

Press Release

SEC Obtains Emergency Order Halting Fraudulent Coin Offering Scheme

Charges “Blockchain Evangelist” Behind Alleged Scam

FOR IMMEDIATE RELEASE

2018-94

Washington D.C., May 29, 2018 — The Securities and Exchange Commission today announced it has obtained a court order halting an ongoing fraud involving an initial coin offering (ICO) that raised as much as \$21 million from investors in and outside the U.S. The court also approved an emergency asset freeze and the appointment of a receiver for Titanium Blockchain Infrastructure Services Inc., the firm behind the alleged scheme.

An SEC complaint unsealed today charges that Titanium President Michael Alan Stollery, a/k/a Michael Stollaire, a self-described “blockchain evangelist,” lied about business relationships with the Federal Reserve and dozens of well-known firms, including PayPal, Verizon, Boeing, and The Walt Disney Company. The complaint alleges that Titanium’s website contained fabricated testimonials from corporate customers and that Stollaire publicly – and fraudulently – claimed to have relationships with numerous corporate clients. The complaint alleges that Stollaire promoted the ICO through videos and social media and compared it to investing in “Intel or Google.”

“This ICO was based on a social media marketing blitz that allegedly deceived investors with purely fictional claims of business prospects,” said Robert A. Cohen, Chief of the SEC Enforcement Division’s Cyber Unit. “Having filed multiple cases involving allegedly fraudulent ICOs, we again encourage investors to be especially cautious when considering these as investments.”

The SEC’s Office of Investor Education and Advocacy has issued an [Investor Bulletin](#) on initial coin offerings and a mock ICO website to educate investors. Additional information about ICOs is available on [Investor.gov](#) and [SEC.gov/ICO](#). Investors in the Titanium ICO who believe they may be a victim should contact the SEC through [www.SEC.gov/tcr](#) and reference *SEC v. Titanium Blockchain Infrastructure Services, Inc., et al.*, Civil Action No. 18-4315 (C.D. Cal.).

The SEC’s complaint, filed on May 22 in federal district court in Los Angeles, charges Stollaire and Titanium with violating the antifraud and registration provisions of the federal securities laws. The complaint charges another Stollaire company, EHI Internetwork and Systems Management Inc., with violating the antifraud provisions. The complaint seeks preliminary and permanent injunctions, return of allegedly ill-gotten gains plus interest and penalties, and a bar against Stollaire to prohibit him from participating in offering digital securities in the future. Following the court’s entry of a temporary restraining order against them, Stollaire and his companies consented to the entry of a preliminary injunction and the appointment of a permanent receiver over Titanium.

The SEC's investigation, which is continuing, is being conducted by David S. Brown and supervised by Joseph G. Sansone and Diana K. Tani of the SEC's Market Abuse Unit in coordination with supervision by Mr. Cohen. Assisting the investigation is Morgan Ward Doran of the Cyber Unit and Roberto Grasso of the Los Angeles Regional Office. The litigation is being conducted by David VanHavermaat and supervised by Amy Jane Longo of the Los Angeles Regional Office.

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Related Materials

- [SEC Complaint](#)