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15 *Attorneys for Josias Dewey, Court-appointed  
16 Receiver for TBIS*

17 **UNITED STATES DISTRICT COURT**  
18 **CENTRAL DISTRICT OF CALIFORNIA**

19 SECURITIES AND EXCHANGE  
20 COMMISSION,

21 Plaintiff,

22 vs.

23 TITANIUM BLOCKCHAIN  
24 INFRASTRUCTURE SERVICES,  
25 INC.; EHI INTERNETWORK AND  
26 SYSTEMS MANAGEMENT, INC.  
27 aka EHI-INSM, INC.; and MICHAEL  
28 ALAN STOLLERY aka MICHAEL  
STOLLAIRE,

Defendants.

Case No. 18-4315 DSF (JPRx)

*Assigned to Honorable Dale S. Fischer*

**RECEIVER’S MOTION FOR AN  
ORDER APPOINTING A CLAIMS  
ADMINISTRATOR**

Hearing Date: December 14, 2020 \_\_\_\_\_

Time: 1:30 pm

Dept: Courtroom 7D

Judge: Honorable Dale S. Fischer

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE** that on December 14, 2020, at 1:30 p.m., or as soon  
3 thereafter as the matter may be heard before the Honorable Dale S. Fischer, in  
4 Courtroom 7D of the United States District Court, Central District of California,  
5 Western Division, 350 West 1st Street, 6th Floor, Los Angeles, California, 90012,  
6 Holland & Knight LLP (“Counsel” or “H&K”), counsel to Josias N. Dewey, as Court-  
7 appointed Receiver (the “Receiver”) for the estate of Defendant Titanium Blockchain  
8 Infrastructure Services, Inc. (“TBIS”), will and hereby does submit this Motion for  
9 Order Appointing a Claims Administrator (“Motion”).

10 This Motion is submitted pursuant to Paragraph VI of this Court’s Order  
11 Approving Claims Process and Bar Date, entered August 21, 2020 (the “Claims Process  
12 Order”) (Dkt. 96) and Rule 66 of the Federal Rules of Civil Procedure. In so moving,  
13 the Receiver requests this Court’s appointment of a Claims Administrator to implement  
14 the Claims Process approved by the Court in the Claims Process Order.

15 This Motion is based upon this Notice of Motion and Motion, all papers and  
16 records on file herein, and such other matters as may be presented to the Court at or  
17 before the hearing on this Motion.

18  
19 Dated: November 16, 2020.

Respectfully submitted,

20 /s/ Kristina S. Azlin

21 Jose Casal (*pro hac vice*)  
22 Holland & Knight LLP

23 *Attorneys for Josias N. Dewey, Court-appointed*  
24 *Receiver for TBIS*

1           **MOTION FOR ORDER APPOINTING A CLAIMS ADMINISTRATOR**

2           Pursuant to paragraphs VI of this Court’s Order Approving Claims Process and Bar  
3 Date, entered August 21, 2020 (the “Claims Process Order”) (Dkt. 96), Preliminary  
4 Injunction and Orders (1) Freezing Assets; (2) Prohibiting the Destruction or Alteration  
5 of Documents; (3) Granting Expedited Discovery; (4) Requiring Accountings; and (5)  
6 Appointing a Permanent Receiver (Dkt. 48), and Rule 66 of the Federal Rules of Civil  
7 Procedure, Holland & Knight LLP (“Counsel” or “H&K”), counsel to Josias N. Dewey,  
8 as Court-appointed Receiver (the “Receiver”) for the estate of Defendant Titanium  
9 Blockchain Infrastructure Services, Inc. (“TBIS”), hereby submits this Motion for  
10 Approval of Claims Process and Proposed Bar Date.

11 **I.     STATEMENT OF FACTS**

12           **A.     The Action**

13           On May 22, 2018, the Securities and Exchange Commission brought an  
14 emergency action for both securities fraud and the sale of unregistered securities  
15 against TBIS and its subsidiaries and affiliates. (Dkt. 1.) As part of that action, and  
16 with the Defendants’ consent, the United States District Court for the Central District  
17 of California appointed Josias N. Dewey receiver for TBIS. (Dkt. 48; *see also*  
18 Dkt. 47.)

19           As set forth extensively in the papers before the Court, Defendants’ engaged in  
20 a virtual and online fraud involving unregistered securities represented by virtual  
21 ERC-20 tokens that exist on the public Ethereum blockchain network (the “Ethereum  
22 Network”). (Dkt. 1; *see also* Dkt. 94.) The Ethereum Network is the decentralized  
23 transaction ledger on which Ether, one of the world’s most popular cryptocurrencies,  
24 exists. Anyone acquiring an ERC-20 token must have control over an Ethereum  
25 public address, which is somewhat analogous to a bank account inasmuch as it is the  
26 transferee reference for transfers of Ether and ERC-20 tokens.

27           **B.     The Claims Process Order**

28           On July 28, 2020, the Receiver moved the Court for an Order Approving

1 Claims Process and Proposed Bar Date (Dkt. 94) (“Claims Process Motion”). As set  
2 forth therein, most victims of Defendants’ scheme used virtual currencies to purchase  
3 unregistered securities and therefore tracing transactions through blockchain  
4 transactional information could be used to expedite the claims validation process.  
5 (*See id.* at 2:7-18.) Accordingly, the Claims Process Motion set forth, and the Court  
6 approved, a comprehensive plan for notifying potential claimants, receiving claims,  
7 determining validity of claims, objecting to claims determinations, and a claims  
8 window. (*See id.* at 8-14; *see also* Dkt. 96.) The Claims Process Order authorizes the  
9 Receiver to “take all action necessary to effectuate the relief granted pursuant to this  
10 Order”.

11 **C. The Receiver’s Analysis has Determined that a Claims**  
12 **Administrator is Necessary**

13 The Receiver has completed an initial analysis and determined that the  
14 complexity in “unwinding” blockchain transactions, coupled with the sheer volume  
15 of potential claims, makes engaging a professional Claims Administrator the most  
16 expeditious and cost-effective way of carrying-out the Claims Process Order.  
17 (Declaration of Kristina S. Azlin, Esq. in Support of the Motion [“Azlin Decl.”] ¶ 5.)  
18 Furthermore, the unique nature of the claims process requires specialized knowledge  
19 and expertise in claims administration. (*Id.*)

20 Within the past year, the Receiver, acting as a distribution agent, has developed  
21 (in an entirely unrelated matter) a claims process nearly identical to the one at-bar  
22 here, in *Securities and Exchange Commission v. Reginald Middleton, Veritaseum,*  
23 *Inc. and Veritaseum LLC*, 19-cv-04625 (WFK) (RER) (E.D.N.Y.) (“VERI Action”).  
24 (*Id.* ¶ 6.) The Receiver is informed and believes that this Action and the VERI  
25 Action are amongst the only actions in the nation to ever leverage distributed ledger  
26 technology to automate substantial portions of the claims verification process, which,  
27 given the volume of potential claimants in both this Action and the VERI Action  
28 alike, translates into improved methods of authenticity (and therefore decreases the

1 risk of validated fraudulent claims) and substantial reductions in both cost(s) and  
2 verification times. (*Id.*) In connection with the claims process in the VERI Action,  
3 the Receiver considered several vendors for potential claims administrators, two of  
4 whom submitted bids with the assistance of the Securities and Exchange  
5 Commission. (*Id.*) The Receiver considered the two bids, including one submitted  
6 by RCB Fund Services LLC (“RFS”). Based on RFS’s experience with the VERI  
7 Action (and the Receivers satisfaction therewith), the software RFS has developed in  
8 connection with VERI Action (which is applicable here), its competitive proposal in  
9 that matter, including services such as communicating with claimants, maintaining a  
10 database of claimants and contact information, distributing assets to claimants, OFAC  
11 and other compliance checks, and distribution outreach and support services, the  
12 Receiver selected RFS to act as claims administrator. (*Id.*)

13         Given the substantial similarities between the claims processes in this Action  
14 and the VERI Action, and that the two actions are the only two of their kind known,  
15 the Receiver thought it prudent not to expend the Receivership Estate’s assets on a  
16 new nationwide search for a vendor. (*Id.* ¶ 7.) Accordingly, the Receiver solicited a  
17 proposal for services in this Action from RFS. (*Id.*) The proposal includes use of  
18 RFS’s pre-developed tools and pre-trained employees skilled in implementing the  
19 type of claims process set forth in the Claims Process Order, including  
20 communicating with claimants, maintaining a database of claimants and contact  
21 information, distributing assets to claimants, OFAC and other compliance checks,  
22 and distribution outreach and support services, for an estimated 21,000 claimants.  
23 (*Id.*) The cost of retaining RFS to render such services pursuant to the Claims  
24 Process Order is estimated to be \$292,125. (*Id.*)

25         Based on RFS’s strong record of performance in the VERI Action, its  
26 documented performance as fund administrator/distributor in other cases, *see infra*  
27 *Section II*, and the extremely small pool of vendors offering these types of services,  
28 the Receiver believes that RFS is an appropriate Claims Administrator. (*Id.* ¶ 8.)

1 Further, under the existing RFS proposal, the Receiver and his counsel are  
2 responsible for claim review, including determination of loss amounts. (*Id.*) Adding  
3 administration costs if such were performed by the Receiver or Counsel could  
4 significantly negatively impact the value of the Receivership Estate. (*Id.*)

5 Counsel for the Receiver has conferred with counsel for the SEC as to the  
6 terms and conditions of retaining RFS. The SEC does not oppose the retention of  
7 RFS or this Motion. (*Id.* ¶ 9.)

## 8 **II. THE COURT SHOULD APPOINT A CLAIMS ADMINISTRATOR**

9 The Court has taken significant steps in approving a Claims Process through  
10 which victims may seek to be made whole, and appointing RFS as Claims  
11 Administrator to effectuate the nuances of the Claims Process Order is the most  
12 expeditious method to ensure that victims are speedily compensated. RFS is well-  
13 recognized and frequently-appointed to act as administrator in these types of claims  
14 processes. *See, e.g., SEC v. Facebook, Inc.*, No. 3:19-cv-04241-JD (N.D. Cal. Aug.  
15 18, 2020) (appointing RFS as distribution agent and administrator of fair fund); *SEC*  
16 *v. ICP Asset Management, LLC, et al.*, No. 10-cv-4791-LAK-JCF (S.D.N.Y. Aug. 17,  
17 2020) (same); *SEC v. Citigroup Global Markets Inc.*, No. 1:11-cv-07387-JSR  
18 (S.D.N.Y. May 23, 2017) (same).

19 The Receiver has reviewed RFS's proposal for services, which includes  
20 communicating with claimants, maintaining a database of claimants and contact  
21 information, distributing assets to claimants, OFAC and other compliance checks,  
22 and distribution outreach and support services, for an estimated 21,000 claimants, and  
23 is agreeable with RFS's proposal, a copy of which is attached to the concurrently-  
24 filed Azlin Declaration. (Azlin Decl. ¶ 7.) The cost of retaining RFS to render such  
25 services pursuant to the Claims Process Order is estimated to be \$292,125. (*Id.*)  
26 While this is a substantial fee, RFS's expertise in streamlining and handling such  
27 claims process means that RFS's proposal will vastly undercut the cost of Counsel  
28 and the Receiver rendering such services for 21,000 claimants. (*Id.* ¶ 8.) RFS has

1 pre-developed tools and pre-trained employees skilled in implementing the type of  
2 claims process set forth in the Claims Process Order. (*Id.*) As-is, Receiver and  
3 Counsel are responsible for claim review, including determination of loss amounts.  
4 (*Id.*) Adding administration costs if such were performed by the Receiver or Counsel  
5 could significantly negatively impact the value of the Receivership Estate. (*Id.*)

6 Counsel for the Receiver has conferred with counsel for the SEC as to the  
7 terms and conditions of retaining RFS. The SEC does not oppose the retention of  
8 RFS or this Motion. (*Id.* ¶ 9.)

9 **III. CONCLUSION**

10 Accordingly, the Receiver respectfully requests that the Court grant this  
11 Motion in its entirety and appoint RFS as Claims Administrator.

12  
13 Dated: November 16, 2020.

Respectfully submitted,

14 /s/ Kristina S. Azlin

15 Jose Casal (*pro hac vice*)  
16 Holland & Knight LLP  
17 Attorneys for Josias N. Dewey, Court-appointed  
18 Receiver for TBIS  
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1 **PROOF OF SERVICE**

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

5 On November 16, 2020, I served the document described as **RECEIVER’S**  
6 **MOTION FOR AN ORDER APPOINTING A CLAIMS ADMINISTRATOR** on  
7 the interested parties in this action as follows:

8  
9 [X] (**BY Electronic Transfer to the CM/ECF System**) In accordance  
10 with Federal Rules of Civil Procedure 5(d)(3) and Local Rule 5-4, I  
11 uploaded via electronic transfer a true and correct copy scanned into an  
12 electronic file in Adobe “pdf” format of the above-listed document(s)  
13 to the U.S. District Court Central District of California’s Electronic  
Case Filing (CM/ECF) system on this date.

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

16  
17 Executed on November 16, 2020, Los Angeles, California.

18 /s/ Kristina S. Azlin  
19 Kristina S. Azlin (SBN 235238)



1 HOLLAND & KNIGHT LLP  
2 Kristina S. Azlin (SBN 235238)  
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14 Telephone 305.789.7736

15 *Attorneys for Josias Dewey, Court-appointed  
16 Receiver for TBIS*

17 **UNITED STATES DISTRICT COURT**  
18 **CENTRAL DISTRICT OF CALIFORNIA**

19 SECURITIES AND EXCHANGE  
20 COMMISSION,

21 Plaintiff,

22 vs.

23 TITANIUM BLOCKCHAIN  
24 INFRASTRUCTURE SERVICES,  
25 INC.; EHI INTERNETWORK AND  
26 SYSTEMS MANAGEMENT, INC.  
27 aka EHI-INSM, INC.; and MICHAEL  
28 ALAN STOLLERY aka MICHAEL  
STOLLAIRE,

Defendants.

Case No. 18-4315 DSF (JPRx)

**DECLARATION OF KRISTINA S.  
AZLIN IN SUPPORT OF  
RECEIVER'S MOTION FOR AN  
ORDER APPOINTING A CLAIMS  
ADMINISTRATOR**

Hearing Date: December 14, 2020  
Time: 1:30 pm  
Dept: Courtroom 7D  
Judge: Honorable Dale S. Fischer

**DECLARATION OF KRISTINA S. AZLIN**

I, Kristina S. Azlin, say as follows:

1. I am a partner of the law firm of Holland and Knight LLP, counsel for Josias N. Dewey, as Court-appointed Receiver (the “Receiver”) for the estate of Defendant Titanium Blockchain Infrastructure Services, Inc. (“TBIS”), and am duly admitted to practice law before this Court. I make this declaration in support of the Receiver’s Motion for Order Appointing a Claims Administrator (“Motion”). The facts set forth herein are based on my own personal knowledge, except as to those matters testified to on information and belief, and if called upon as a witness, I could and would competently testify thereto.

2. On May 22, 2018, the Securities and Exchange Commission brought an emergency action for both securities fraud and the sale of unregistered securities against TBIS and its subsidiaries and affiliates. (Dkt. 1.) As part of that action, and with the Defendants’ consent, the United States District Court for the Central District of California appointed Josias N. Dewey receiver for TBIS. (Dkt. 48; *see also* Dkt. 47.)

3. As set forth extensively in the papers before the Court, Defendants’ engaged in a virtual and online fraud involving unregistered securities represented by virtual ERC-20 tokens that exist on the public Ethereum blockchain network (the “Ethereum Network”). (Dkt. 1; *see also* Dkt. 94.) The Ethereum Network is the decentralized transaction ledger on which Ether, one of the world’s most popular cryptocurrencies, exists. Anyone acquiring an ERC-20 token must have control over an Ethereum public address, which is somewhat analogous to a bank account inasmuch as it is the transferee reference for transfers of Ether and ERC-20 tokens.

4. On July 28, 2020, the Receiver moved the Court for an Order Approving Claims Process and Proposed Bar Date (Dkt. 94) (“Claims Process Motion”). As set forth therein, most victims of Defendants’ scheme used virtual currencies to purchase unregistered securities and therefore tracing transactions through blockchain transactional information could be used to expedite the claims validation process. (*See*

1 *id.* at 2:7-18.) Accordingly, the Claims Process Motion set forth, and the Court  
2 approved, a comprehensive plan for notifying potential claimants, receiving claims,  
3 determining validity of claims, objecting to claims determinations, and a claims window.  
4 (*See id.* at 8-14; *see also* Dkt. 96.) The Claims Process Order authorizes the Receiver to  
5 “take all action necessary to effectuate the relief granted pursuant to this Order”.

6 5. The Receiver has completed an initial analysis and determined that the  
7 complexity in “unwinding” blockchain transactions, coupled with the sheer volume of  
8 potential claims, makes engaging a professional Claims Administrator the most  
9 expeditious and cost-effective way of carrying-out the Claims Process Order. There are  
10 an estimated 21,000 potential claimants. Furthermore, the unique nature of the claims  
11 process requires specialized knowledge and expertise in claims administration.

12 6. Within the past year, the Receiver, acting as a distribution agent, has  
13 developed (in an entirely unrelated matter) a claims process nearly identical to the  
14 one at-bar here, in *Securities and Exchange Commission v. Reginald Middleton,*  
15 *Veritaseum, Inc. and Veritaseum LLC*, 19-cv-04625 (WFK) (RER) (E.D.N.Y.)  
16 (“VERI Action”). The Receiver is informed and believes that this Action and the  
17 VERI Action are amongst the only actions in the nation to ever leverage distributed  
18 ledger technology to automate substantial portions of the claims verification process,  
19 which, given the volume of potential claimants in both this Action and the VERI  
20 Action alike, translates into improved methods of authenticity (and therefore  
21 decreases the risk of validated fraudulent claims) and substantial reductions in both  
22 cost(s) and verification times. In connection with the claims process in the VERI  
23 Action, the Receiver considered several vendors for potential claims administrators,  
24 two of whom submitted bids with the assistance of the Securities and Exchange  
25 Commission. The Receiver considered the two bids, including one submitted by  
26 RCB Fund Services LLC (“RFS”). Based on RFS’s experience with the VERI  
27 Action (and the Receivers satisfaction therewith), the software RFS has developed in  
28 connection with VERI Action (which is applicable here), its competitive proposal in

1 that matter, including services such as communicating with claimants, maintaining a  
2 database of claimants and contact information, distributing assets to claimants, OFAC  
3 and other compliance checks, and distribution outreach and support services, the  
4 Receiver selected RFS to act as claims administrator.

5 7. Given the substantial similarities between the claims processes in this  
6 Action and the VERI Action, and that the two actions are the only two of their kind  
7 known, the Receiver thought it prudent not to expend the Receivership Estate's assets  
8 on a new nationwide search for a vendor. Accordingly, the Receiver solicited a  
9 proposal for services in this Action from RFS. The proposal includes use of RFS's  
10 pre-developed tools and pre-trained employees skilled in implementing the type of  
11 claims process set forth in the Claims Process Order, including communicating with  
12 claimants, maintaining a database of claimants and contact information, distributing  
13 assets to claimants, OFAC and other compliance checks, and distribution outreach  
14 and support services, for an estimated 21,000 claimants. The cost of retaining RFS to  
15 render such services pursuant to the Claims Process Order is estimated to be  
16 \$292,125. A true and correct copy of RFS's proposal to the Receiver is attached  
17 hereto as **Exhibit "A"** and is incorporated herein as though set forth in full.<sup>1</sup>

18 8. Based on RFS's strong record of performance in the VERI Action, its  
19 documented performance as fund administrator/distributor in other cases, and the  
20 extremely small pool of vendors offering these types of services, the Receiver believes  
21 that RFS is an appropriate Claims Administrator, subject to the Court's approval. RFS's  
22 expertise in streamlining and handling such claims process means that RFS's proposal  
23 will vastly undercut the cost of Counsel and the Receiver rendering such services for  
24 21,000 claimants. RFS has pre-developed tools and pre-trained employees skilled in  
25 implementing the type of claims process set forth in the Claims Process Order. Under  
26

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27 <sup>1</sup> RFS requested that the Receiver file a version of its proposal which redacted the  
28 price for services. The amount is stated in Paragraph 7 of this Declaration and is  
disclosed in the Receiver's Motion.

1 the existing RFS proposal, the Receiver and my office are responsible for claim review,  
2 including determination of loss amounts. Adding administration costs if such were  
3 performed by the Receiver or Counsel could significantly negatively impact the value of  
4 the Receivership Estate.

5 9. Counsel for the Receiver has conferred with counsel for the SEC as to the  
6 terms and conditions of retaining RFS. The SEC does not oppose the retention of RFS  
7 or this Motion.

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

10  
11 Executed this November 16, 2020, at Los Angeles, California.

12 /s/ Kristina S. Azlin

13 Kristina S. Azlin  
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# **Exhibit A**



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August 20, 2020

Josias N. Dewey  
Partner  
Holland & Knight LLP  
701 Brickell Avenue, Suite 3300  
Miami, Florida 33131

Re: Titanium Blockchain Infrastructure Services, Inc.  
Proposal for Administration and Distribution Services

Dear Mr. Dewey:

Set forth below is an outline of services that RCB Fund Services LLC (“RFS”) proposes to provide to assist Holland & Knight LLP (“H&K”) in its capacity as the Court-appointed Receiver for the estate of Titanium Blockchain Infrastructure Services, Inc. (“TBIS”).<sup>1</sup>

**Scope of Services.** As Receiver, H&K is responsible for determining the scope and extent of work it wishes from RFS. RFS estimates that the following services in support of H&K will be relevant to performing the work relating to TBIS.

1. *Investor Communication:* We would assist H&K to design a notice and claims process that will be intended to be both effective and efficient. This would include developing an on-line claim filing program as the primary vehicle for claim submission. This would also include developing a claim filing format for general creditors of TBIS. We would report claim submissions to H&K at whatever preferred intervals are specified.
2. *Database Support:* RFS would work with H&K to develop a custom database to handle the TBIS case. This would include managing claim submissions from four separate classes of potential claimants. RFS would use our in-house programmers to customize a database using our proprietary SmartClaim™ system. We will provide H&K remote access to the database we develop to help facilitate an efficient administration of the case. Specifically, H&K could have access to all claim information, all supporting documentation, and any notice/correspondence to/from the claimants. We use all best efforts to provide a highly secure environment around the database and remote access, and we would work with H&K’s network professionals to mesh our systems with those utilized by H&K.

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<sup>1</sup> SEC v. Titanium Blockchain Infrastructure Services, Inc., et al., 18-CV-4315 (DSF).

3. *Investor Support Services*: RFS maintains outstanding investor support services including an in-house internet services group and our own highly-experienced call specialists who have handled more than a half million calls with fraud victims. RFS can assist H&K in drafting explanatory material, drawing on tens of thousands of questions from claimants in the past to help create effective communications. We would also establish a toll-free help line and mailing and electronic mailing inboxes devoted solely to the TBIS case. Our customer relations staff is highly experienced, with most members of the staff having at least ten years of experience with multiple cases. We use experienced personnel who understand cases and can provide meaningful assistance; we have found that knowledgeable and empathetic customer services personnel produces a high level of good will among claimants. We would develop materials, including scripts, for use by our customer service personnel subject to H&K's approval.
4. *Distribution*: RFS would distribute assets to all eligible claimants in accordance with the process as directed by H&K and approved by the Court. This will include providing an accounting to H&K for all disbursements in the format specified by H&K or the Court. We will maintain real time controls on the status of every check or other form of payment. We perform Positive Pay verification services to ensure that only authorized checks matching entries in the uploaded file will be cleared, and to confirm that the checks have not been altered prior to cashing. In our cases to date, we have delivered well over two million payments to fraud victims without a single known error.
5. *OFAC*: RFS has conducted extensive reviews and audits in each of its cases to insure each distribution is in compliance with all applicable requirements of the Treasury Department's Office of Foreign Asset Control ("OFAC"). OFAC has already added certain digital currency addresses that are associated with blocked persons to the OFAC's List of Specially Designated Nationals, to insure that those digital wallet addresses are identified during an OFAC screening. RFS would use commercially reasonable best efforts to insure that the OFAC screening in this case included all digital currency addresses.
6. *Distribution Outreach*: RFS will work with H&K to coordinate an outreach initiative to claimants to maximize the success of the distribution. At H&K's direction, we would utilize a calling and email campaign to reach out to claimants in this case.
7. *Document Retention*: RFS has provided document retention and secure disposition services for all of its past administrations, and has ample capacity to do so for this case based on directions from H&K.

RFS will provide any additional services requested by H&K as mutually agreed upon by both parties. To the extent the services requested are beyond the scope detailed herein, RFS will provide an estimate of the cost to perform these services and will not begin the performance of those services until approval from H&K.

In arriving at our cost proposal, we have made what we believe are reasonable assumptions based on the information provided and our institutional knowledge of the claim administration and distribution processes. The primary assumptions include that: i) there are 21,000 potential claimants; and ii) the entire claim review, including the determination of loss amounts, will be completed by H&K. We recognize the limited amount of assets available in the TBIS receivership. Therefore, this proposal represents an attempt to be as aggressive as possible



in minimizing the cost. Our proposed baseline fee to provide these services, which includes the completion of the tasks set forth herein in accordance with our normal processes, is [REDACTED]. **However**, this cost is in all respects subject to adjustment for any unanticipated additional costs or expenses depending on direction from H&K.

Please contact me if you have any questions or require any additional information.

Sincerely,

\_\_\_\_\_/s/\_\_\_\_\_  
\_\_\_\_\_

Brendan J. Manfreda  
Managing Director

**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 November 16, 2020, I served the document described as **DECLARATION OF KRISTINA S. AZLIN, ESQ. IN SUPPORT OF RECEIVER’S MOTION FOR AN ORDER APPOINTING A CLAIMS ADMINISTRATOR** 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 November 16, 2020, Los Angeles, California.

/s/ Kristina S. Azlin  
Kristina S. Azlin (SBN 235238)

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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION**

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-cv-4315 DSF (JPRx)

***[PROPOSED]* ORDER GRANTING  
RECEIVER'S MOTION FOR AN  
ORDER APPOINTING A CLAIMS  
ADMINISTRATOR**

1 **[PROPOSED] ORDER GRANTING RECEIVER’S MOTION FOR AN ORDER**  
2 **APPOINTING A CLAIMS ADMINISTRATOR**

3 Before the Court is the Motion of Josias N. Dewey, as Court-appointed Receiver  
4 for the estate of Defendant Titanium Blockchain Infrastructure Services, Inc.  
5 (“Receiver”), for an Order Appointing a Claims Administrator (“Motion”).

6 The Court having received and read the Receiver’s Motion and the Security and  
7 Exchange Commission’s (“SEC”) Non-Opposition, being so advised in the matter and  
8 finding good cause, hereby orders that the Motion is in all respects **GRANTED**.

9 Therefore:

10 1. The Receiver is permitted to engage RCB Fund Services LLC (“RFS”)  
11 as Claims Administrator for purposes of effectuating the Court’s August 21, 2020  
12 Order Approving Claims Process and Bar Date.

13 2. Upon execution of the requisite engagement paperwork between RFS  
14 and the Receiver (or Receiver’s counsel, as the case may be), RFS shall be deemed to  
15 have been appointed by this Court as Claims Administrator for the claims process in  
16 the above-captioned action.

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19 **SO ORDERED.**

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22 \_\_\_\_\_, 2020 \_\_\_\_\_

23 DALE S. FISCHER  
24 UNITED STATES DISTRICT JUDGE  
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1 **PROOF OF SERVICE**

2 I am employed in the County of Los Angeles, State of California. I am over the age  
3 of 18 and not a party to the within action. My business address is 400 S. Hope Street, 8<sup>th</sup>  
4 Floor, Los Angeles, CA 90071.

5 On **November 16, 2020**, I served the document described as [**PROPOSED**]  
6 **ORDER GRANTING RECEIVER’S MOTION FOR AN ORDER APPOINTING**  
7 **A CLAIMS ADMINISTRATOR** on the interested parties in this action as follows:

8  
9  (**BY Electronic Transfer to the CM/ECF System**) In accordance  
10 with Federal Rules of Civil Procedure 5(d)(3) and Local Rule 5-4, I  
11 uploaded via electronic transfer a true and correct copy scanned into an  
12 electronic file in Adobe “pdf” format of the above-listed document(s)  
13 to the U.S. District Court Central District of California’s Electronic  
14 Case Filing (CM/ECF) system on this date.

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

17 Executed on **November 16, 2020**, Los Angeles, California.

18 */s/Kristina S. Azlin*

19 Kristina S. Azlin  
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