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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 KROLL CYBER
SECURITY AS FORENSIC EXPERT
AND INVESTIGATIVE
CONSULTANT; [PROPOSED]
ORDER APPROVING OF SAME**

1 responsibilities under the authority granted by this Order, including but not limited to, the
2 law firm in which the receiver is a partner.” TRO at Section XI(F).

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

13 4. Pursuant to the authority granted to him by the May 23, 2018 TRO and the
14 May 30, 2018 PI Order, and the exigent need to take immediate possession of the
15 Receivership assets, the Receiver has retained Kroll to assist with forensic and
16 investigative tasks attendant to fulfilling his duties as the Receiver. Kroll’s role will
17 include:

- 18 i. Identifying and imaging devices that might contain virtual wallets, keys,
19 PINs, and passwords;
- 20 ii. Securing and isolating devices to avoid data loss or data encryption;
- 21 iii. Locating cloud computing accounts, which might also contain virtual
22 wallets or currencies;
- 23 iv. Interviewing employees with knowledge of the Receivership Entities’
24 financial assets and relevant cryptocurrency architecture; and
- 25 v. All other forensic or investigative tasks pertinent to identifying and
26 securing the Receivership Entities’ assets.

27 5. Technical and cybersecurity expertise are critical to this case. The computer
28 - and internet - based cryptocurrency business operated by the Receivership Entities

1 sought to collect large amounts in digital assets from purported investors. Locating,
2 identifying, and securing these assets, if possible, is likely to require expertise in a variety
3 of novel technical fields. Kroll has a sophisticated team of engineers, analysts, and
4 computer experts around the world who regularly handle a variety of cybersecurity-related
5 matters. In particular, Kroll has prior experience that can be readily applied to the task of
6 securing digital assets, including experience in imaging and analyzing electronic devices
7 and assessing cryptocurrency architecture and assets. The Receiver has a need for experts
8 with this technical know-how to carry out his duties under the PI Order.

9 6. The Receiver will compensate Kroll on an hourly basis, subject to
10 applications presented to the Court and as set forth in the PI Order. The rates indicated
11 below reflect a significant discount from the standard rates charged by the company.

12	Consulting Services	\$375/hour - \$650/hour
13	Travel Time	50% of Consultant/Engineer hourly rate
14	Media Preservation/Replication	\$400/media
15	Media / Data Storage	\$25/media/month

16 7. The Receiver is informed that Kroll has reviewed its conflicts database and
17 has identified no conflicts of interest. The Receiver is further informed and believes that
18 Kroll's impartiality would not be compromised if engaged by the Receiver as set forth in
19 this Notice.

20 8. Counsel for the Receiver has conferred with counsel for the SEC as to the
21 terms and conditions of retaining Kroll. The SEC does not oppose the retention of Kroll
22 or this Request For Order.

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1 ACCORDINGLY, the Receiver, Josias Dewey, respectfully gives notice to the
2 Parties and to the Court of its retention of Kroll as set forth herein and requests that the
3 Court enter the attached [*Proposed*] Order recognizing and approving of said retention.
4

5 Dated: June 4, 2018

Respectfully submitted,

6 /s/ Kristina S. Azlin

7 Kristina S. Azlin (SBN 235238)

8 Vince Farhat (SBN 183794)

9 *Attorneys for Josias Dewey, Court-appointed*
10 *Receiver for Receivership Entities*
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PROOF OF SERVICE

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

On June 4, 2018, I served the document described as **RECEIVER’S NOTICE OF RETENTION OF KROLL CYBER SECURITY AS FORENSIC EXPERT AND INVESTIGATIVE CONSULTANT; [PROPOSED] ORDER APPROVING OF SAME** on the interested parties in this action as follows:

(BY Electronic Transfer to the CM/ECF System) In accordance with Federal Rules of Civil Procedure 5(d)(3) and Local Rule 5-4, I uploaded via electronic transfer a true and correct copy scanned into an 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.

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

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

/s/
Kristina S. Azlin (SBN 235238)