

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS**

**SHERMAN DIVISION**

**DATE:** 8/5/13

**MAGISTRATE JUDGE**

**COURT REPORTER: Digital**

**Amos L. Mazzant**

**COURTROOM DEPUTY: Debbie McCord**

SEC	NO. 4:13CV416
VS.	
SHAVERS, ET AL	

ATTORNEY FOR PLAINTIFF	ATTORNEY FOR DEFENDANT
Philip Moustakis, Jessica Magee, Michael Andrews, Intern, Daphne Downs, Investigator	Trendon Shavers, Pro Se

On this day, came the parties by their attorneys and the following proceedings were held in Sherman, TX:

TIME:	MINUTES: MOTION FOR ORDER TO SHOW CAUSE (Dkt. #3)
9:13 am	Court called case, noting appearance of counsel. Mr. Moustakis introduced counsel at Plaintiff table.
	Mr. Shavers is appearing pro se.
9:16 am	The Court addressed parties regarding consent to handling the injunction matters currently before the Court.
9:17 am	Plainiff via Mr. Moustakis consents. Mr. Shavers addresses concern regarding jurisdiction. Court responds to that.
9:19 am	Both parties consent and sign consent form.
9:20 am	Court addressed Mr. Shavers and response which was never filed with the Court, noting it filed as an exhibit to Plaintiff's reply.
9:21 am	Mr. Shavers addressed the Court regarding jurisdiction.
9:22 am	Mr. Moustakis responded for Plaintiff.
9:25 am	Mr. Shavers responds.
9:28 am	Mr. Moustakis replies.

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<b>TIME:</b>	<b>MINUTES: MOTION FOR ORDER TO SHOW CAUSE (Dkt. #3)</b>
9:31 am	The Court finds that this Court does have jurisdiction as far as the matter addressed before the Court today. Court has accepted declaration as part of today's hearings and questions Defendant as to how he is going to offer evidence today.
9:32 am	Mr. Shavers responds.
	Court notes Mr. Shavers can represent himself and he may testify if he so wishes.
	Court advises Defendant he has right not to testify if he may incriminate himself. In this situation, Court notes it is not known if criminal investigation is going on or not.
9:36 am	Mr. Moustakis responds. Mr. Shavers does not wish to testify.
	Mr. Moustakis questions whether Mr. Shavers is invoking his right not to testify.
9:39 am	Court addresses Mr. Shavers - As far as discovery goes, Mr. Shavers advises he does not have any bitcoins, doesn't have money. Mr. Shavers needs more time to get additional information to them. Defendant advises he agrees to not destroy evidence.
	Court questions Defendant regarding his assets.
9:44 am	Mr. Moustakis addresses the Court. At the very least, Plaintiff requests a sworn accounting of Defendant's assets, to include all sources of income and expenditures.
9:50 am	Court addresses Mr. Shavers regarding the formal accounting requested. Court notes five day request by Plaintiff for the accounting.
9:52 am	Mr. Moustakis pointed out the concern that Mr. Shavers now advises he has no bitcoin.
9:53 am	Mr. Shavers responds, explaining the process for buying and selling the bitcoins.
9:57 am	Court addresses Mr. Shavers, advising relief requested seems appropriate.
10:00 am	Court will grant relief regarding formal accounting. If an agreement can't be reached regarding carve out, the Court will then be involved.
10:02 am	Mr. Shavers has questions regarding gifted money for trading bitcoins.
10:03 am	Mr. Moustakis responds, noting SEC requests total freezing, money going into the hands of Defendant is part of frozen assets.
10:05 am	Court explains this to Defendant. Defendant can no longer trade or create bitcoins, this being subject to the freeze.
	Court will order formal accounting within five days.
10:08 am	Mr. Moustakis addresses the Court regarding what SEC takes issue with and does not take issue with.
10:09 am	Court will review order provided by SEC. Order will be issued today.

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10:10 am	Relief entered by Judge Clark will be extended.
10:11 am	Mr. Moustakis addressed the Court regarding Defendant's street address and confirmation of address and email address.
10:11 am	Court asks for Defendant's address. 2305 South Custer, Apt. 1507, McKinney, TX 75070, phone 469-964-7666, email address is <a href="mailto:trendon@buscog.com">trendon@buscog.com</a> .
10:13 am	Mr. Moustakis addresses the bitcoin addresses. As part of accounting, SEC wants complete bitcoin addresses. Mr. Shavers advises he cannot do this and explains why.
10:15 am	Mr. Moustakis responds.
10:18 am	Discussion about bitcoin addresses ensues.
10:18 am	The Court instructs Defendant to account for all transactions based on the information he has.
10:19 am	Parties should confer regarding exactly what is wanted for accounting.
10:20 am	Parties encouraged to work out an agreement.
10:21 am	Court explains filing process to Defendant.
10:22 am	Court is in recess.

**DAVID J. MALAND, CLERK**

BY:           Debbie McCord            
 Courtroom Deputy Clerk