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14 **UNITED STATES DISTRICT COURT**
15 **CENTRAL DISTRICT OF CALIFORNIA**
16 **Western Division**

17
18 **SECURITIES AND EXCHANGE
COMMISSION,**

19 **Plaintiff,**

20 **vs.**

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

25 **Defendants.**
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Case No. CV18-4315-DSF (JPRx)

**JUDGMENT AS TO DEFENDANT
EHI INTERNETWORK AND
SYSTEMS MANAGEMENT, INC.**

**JUDGMENT AS TO DEFENDANT EHI INTERNETWORK
AND SYSTEMS MANAGEMENT, INC.**

The Securities and Exchange Commission having filed a Complaint and Defendant EHI Internetwork and Systems Management, Inc. having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

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

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers,

1 agents, servants, employees, and attorneys; and (b) other persons in active concert or participation
2 with Defendant or with anyone described in (a).

3 II.

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is
5 permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the
6 “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or
7 instruments of transportation or communication in interstate commerce or by use of the mails,
8 directly or indirectly:
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10 (a) to employ any device, scheme, or artifice to defraud;

11 (b) to obtain money or property by means of any untrue statement of a material fact or
12 any omission of a material fact necessary in order to make the statements made, in light of
13 the circumstances under which they were made, not misleading; or
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15 (c) to engage in any transaction, practice, or course of business which operates or
16 would operate as a fraud or deceit upon the purchaser.

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

24 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
25 shall pay disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty pursuant
26 to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act
27 [15 U.S.C. § 78u(d)(3)]. The Court shall determine the amounts of the disgorgement and civil
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1 penalty upon motion of the Commission. Prejudgment interest shall be calculated from November
2 2017, based on the rate of interest used by the Internal Revenue Service for the underpayment of
3 federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the Commission's
4 motion for disgorgement and/or civil penalties, and at any hearing held on such a motion: (a)
5 Defendant will be precluded from arguing that it did not violate the federal securities laws as
6 alleged in the Complaint; (b) Defendant may not challenge the validity of the Consent or this Final
7 Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be
8 accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the
9 motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative
10 testimony, and documentary evidence, without regard to the standards for summary judgment
11 contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the
12 Commission's motion for disgorgement and/or civil penalties, the parties may take discovery,
13 including discovery from appropriate non-parties.
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16 IV.

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is
18 incorporated herein with the same force and effect as if fully set forth herein, and that Defendant
19 shall comply with all of the undertakings and agreements set forth therein.
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21 V.

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain
23 jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.
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25 Date: May 14, 2019



26 Dale S. Fischer
27 United States District Judge
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