

SEALED

CLERK US DISTRICT COURT
NORTHERN DIST. OF TX
FILED

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

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SECURITIES AND EXCHANGE COMMISSION,	§	
	§	
Plaintiff,	§	
	§	
vs.	§	
	§	
ARISEBANK,	§	Civil Action No. 3:18-cv-0186-M
JARED RICE SR., and	§	
STANLEY FORD,	§	FILED UNDER SEAL
	§	
Defendants.	§	
	§	

RECEIVER’S MOTION TO EMPLOY JONES DAY AS LEGAL COUNSEL

Mark W. Rasmussen, as Court-appointed Receiver for the estates of Defendant AriseBank and its affiliates (collectively “Receivership Entities”), respectfully moves the Court for an order approving the retention of his firm, Jones Day, to serve as the Receiver’s legal counsel in this matter. In support of this Motion, the Receiver states the following:

1. On January 25, 2018, the United States Securities and Exchange Commission (“SEC”) filed a complaint against AriseBank, Jared Rice Sr., and Stanley Ford (“Defendants”) alleging that the Defendants participated in a scheme to defraud investors and violated federal securities laws. In its Complaint, the SEC sought, among other relief, a temporary restraining order, a preliminary injunction, and an asset freeze. The SEC also sought an order appointing a receiver for the Receivership Entities.

2. On January 25, 2018, the Court entered an order freezing all Receivership Assets and appointing Mark Rasmussen as Receiver for the estates of the Receivership Entities (the

“Order”). The Order authorizes the Receiver to, among other things: “engage and employ persons in the Receiver’s discretion to assist the Receiver in carrying out the duties and responsibilities of the Receiver hereunder, including, but not limited to, accountants, attorneys, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, forensic experts, brokers, traders or auctioneers.” Order at 3-4.

3. The Receiver now seeks permission to use Jones Day to assist him in effectively carrying out his duties under the Order. Specifically, the Receiver anticipates using Jones Day to: (1) investigate and locate relevant assets and records; (2) prepare filings; (3) handle contested matters before this Court, including any necessary litigation; and (4) assist as otherwise necessary to efficiently and effectively carry out his duties.

4. Jones Day has expertise tailored for the issues presented by this case. The firm has experience in addressing legal issues relating to blockchain technology, cryptocurrency, and coin exchanges in the securities context. Among other things, the firm has advised clients on legal issues relating to initial coin offerings and helped obtain the first-ever effective SEC registration statement involving a public offering using blockchain technology. The firm also includes individuals who formerly held senior positions in the Department of Justice, the SEC, the CFTC, and the FDIC. The Receiver will draw on this institutional knowledge and experience to effectively perform his duties.

5. The Receiver will compensate Jones Day on an hourly basis, subject to applications presented to the Court and as set forth in the Order. As stated, Jones Day will charge a blended, uniform rate of \$525/hour for all work performed, regardless of the seniority of the attorney involved, the location of the attorney, or the specific subject matter expertise of the attorney. This blended rate represents a significant discount from the standard rates charged by the firm. In

addition, the firm will cap its fees and those of others retained to assist the Receiver at \$125,000 for the first 30 days. The Receiver will bill in accordance with the terms of the Order and such other orders as may be entered.

6. Jones Day does not represent any other party to this case and, based on the information currently available, does not represent any other person or entity with an interest in this matter. The Receiver is a partner of the firm.

ACCORDINGLY, the Receiver, Mark Rasmussen, requests that the Court enter an order permitting him to retain Jones Day as set forth herein.

Dated: January 26, 2018

Respectfully submitted,

/s/ James Cox

James A. Cox

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COUNSEL FOR COURT-APPOINTED
RECEIVER

CERTIFICATE OF CONFERENCE

I hereby certify that I conferred with counsel for the SEC as to the terms and conditions of retaining Jones Day as set forth in this Motion. The SEC does not oppose this Motion.

/s/ James Cox

James A. Cox

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on January 26, 2018, the foregoing document was submitted to the clerk of the Court for the U.S. District Court, Northern District of Texas. An electronic copy was served by email on counsel for the SEC. No other party has answered or otherwise appeared in this case.

/s/ James Cox

James A. Cox

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DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

**ARISEBANK,
JARED RICE SR., and
STANLEY FORD,**

Defendants.

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Civil Action No. 3:18-cv-0186-M

FILED UNDER SEAL

**[PROPOSED] ORDER GRANTING
RECEIVER'S MOTION TO EMPLOY JONES DAY AS LEGAL COUNSEL**

Before the Court is the Receiver's Motion to Employ Jones Day as Legal Counsel. The Motion is **GRANTED**. The Receiver is authorized to retain Jones Day as his counsel in this matter on the terms set forth in the Motion to Employ Counsel and to use members of the firm to assist him as needed to carry out his duties.

SO ORDERED.

January __, 2018.

**CHIEF UNITED STATES DISTRICT JUDGE
BARBARA M. G. LYNN**