

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION,	§	
	§	
Plaintiff,	§	
	§	
v.	§	
	§	
ARISEBANK,	§	Civil Action No.: 3:18-cv-186-M
JARED RICE SR., and	§	
STANLEY FORD,	§	
	§	
Defendants.	§	
	§	

**PRELIMINARY INJUNCTION AS TO DEFENDANTS JARED RICE SR. AND
ARISEBANK**

This matter came before the Court this 9th day of March, 2018 on the unopposed motion of Plaintiff the SEC to enter a Preliminary Injunction against Defendants Jared Rice, Sr. and AriseBank (“Defendants”).

Without admitting the allegations made in the Complaint, Defendants have agreed that this Court has jurisdiction over them and over the subject matter of this action and have agreed to waive a hearing and the entry of findings of fact and conclusions of law.

The Court having considered the SEC’s motion and supporting evidence, the parties’ agreement, and all premises, the motion is **GRANTED**.

IT IS THEREFORE ORDERED:

I.

During the pendency of this case, each Defendant is restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)] by, directly or indirectly, singly or in concert with others:

- i. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell through the use or medium of any written

contract, offering document, prospectus, or otherwise, any security as to which no registration statement was in effect;

- ii. for the purpose of sale or delivery after sale, carrying or causing to be carried through the mails or in interstate commerce, by means or instruments of transportation, securities as to which no registration statement was in effect; and
- iii. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any written contract, offering document, prospectus, or otherwise, securities as to which no registration has been filed.

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) the officers, agents, servants, employees, and attorneys of the Defendants; and (b) other persons in active concert or participation with the Defendants, or with anyone described in (a).

II.

During the pendency of this case, each Defendant is restrained and enjoined from violating Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, by at least negligently obtaining money or property by means of an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

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) the officers, agents, servants, employees, and attorneys of the Defendants; and (b) other persons in

active concert or participation with the Defendants, or with anyone described in (a).

III.

During the pendency of this case, each Defendant is restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(b) thereunder [17 C.F.R. § 240.10b-5(b)] 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, knowingly or recklessly making any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

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) the officers, agents, servants, employees, and attorneys of the Defendants; and (b) other persons in active concert or participation with the Defendants, or with anyone described in (a).

IV.

Except as otherwise specified in previous or subsequent orders issued by the Court, Defendants and persons acting on behalf of a Defendant who receive actual notice of this Order by personal service or otherwise are restrained and enjoined from, directly or indirectly, making any payment or expenditure of funds, incurring any additional liability (including, specifically, by advances on any line of credit and any charges on any credit card), or effecting any sale, gift, hypothecation or other disposition of any asset (tangible or intangible), pending provision of sufficient proof to the Court of sufficient funds or assets to satisfy all claims alleged in the SEC's Complaint, or the posting of a bond or surety sufficient to assure payment of any such claim. Further, any bank, trust company, broker-dealer, financial institution, depository (or other institution, coin exchanges, entity, or individual holding accounts or assets for or on behalf of any of

the Defendants shall make no transactions in assets, securities, investments, funds, digital currencies, virtual currencies, cryptocurrencies, or any other tangible or intangible assets (excepting liquidating necessary as to wasting assets) and no disbursement of assets, securities, investments, funds, digital currencies, virtual currencies, cryptocurrencies, or any other tangible or intangible assets (including extensions of credit, or advances on existing lines of credit), including the honor of any negotiable instrument (including, specifically, any check, draft, or cashier's check) purchased by or for the Defendants, unless otherwise ordered by this Court.

Notwithstanding the foregoing, each Defendant shall be allowed to receive, or have spent on their behalf, certain funds from third parties. These funds must: (1) be given voluntarily by those third parties, without Defendants making or controlling the decision to contribute the funds; and (2) be sourced only from funds that Defendants do not control and never have controlled or from funds earned by Defendants through lawful employment after the date of this order. These funds may be spent on living expenses for Defendants and their dependents, Defendant's legal fees, and court ordered expenses such as child support. Defendants will deposit and maintain any funds received in specifically identified accounts, which are to be used for those purposes only. Those accounts may be maintained by Defendants or by third parties on each Defendant's behalf. Defendants will furnish login credentials to any such accounts to the SEC and, upon the request of the SEC, provide evidence of the sources and uses of funds. Subject to the voluntariness and sourcing restrictions noted above, third parties may pay Defendants' legal fees directly to each Defendant's lawyer without first depositing those funds into a specifically identified account.

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) the officers, agents, servants, employees, and attorneys of the Defendants; and (b) other persons in active concert or participation with the Defendants, or with anyone described in (a).

V.

The SEC may cause a copy of this Order to be served on any bank, trust company, broker-dealer, financial institution, coin exchange, depository (or other) institution, entity, or individual either by United States mail, email, facsimile, or by an alternative provision for service permitted by Rule 4 of the Federal Rules of Civil Procedure, or as this Court may direct by further order, as if such service were personal service, to restrain and enjoin any such bank, company, institution, exchange, entity, or individual from disbursing assets, directly or indirectly, to or on behalf of the Defendants, or any companies or persons or entities under their control.

VI.

The Defendants, and any entities or affiliates under their control, are restrained and enjoined from destroying, removing, mutilating, altering, concealing, secreting, or disposing of, in any manner, any of their books, records, documents, accounts, account passwords, encryption passwords, computer passwords, device PINs and passwords, cryptographic keys, or any instruments, data, and papers relating in any manner to the matters set forth in the SEC's Complaint and the underlying motion and brief, unless otherwise ordered by this Court.

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) the officers, agents, servants, employees, and attorneys of the Defendants; and (b) other persons in active concert or participation with the Defendants, or with anyone described in (a).

VII.

The United States Marshal in any district in which any of the Defendants reside resides, transacts business, or may be found, is hereby authorized and directed to make service of process at the request of the SEC. Furthermore, the SEC is permitted to effect service of all pleadings and other papers, including court orders, by facsimile, overnight courier, email, or mail upon the

Defendants and their agents or their attorneys or by an alternative provision for service permitted by Rule 4 of the Federal Rules of Civil Procedure, or as this Court may direct by further order.

VIII.

Defendant Rice shall surrender his passport to the Clerk of the Court and is barred from traveling outside the United States, until further Order of this Court.

IX.

The Defendants, and their directors, officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with anyone or more of them, and each of them, shall:

- (A) take such steps as are necessary to repatriate to the territory of the United States all funds, assets, securities, investments, digital currencies, virtual currencies, and cryptocurrencies of investors described in the SEC's Complaint in this action which are held by them or are under their direct or indirect control, jointly or singly, and transfer such funds into the Registry of the United States District Court, Northern District of Texas; and
- (B) provide the SEC and the Court a written description of the funds, assets, securities, investments, digital currencies, virtual currencies, and cryptocurrencies so repatriated.

X.

The hearing on the SEC's Motion for a Preliminary Injunction, scheduled to take place at Tuesday, March 13, 2018, at 9:00 a.m. in Courtroom 1570, is **CANCELLED** as to Defendants Rice and AriseBank.

XI.

This order shall remain in effect during the pendency of this case or until further order of the

Court.

Dated: March 9, 2018


BARBARA M. G. LYNN
CHIEF JUDGE

s/ John A. Garland

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