C	ise 2:18-cv-04315-DSF-JPR	Document 107-2 #:2044	Filed 04/05/22	Page 1 of 6	Page ID
1 2 3 4 5 6 7 8 9 10 11		FED STATES DE RAL DISTRICT WESTERN I	OF CALIFO		
12	SECURITIES AND EXC	THANGE	Case No. 18-c	ov 1215 DSF	(IDD _v)
13	COMMISSION,	LHANGE			
14	Plaintiff,		DISTRIBUT		PPROVING
15	VS.				
16	TITANIUM BLOCKCH	AIN			
17	INFRASTRUCTURE SE INC.; EHI INTERNETW				
18 19	SYSTEMS MANAGEM aka EHI-INSM, INC.; an	ENT, INC.			
20	ALAN STOLLERY aka				
21	STOLLAIRE, Defendants.				
22	Defendants.				
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PROPOSED ORDER APPROVING DISTRIBUTION PLAN

Before the Court is the Motion of Josias N. Dewey ("Receiver"), as Court-appointed Receiver for the estate of Defendant Titanium Blockchain Infrastructure Services, Inc., and its subsidiaries and/or affiliates, (collectively, the "Receivership Entity") seeking approval of the Distribution Plan: (i) defining a claims calculation methodology based on a net investment *pro rata* distribution; (ii) proposing an Initial Distribution to the Non-Investor Claimants and a Second Distribution to the Investor Claimants; (iii) distributing Receivership Assets in either United States Dollars or the cryptocurrency Ether; and (iv) proposing a third *pro rata* distribution to the Investor Claimants if sufficient assets are available (the "Motion").

The Court having received and read the Motion, being so advised in the matter and finding good cause, and finds that the Motion's proposed *pro rata* distribution methodology will maximize recovery for the investor class and is fair and reasonable given the circumstances of the similarly situated claimants. For good cause appearing therefore,

IT IS ORDERED THAT:

- 1. The Receiver's Motion is **GRANTED** in all respects.
- 2. The Receiver's Distribution Plan substantially in the form attached as Exhibit 1 (the "Distribution Plan") to the Motion is approved and the Receiver is authorized to distribute all assets of the Receivership Entity in the following priority: (a) first, pay all allowed Non-Investor Claims from vendors, service providers, employees of the Receivership Entity; (b) second, reserve funds for administrative expenses, including but not limited to Receiver's fees, professionals' fees, taxes, and expected operating expenses; (c) third, pay BAR and TBAR Investor Claims; and (d) fourth, distribute the Receivership Entity's remaining available assets to Investor Claimants in accordance with the terms of the Distribution Plan.

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- The Receiver's methodology for calculating Non-Investor Claims as the 3. actual amount spent on goods or services provided to the Receivership Entity, minus any collections or payments on that debt, is approved.
- The Court approves the Receiver's methodology for calculating Investor 4. Claims as the principal amount invested in BAR or TBAR minus any subsequent sales of BAR or TBAR, evaluated on a first-in/first-out basis ("Allowed Amount"). It further approves a pro rata distribution for such Allowed Amount—given it is fair and reasonable for this group of similarly situated claimants. The proposed method for distributing Net Remaining Funds and holding funds in one or more Reserve Funds for (i) Disputed Claims, (ii) the Receivership Entity's projected expenses, (iii) Administrative Expenses as defined in the Distribution Plan, and (iv) and any other matters for which, in the Receiver's reasonable judgment, is prudent to reserve is similarly authorized.
- 5. The Court approves the distribution of the Receivership Entity's assets in the form of Ether or United States Dollars ("USD") and grants the Receiver discretion in approving a claimant's Distribution Election, as defined by the Distribution Plan.
- The Court grants the Receiver discretion in setting the Benchmark Date and 6. Conversion Price for the Initial and Second Distributions pursuant to the Distribution Plan. Similarly, the Court grants the Receiver discretion in setting the Initial Distribution Date and Second Distribution Date, subject to the Receiver noticing the Court of its decision.
- 7. The Court authorizes the Receiver to make the Initial and Second Distributions pursuant to the Distribution Plan.
- The Court approves the Distribution Objection Deadline and the Forfeiture 8. Date as it relates to Unclaimed Property pursuant to the Distribution Plan.
- 9. The Receiver is authorized to take all steps necessary or appropriate to complete the administration of the Receivership and its assets in accordance with the relief requested in the Motion.

- 10. The Receiver is authorized to destroy, or otherwise dispose of, all books, records, computer equipment, other computer related-devices, and other items related to the Receivership in the Receiver's discretion and at such time as he deems proper if within thirty (30) days after written notice to the Securities and Exchange Commission, it does not take custody of such records and other items.
- 11. Effective upon the Receiver filing a Closing Declaration in which he attests that he has completed the Final Distribution as specified in the Distribution Plan, filed the final necessary tax returns, and paid the final fees and costs of the Receivership with the exception of ongoing record storage costs, the Receiver and his agents, employees, members, officers, independent contractors, attorneys, representatives, predecessors, successors and assignees are: (i) discharged; (ii) released from all claim and liabilities arising out of and/or pertaining to the Receivership herein; and (iii) relieved of all duties and responsibilities pertaining to the Receivership previously established in this action.
- 12. All persons are enjoined from commencing or prosecuting, without leave of this Court, any action against the Receiver or his agents in connection with or arising out of the Receiver's or his agents' services to this Court in this Receivership. Neither the Receiver nor any agent, employee, member, officer, independent contractor, attorney or representative of the Receiver shall have any liability to any person or entity for any action taken in good faith in connection with carrying out the Receiver's administration of this Receivership Entity.
- 13. The Court shall retain jurisdiction over any and all matters relating to the Receiver and the Receivership Entity, including any matters relating to the distribution of funds received by the Receiver in connection with his obligations as Receiver or otherwise received after the Receivership is closed, and to the extent any dispute arises concerning the Receiver's administration of the Receivership Entity or to the extent any person or entity seeks to pursue or assert any claim or action against the Receiver or any agent, employee, member, officer, independent contractor, attorney, or representative of

1	1 the Receiver, arising out of or related to this Receivership, the Court shall	l retain
2	2 exclusive jurisdiction to hear and resolve any such dispute or claim.	
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7	7 UNITED STATES DISTRICT JUDGE	
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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 S. Hope Street, 8th Floor, Los Angeles, CA 90071. On April 5, 2022, I served the document described as Receiver's [PROPOSED] ORDER APPROVING DISTRIBUTION PLAN on the interested parties in this action as follows: [X] (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 April 5, 2022, Los Angeles, California. /s/Kristina S. Azlin Kristina S. Azlin (SBN 235238)