entered an order temporarily freezing all
23 Receivership Entities’ assets and appointing the Receiver (the “TRO”). D.E. No. 2. The
24 TRO authorized the Receiver, among other things: “to choose, engage, and employ
25 attorneys, accountants, appraisers, and other independent contractors and technical
26 specialists, as the receiver deems advisable or necessary in the performance of duties and
27 responsibilities under the authority granted by this Order, including but not limited to, the
28 law firm in which the receiver is a partner.” TRO at Section XI(F).

1 3. On May 30, 2018, the Court entered a Preliminary Injunction and Order
2 (1) Freezing Assets; (2) Prohibiting the Destruction or Alteration of Documents; (3)
3 Granting Expedited Discovery; (4) Requiring Accountings; and (5) Appointing Mr.
4 Dewey as the Permanent Receiver. D.E. No. 48 (the Preliminary Injunction (“PI”) Order).
5 Like the TRO, the PI authorizes the Receiver, among other things: “to choose, engage,
6 and employ attorneys, accountants, appraisers, and other independent contractors and
7 technical specialists, as the receiver deems advisable or necessary in the performance of
8 duties and responsibilities under the authority granted by this Preliminary Injunction,
9 including but not limited to, the law firm in which the receiver is a partner.” PI at Section
10 XI(F).

11 4. Pursuant to the authority granted to him by the May 23, 2018 TRO and the
12 May 30, 2018 PI Order, and the exigent need to take immediate possession of the
13 Receivership assets, the Receiver has retained Holland & Knight LLP to assist him in
14 carrying out his duties as the Receiver. Specifically, the Receiver anticipates using
15 Holland & Knight LLP to: (i) investigate and locate relevant assets and records; (ii)
16 prepare filings; (iii) handle contested matters before this Court, including any necessary
17 litigation; and (iv) assist as otherwise necessary to efficiently and effectively carry out his
18 duties.

19 5. Holland & Knight LLP has expertise tailored for the issues presented by this
20 case. The firm has experience in addressing legal issues relating to blockchain technology,
21 cryptocurrency, and coin exchanges in the securities context. Among other things, the firm
22 has advised clients on legal issues relating to initial coin offerings and the intersection
23 between virtual currency, digital tokens (specifically ERC-20 tokens), and securities law.
24 The firm also includes individuals who formerly held senior positions in the Department
25 of Justice and the SEC. The Receiver will draw on this institutional knowledge and
26 experience to effectively perform his duties.

27 6. The Receiver will compensate Holland & Knight LLP on an hourly basis,
28 subject to applications presented to the Court and as set forth in the PI Order. As stated to

1 the SEC, during the first thirty (30) days of the Receiver's appointment, all fees and costs
2 of all persons engaged by the Receiver (including Holland & Knight LLP) who are
3 working on the matter, including any outside the firm retained by the Receiver, shall not
4 exceed \$125,000. Thereafter, Holland & Knight LLP shall discount its standard hourly
5 rates by 15%. The Receiver will bill in accordance with the terms of the Order, the Billing
6 Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and
7 Exchange Commission, and such other orders as may be entered.

8 7. Holland & Knight LLP does not represent any other party to this case and,
9 based on the information currently available, does not represent any other person or entity
10 with an interest in this matter. The Receiver is a partner of Holland & Knight LLP.

11 8. Counsel for the Receiver has conferred with counsel for the SEC as to the
12 terms and conditions of retaining Holland & Knight LLP, as set forth in this Notice. The
13 SEC does not oppose the retention of Holland & Knight LLP or this Request For Order.

14 ACCORDINGLY, the Receiver, Josias Dewey, respectfully gives notice to the
15 Parties and to the Court of its retention of Holland & Knight LLP as set forth herein and
16 requests that the Court enter the attached [*Proposed*] Order recognizing and approving of
17 said retention.

18
19 Dated: June 4, 2018

Respectfully submitted,

20 /s/ Kristina S. Azlin

Kristina S. Azlin (SBN 235238)

Vince Farhat (SBN 183794)

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23 *Attorneys for Josias Dewey, Court-appointed*
24 *Receiver for Receivership Entities*
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2 **PROOF OF SERVICE**

3 I am employed in the County of Los Angeles, State of California. I am over the
4 age of 18 and not a party to the within action. My business address is 400 South Hope
5 St., 8th Floor, Los Angeles, California 90071.

6 On June 4, 2018, I served the document described as **RECEIVER’S NOTICE**
7 **OF RETENTION OF HOLLAND & KNIGHT LLP AS LEGAL COUNSEL;**
8 **[PROPOSED] ORDER APPROVING OF SAME** on the interested parties in this
9 action as follows:

10
11 **[X] (BY Electronic Transfer to the CM/ECF System)** In accordance
12 with Federal Rules of Civil Procedure 5(d)(3) and Local Rule 5-4, I
13 uploaded via electronic transfer a true and correct copy scanned into an
14 electronic file in Adobe “pdf” format of the above-listed document(s)
to the U.S. District Court Central District of California’s Electronic
Case Filing (CM/ECF) system on this date.

15 I declare under penalty of perjury under the laws of the United States of America that
16 the above is true and correct.

17
18 Executed on June 4, 2018, Los Angeles, California.

19
20 /s/
21 Kristina S. Azlin (SBN 235238)