

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

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

**RECEIVER’S MOTION TO EXTEND ENGAGEMENT OF
KROLL TO INCLUDE FORENSIC ACCOUNTING SERVICES**

Mark W. Rasmussen, as Court-appointed Receiver for the estates of Defendant AriseBank and its affiliates (collectively, the “Receivership Entities”), respectfully moves the Court for an order approving an extension of the Receiver’s engagement of Kroll to include forensic accounting services in this matter. The Court previously approved the Receiver’s engagement of Kroll as a forensic expert and investigative consultant. In support of this Motion, the Receiver states the following:

1. On January 25, 2018, the United States Securities and Exchange Commission (the “SEC”) filed a complaint against AriseBank, Jared Rice, Sr., and Stanley Ford (the “Defendants”) alleging that the Defendants participated in a scheme to defraud investors and violated federal securities laws (the “Complaint”). Dkt. 2. The SEC sought, among other relief, a temporary restraining order, a preliminary injunction, and an asset freeze. *Id.*; Dkt. 6. The SEC also sought an order appointing a receiver for the Receivership Entities. Dkt. 6.

2. On January 25, 2018, the Court entered an order freezing all Receivership Assets and appointing Mark W. Rasmussen as Receiver for the estates of the Receivership Entities (the “Order”). Dkt. 12. The Order authorizes the Receiver to engage forensic experts and other advisors as needed. Specifically, the Order allows the Receiver to “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.” *Id.* at 3-4 (emphasis added). The Order also grants the Receiver the power and duty to locate and value property interests in “digital currencies, virtual currencies, [and] cryptocurrencies” among other things. *Id.* at 3.

3. On January 26, 2018, the Receiver moved the Court to allow him to employ Kroll as a forensic expert and investigative consultant to identify and image devices that might contain virtual wallets, keys, PINs, and passwords; to secure and isolate devices to avoid data loss or data encryption; to locate cloud computing accounts; and for other forensic or investigative tasks pertinent to identifying and securing Receivership Entities’ assets. Dkt. 13. On the same day, the Court entered an Order granting the motion (the “Kroll Order”). Dkt. 15. Pursuant to the Kroll Order, the Receiver employed Kroll for the purposes specified in the Receiver’s motion.

4. The Receiver now seeks permission to expand Kroll’s duties to include forensic accounting tasks attendant to fulfilling the Receiver’s duties under the Order. Kroll’s expanded duties would include the following tasks:

- a. Providing accounting services to the Receiver and for the Receivership estate as necessary to administer the estates of the Receivership Entities;
- b. Reviewing the Receivership Entities' books and records for potential preferences and fraudulent transfers;
- c. Recovering and analyzing financial data;
- d. Investigating certain financial activities that took place during Defendants' management of the Receivership entities;
- e. Analyzing payments to related parties; and
- f. Investigating related party transactions.

5. The Receiver believes these accounting services are necessary for the proper execution of his duties to identify, secure, collect, liquidate, and distribute the property of the Receivership Entities, all as provided in the Order and as guided by any further orders of this Court. For these additional services, the Receiver proposes that Kroll should be compensated on the same basis as specified in the existing Kroll Order: on an hourly basis, subject to applications to be presented to the Court and at the previously-approved rates indicated below, which represent a significant discount from the standard rates charged by the company.

Consulting and Accounting Services.....	\$375/hour - \$650/hour
Travel Time	50% of Consultant/Engineer hourly rate
Media Preservation/Replication	\$400/media
Media / Data Storage	\$25/media/month

ACCORDINGLY, the Receiver, Mark W. Rasmussen, requests that the Court enter an order permitting him to expand Kroll's current roles as forensic expert and investigative consultant to include forensic accounting services as set forth herein.

Dated: March 12, 2018

Respectfully submitted,

/s/ James A. Cox

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COUNSEL FOR COURT-APPOINTED
RECEIVER

CERTIFICATE OF CONFERENCE

The SEC and Defendant Jared Rice Sr. do not oppose the relief requested.

/s/ James A. Cox

James A. Cox

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on March 12, 2018, the foregoing document was submitted to the clerk of the Court for the U.S. District Court, Northern District of Texas, and served on counsel for all parties through the electronic service system.

/s/ James A. Cox

James A. Cox