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**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. 18-4315 DSF (JPRx)

**TEMPORARY RESTRAINING
ORDER AND ORDERS (1)
FREEZING ASSETS; (2)
PROHIBITING THE DESTRUCTION
OR ALTERATION OF
DOCUMENTS; (3) GRANTING
EXPEDITED DISCOVERY; (4)
REQUIRING ACCOUNTINGS; AND
(5) APPOINTING A TEMPORARY
RECEIVER; AND ORDER TO SHOW
CAUSE RE PRELIMINARY
INJUNCTION AND APPOINTMENT
OF A PERMANENT RECEIVER**

1 This matter came before the Court upon the *Ex Parte* Application of Plaintiff
2 Securities and Exchange Commission (“SEC”) for a Temporary Restraining Order
3 and Orders (1) Freezing Assets; (2) Prohibiting the Destruction or Alteration of
4 Documents; (3) Granting Expedited Discovery; (4) Requiring Accountings; and (5)
5 Appointing a Temporary Receiver; and Order to Show Cause Re Preliminary
6 Injunction and Appointment of a Permanent Receiver (the “TRO Application”).

7 The Court, having considered the SEC’s Complaint, the TRO Application, the
8 supporting Memorandum of Points and Authorities, the supporting declarations and
9 exhibits, and the other evidence and argument presented to the Court, finds that:

- 10 A. This Court has jurisdiction over the parties to, and the subject matter of,
11 this action.
- 12 B. The SEC has made a sufficient and proper showing in support of the
13 relief granted herein, as required by Section 20(b) of the Securities Act
14 of 1933 (“Securities Act”), 15 U.S.C. § 77t(b), and Section 21(d) of the
15 Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78u(d),
16 by evidence establishing a *prima facie* case and reasonable likelihood
17 that defendants Titanium Blockchain Infrastructure Services, Inc.
18 (“TBIS”), EHI Internetwork and Systems Management, Inc. aka EHI-
19 INSM, Inc. (“EHI”), and Michael Stollery, aka Michael Stoller, aka
20 Michael Stollaire (“Stollaire”) (collectively, “Defendants”) have engaged
21 in, are engaging in, are about to engage in, and unless restrained and
22 enjoined will continue to engage in transactions, acts, practices, and
23 courses of business that constitute violations of Section 17(a) of the
24 Securities Act, 15 U.S.C. § 77q(a), and Section 10(b) of the Exchange
25 Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. §
26 240.10b-5, and that TBIS and Stollaire have engaged in, are engaging in,
27 are about to engage in, and unless restrained and enjoined will continue
28 to engage in transactions, acts, practices, and courses of business that

1 constitute violations of Section 5 of the Securities Act, 15 U.S.C. §§ 77e.

2 C. Good cause exists to warrant the appointment of a temporary receiver
3 over defendant TBIS and its subsidiaries and affiliates.

4 D. Good cause exists to believe that, unless restrained and enjoined by order
5 of this Court, Defendants will dissipate, conceal, or transfer assets that
6 could be subject to an order directing disgorgement or the payment of
7 civil money penalties in this action. It is appropriate for the Court to
8 issue this Temporary Restraining Order *ex parte* so that prompt service
9 on appropriate financial institutions can be made, thus preventing the
10 dissipation of assets.

11 E. Good cause exists to believe that an accounting of assets is necessary.

12 F. Good cause exists to believe that, unless restrained and enjoined by order
13 of this Court, Defendants may alter or destroy documents relevant to this
14 action.

15 G. Good cause exists to believe that expedited discovery is necessary.

16 **I.**

17 IT IS HEREBY ORDERED that the SEC's TRO Application is GRANTED.

18 **II.**

19 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that defendants
20 TBIS, EHI, and Stollaire are temporarily restrained and enjoined from violating,
21 directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and
22 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or
23 instrumentality of interstate commerce, or of the mails, or of any facility of any
24 national securities exchange, in connection with the purchase or sale of any security:

25 (a) to employ any device, scheme, or artifice to defraud;

26 (b) to make any untrue statement of a material fact or to omit to state a
27 material fact necessary in order to make the statements made, in the light
28 of the circumstances under which they were made, not misleading; or

- 1 (c) to engage in any act, practice, or course of business which operates or
2 would operate as a fraud or deceit upon any person.

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

9 **III.**

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

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

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

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1 IV.

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

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

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
23 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
24 binds the following who receive actual notice of this Order by personal service or
25 otherwise: (a) defendants TBIS's and Stollaire's officers, agents, servants,
26 employees, and attorneys; and (b) other persons in active concert or participation with
27 defendant TBIS or Stollaire or with anyone described in (a).

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V.

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

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 Order by personal service or otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with any of the Defendants or with anyone described in (a).

VI.

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, an immediate freeze shall be placed on all monies and assets, including all digital assets, digital currencies, virtual currencies, digital tokens, cryptocurrencies, digital wallets, or other tangible, intangible, and digital funds or assets, wherever located (with an allowance for necessary and reasonable living expenses to be granted only upon good cause shown by application to the Court with notice to and an opportunity for the SEC to be heard) in all accounts at any bank, financial institution, brokerage firm, third-payment payment processor, coin exchange, or any other holder or

1 custodian of any digital assets, digital currencies, virtual currencies, digital tokens,
 2 cryptocurrencies, digital wallets, or other tangible, intangible, or digital funds or
 3 assets held in the name of, for the benefit of, or over which account authority is held
 4 by defendants TBIS, EHI, and/or Stollaire, including but not limited to the accounts
 5 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
VENMO	TITANIUM BLOCKCHAIN INFRASTRUCTURE SERVICES INC.	[REDACTED] 4336
WELLS FARGO BANK	MICHAEL STOLLERY AND/OR OXANA	[REDACTED] 0492 [REDACTED] 6636

INSTITUTION	ACCOUNT NAME/OWNER	ACCOUNT NO.
	STOLLERY	<div style="background-color: black; width: 100px; height: 15px; display: inline-block;"></div> 1463 <div style="background-color: black; width: 100px; height: 15px; display: inline-block;"></div> 5399 <div style="background-color: black; width: 100px; height: 15px; display: inline-block;"></div> 5141 <div style="background-color: black; width: 100px; height: 15px; display: inline-block;"></div> 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 temporarily 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.

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 Order by personal service or otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with any of the Defendants or with anyone described in (a).

1 **VIII.**

2 IT IS FURTHER ORDERED that defendants TBIS, EHI, and Stollaire, within
3 five days of the issuance of this Order, shall each prepare and deliver to the SEC a
4 detailed and complete schedule of all of their assets, including all real and personal
5 property exceeding \$5,000 in value, and all bank, securities, and other accounts
6 identified by institution, branch address, and account number, and all digital assets,
7 digital currencies, virtual currencies, digital tokens, cryptocurrencies, digital wallets,
8 or other tangible, intangible, or digital funds or assets, wherever located. The
9 accounting shall include a description of the sources of all such assets. Such
10 accounting shall be filed with the Court and a copy shall be delivered to the SEC to
11 the attention of David J. Van Havermaat, Trial Counsel. After completion of the
12 accounting, each of the Defendants shall produce to the SEC at a time agreeable to
13 the SEC, all books, records and other documents supporting or underlying their
14 accounting.

15 **IX.**

16 IT IS FURTHER ORDERED that any person who receives actual notice of this
17 Order by personal service or otherwise, and who holds, possesses, or controls assets
18 exceeding \$5,000 for the account or benefit of any of the Defendants, including any
19 digital assets, digital currencies, virtual currencies, digital tokens, cryptocurrencies,
20 digital wallets, or other tangible, intangible, or digital assets, wherever located,
21 including any such assets held in any safe deposit box, shall within 5 days of
22 receiving actual notice of this Order provide counsel for the SEC with a written
23 statement identifying all such assets, the value of such assets, or best approximation
24 thereof, and any account numbers or account names in which the assets are held.

25 **X.**

26 IT IS FURTHER ORDERED that the SEC's application for expedited
27 discovery concerning Defendants, their assets and activities, is granted and that,
28 commencing with the time and date of this Order, in lieu of the time periods, notice

1 provisions, and other requirements of Rules 26, 30, 33, 34, 36, and 45 of the Federal
2 Rules of Civil Procedure and the corresponding Local Rules of this Court, discovery
3 shall proceed as follows:

4 (A) Pursuant to Rule 30(a) of the Federal Rules of Civil Procedure, the SEC
5 may take depositions upon oral examination on two days' notice of any such
6 deposition. Depositions may be taken Monday through Saturday. As to the
7 Defendants, and their agents, servants, promoters, employees, brokers, and associates,
8 and any person who transferred money to or received money from any account(s) at
9 any of the bank, financial institution, brokerage firm, third-payment payment
10 processor, or coin exchange identified above, or any other holder or custodian of any
11 digital assets, digital currencies, virtual currencies, digital tokens, or cryptocurrencies
12 identified above, the SEC may depose such witnesses after serving a deposition
13 notice by facsimile, hand or overnight courier upon such individuals, and without
14 serving a subpoena on such witness. Depositions that have not been signed by the
15 witness may be used for purposes of the hearing on the SEC's application for
16 preliminary injunction.

17 (B) Pursuant to Rule 33(a) of the Federal Rules of Civil Procedure, each
18 Defendant shall answer the SEC's interrogatories within three days of service of such
19 interrogatories upon Defendant.

20 (C) Pursuant to Rule 34(b) of the Federal Rules of Civil Procedure, each
21 Defendant shall produce all documents requested by the SEC within three days of
22 service of such request, with production of the documents made to David J. Van
23 Havermaat, U.S. Securities and Exchange Commission, Los Angeles Regional
24 Office, 444 S. Flower St., Suite 900, Los Angeles, California 90071, or such person
25 or place as counsel for the SEC may direct in writing.

26 (D) Pursuant to Rule 36(a) of the Federal Rules of Civil Procedure, each
27 Defendant shall respond to the SEC's requests for admissions within three days of
28 such requests;

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

7 (F) Written discovery propounded and depositions taken pursuant to this
8 section of this Order shall not count against the limitations on the number or duration
9 of written discovery and depositions set forth in the Federal Rules of Civil Procedure;
10 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 temporary
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 Order, including but
6 not limited to, the law firm in which the receiver is a partner;
- 7 G. to make accountings, as soon as practicable, to this Court and the SEC of
8 the assets and financial conditions of defendant TBIS and to file the
9 accountings with the Court and deliver copies thereof to all parties;
- 10 H. to make such payments and disbursements from the Assets taken into
11 custody, control, and possession or thereafter received by him, and to
12 incur, or authorize the making of, such agreements as may be necessary
13 and advisable in discharging his duties as temporary receiver;
- 14 I. to investigate and, where appropriate, to institute, pursue, and prosecute
15 all claims and causes of action of whatever kind and nature that may
16 now or hereafter exist as a result of the activities of present or past
17 employees or agents of defendant TBIS, and its subsidiaries and
18 affiliates;
- 19 J. to institute, compromise, adjust, appear in, intervene in, or become party
20 to such actions or proceedings in state, federal, or foreign courts, that (i)
21 the receiver deems necessary and advisable to preserve or recover any
22 Assets, or (ii) the receiver deems necessary and advisable to carry out
23 the receiver's mandate under this Order; and
- 24 K. to have access to and monitor all mail, electronic mail, SMS, text, or
25 other messaging applications, and video phones of the entities in
26 receivership in order to review such mail, electronic mail, SMS, text, or
27 other messaging applications, and video phones that he deems relates to
28 their business and the discharging of his duties as temporary receiver.

XII.

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

XIII.

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

XIV.

25
26 IT IS FURTHER ORDERED that no officer, agent, servant, employee or
27 attorney of defendant TBIS shall take any action or purport to take any action, in the
28 name of or on behalf of defendant TBIS without the written consent of the temporary

1 receiver or order of this Court.

2 **XV.**

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

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

26 **XVI.**

27 IT IS FURTHER ORDERED that defendant TBIS and its subsidiaries,
28 affiliates, officers, agents, servants, employees, and attorneys, shall cooperate with

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

7 **XVII.**

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

22 **XVIII.**

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

1 **XIX.**

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

7 **XX.**

8 IT IS FURTHER ORDERED that this Temporary Restraining Order shall
9 expire at 6:00 p.m. on June 6, 2018 unless for good cause shown it is extended or the
10 parties against whom it is directed consent that it may be extended for a longer
11 period.

12 **XXI.**

13 IT IS FURTHER ORDERED that at 4:00 p.m. on June 5, 2018, or as soon
14 thereafter as the parties may be heard, the Defendants, and each of them, shall appear
15 before the Honorable Dale S. Fischer, Judge of the United States District Court for
16 the Central District of California, to show cause, if there be any, why a preliminary
17 injunction should not be granted. Any declarations, affidavits, points and authorities,
18 or other submissions in support of, or in opposition to, the issuance of such an Order
19 shall be filed with the Court and delivered to David J. Van Havermaat, U.S.
20 Securities and Exchange Commission, Los Angeles Regional Office, 444 S. Flower
21 St., Suite 900, Los Angeles, California 90071, and served via email, facsimile, or by
22 hand to the offices of the Defendants or their attorneys no later than 9:00 a.m. on May
23 29, 2018. Any reply papers shall be filed with the Court and served via email,
24 facsimile, or by hand to opposing counsel no later than 12:00 p.m. on June 1, 2018.

25 **XXII.**

26 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this
27 action for the purpose of implementing and carrying out the terms of all orders and
28 decrees that may be entered herein and to entertain any suitable application or motion

1 for additional relief within the jurisdiction of this Court.

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3 IT IS SO ORDERED.

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5 Dated: May 23, 2018 at 1:45 p.m.



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7 DALE S. FISCHER
8 UNITED STATES DISTRICT JUDGE

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