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 SIXTH STATUS REPORT FOR
RECEIVERSHIP ESTATE OF ARISEBANK

Pursuant to paragraphs 53-54 of this Court's Order Appointing Receiver in this case (Dkt. 12), which was incorporated in full into the Order Reappointing Receiver (Dkt. 72) (the "Receivership Order"), Mark Rasmussen, the Court-appointed Receiver for AriseBank and its affiliates (the "Receivership Entities"), files this Sixth Status Report:

BACKGROUND

1. On January 25, 2018, the Securities and Exchange Commission filed a complaint against Defendants AriseBank, Jared Rice, Sr., and Stanley Ford, along with an application for the appointment of a receiver for the Receivership Entities. After reviewing the application, the Court concluded that the appointment of a receiver in this action was necessary and appropriate for the purposes of marshaling and preserving all assets, tangible and intangible, that are owned, controlled or possessed by the Receivership Entities.

2. Accordingly, on January 25, 2018, the Court entered the Receivership Order, appointing Mark Rasmussen as Receiver for Defendant AriseBank and its affiliates. That same day, the Court also entered an *ex parte* order granting a temporary restraining order, an asset freeze and other relief, and set a hearing on the SEC's motion for a preliminary injunction (the "TRO").

3. On January 26, 2018, the Court entered orders authorizing the Receiver to employ Jones Day as legal counsel and Kroll Cyber Security as a forensic and investigative consultant. Also on January 26, 2018, Defendants Jared Rice and AriseBank were served with the summons, complaint, TRO, and Receivership Order.

4. On January 26, 2018, Receiver's counsel sent via email a copy of the Receivership Order to an email controlled by Defendant Stanley Ford. On January 31, 2018, the Receiver spoke with Mr. Ford on the phone, and Mr. Ford confirmed that he had received the Receivership Order.

5. On February 5, 2018, the Court granted the unopposed motion filed by the SEC and Defendants AriseBank and Jared Rice for an order extending the TRO until February 22, 2018. On February 16, 2018, the Court granted a second unopposed motion filed by the SEC and AriseBank and Rice for an order extending the TRO until March 13, 2018. On March 9, 2018, the Court granted the SEC's unopposed motion for a preliminary injunction against AriseBank and Rice. On March 19, 2018, the Court granted the SEC's motion to use alternative means to serve Ford. That same day, the Court issued a preliminary injunction against Ford.

6. The Receivership Order required that the Receiver file an initial status report to the Court within 30 days of the Receivership Order. In satisfaction of this requirement, the Receiver submitted the initial status report on February 26, 2018.

7. In addition, the Receivership Order requires that the Receiver file a status report within thirty days after the end of each calendar quarter. In satisfaction of this requirement, the

Receiver submitted the second status report on April 30, 2018, the third status report on July 30, 2018, the fourth status report on October 30, 2018, and the fifth status report on January 30, 2019. The Receiver now submits this sixth status report.

SUMMARY OF RECEIVERSHIP ACTIVITIES

8. During the period covered by this report, the Receiver prepared and filed a motion for approval of a Claims Process (Dkt. 98), which the Court approved in its February 1, 2019 Order Approving Claims Process, Notices Procedures, and Bar Date (the "Claims Order," Dkt. 100). Pursuant to the Claims Order, the Receiver took the following steps:

a. Provided notice of the Claims Process and the Bar Date (May 7, 2019) to known Claimants via email, via regular mail (in the case of invalid email addresses), via the Telegram chat room #ArisenArmy, and via the Receiver's website at https://www.arisebankreceiver.com;

b. Began accepting filed claims through the Court-approved claims process; and

c. Implemented the Claims Determination Process to adjudicate the validity and amount of validated claims.

9. As of the reporting date of March 31, 2019, the Receiver had received, and is currently evaluating, 165 claim submissions.

10. As previously reported, on April 24, 2018, the Receiver has filed a lawsuit in this Court against Messrs. Smith and Matthew to recover assets, *Mark W. Rasmussen, Receiver for AriseBank v. Richard Smith, Jr. and Kurt F. Matthew, Jr.*, No. 18-cv-1034 ("Smith Dkt."). During the reporting period, the Receiver prepared and filed a motion summary judgment. (Smith Dkt. 21) The Defendants filed a response to the motion (Smith Dkt. 26), the Receiver filed a Reply (Smith Dkt. 27), and the motion is presently ripe for decision by the Court. A jury trial is scheduled in the matter for this Court's three-week docket beginning June 24, 2019, at 9:00 a.m.

11. During the reporting period, the Receiver also conducted settlement negotiations with Defendants, but the discussions have been unsuccessful at this time.

12. Additional actions the Receiver and his advisors have taken include, but are not limited to, the following:

a. Maintaining the Receivership website as the primary means of communicating with the contributors to the ICO;

b. Communicating both over the phone and in writing with contributors to the ICO to keep them updated about the status of the Receivership; and

c. Attempting to liquidate certain assets pursuant to the order dated August 1, 2018 [Dkt. No. 83].

ASSETS AND LIABILITIES

13. To date, the Receiver secured the following assets of the Receivership Entities:

Asset	**Estimated Value or Amount**
U.S. Currency	$413,911
Bitcoin	27.96 coins
Doge	196,131.04 coins
Litecoin	271.33 coins
Ether	218.73 coins
Bitshares	2,391,455.51 coins
PIVX	19,413.76 coins
BitUSD	3599.99 coins
Various computers, televisions, and smart phones	$5,000-$10,000

14. As stated in the Receiver's previous reports, the Receiver has taken steps to minimize ongoing Receivership Estate expenses by terminating all known and unnecessary recurring expenses and a commercial lease in Dallas, Texas. The Receiver has not identified any other ordinary course liabilities of the Receivership Entities, apart from any potential claims held by contributors to the AriseBank ICO.

15. With respect to the cryptocurrency held by the Receiver, market valuations have fluctuated significantly since the time of collection and likely will continue to do so. The Receiver anticipates filing a motion to seek authority from the Court in regard to the cryptocurrency holdings once the claims have been submitted and validated pursuant to the proposed claims process.

ADMINISTRATIVE EXPENSES

16. The Receiver has incurred administrative expenses as a result of his efforts to marshal and preserve the assets of the Receivership Entities. For example, the Receiver has incurred fees for legal counsel from Jones Day and for technical consultants from Kroll. The Receiver submitted his first Quarterly Fee Application on May 15, 2018. The Court approved that fee application on September 11, 2018. Pursuant to that order, the Receiver paid Kroll $67,353.60 and Jones Day $147,957.00. The Receiver submitted his second Quarterly Fee Application on August 14, 2018, his third on November 14, 2018, and his fourth on February 15, 2019. The second, third, and fourth Quarterly Fee Applications have not been ruled on. The Receiver has also incurred other fees, including those necessary to access computer servers and wire transfer fees. Receiver's counsel has paid for these expenses and has sought reimbursement as part of the Receiver's Quarterly Fee Applications.

PROPOSED PLAN FOR ADMINISTERING THE RECEIVERSHIP

17. The Receiver recommends that the Court continue to allow the Receiver time to pursue the claims in the Receivership's lawsuit against Smith and Matthew.

18. The Receiver also recommends that the Court continue to allow the Receiver to carry out the Claims Process and Claims Determination Process, and to receive and evaluate filed claims, pursuant to this Court's Claims Order.

19. In accordance with the Receivership Order, the Receiver will submit another status update within thirty days after the end of the second quarter of this year.

Dated: April 30, 2019

Respectfully submitted,

/s/ James Cox

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COUNSEL FOR COURT-APPOINTED RECEIVER

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on April 30, 2019, 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 ECF system.

/s/ James Cox
James A. Cox

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