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SOAH DOCKET NO. 312-26-14427

TEXAS STATE SECURITIES BOARD,	) BEFORE THE STATE OFFICE
PETITIONER,	)
V.	) OF
TEXITCOIN, MINETXC, BLOCKCHAIN MINT, AND ROBERT J. GRAY,	)
RESPONDENTS.	) ADMINISTRATIVE HEARINGS

HEARING ON THE MERITS

THURSDAY, AUGUST 20, 2026

BE IT REMEMBERED THAT at 9:02 a.m., on Thursday, the 20th day of August, 2026, the above-entitled matter came on for hearing at the State Office of Administrative Hearings, William P. Clements, Jr. Building, 300 West 15th Street, Austin, Texas, before Katerina DeAngelo, Administrative Law Judge, and the following proceedings were reported by Tabitha Morrow, Certified Shorthand Reporter in and for the State of Texas, Registered Professional Reporter, reported by computerized stenotype machine.

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P R O C E E D I N G S

THURSDAY, AUGUST 20, 2026

(9:02 a.m.)

JUDGE DEANGELO: Good morning. You're still under oath. Let's go on the record. And I believe -- where did we stop yesterday? Were you done?

MR. ROSSMILLER: We have a little bit more today.

JUDGE DEANGELO: Go ahead. Let me just announce for the record that it's day four of the Hearing on the Merits. SOAH Docket No. 312-26-14427 and it's August 20th, 2026.

Okay, Mr. Rossmiller. Go ahead.

MR. ROSSMILLER: Thank you, Your Honor.

PRESENTATION ON BEHALF OF RESPONDENTS (CONTINUED)

STEVE WALSH,

having been previously sworn, testified as follows:

DIRECT EXAMINATION (Continued)

BY MR. ROSSMILLER:

Q. Good morning, Mr. Walsh.

A. Good morning.

Q. Mr. Walsh, yesterday when the day came to a close we were talking about the TEXITcoin community and the efforts of the community to try to achieve some of the goals of the TEXITcoin project, and I want to ask

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you just a couple more questions about that community. Well, let me just ask you as a general matter, the community of people involved in the TEXITcoin project, what was that community like or what is that community like?

A. I think it would just be a natural representation of the public at large. I don't -- I don't think there's a specific class or anything. It just represents all the miners that have purchased mining packages and joined the community to be part of the program.

Q. And is there a sense of community? In other words, are there discussions, are there meet-ups, are there events?

A. Absolutely.

Q. Okay. Can you just generally describe some of those?

A. We have -- well, I mean, the meet-ups obviously are weekly calls. We've talked about that. There's lots of Zoom calls, there's lots of training made available. We've had -- we've had several of the folks who work in Teams will do meet-ups at local restaurants or a coin show or a gun show or something like that and do presentations to the public. We've had a couple of events, you know, a party, a Halloween party or we've

done a couple events where we've traveled due to maybe a contest reward of some sort. There was Hawaii trip, there was a Las Vegas trip, there was a Thailand trip.

Q. Did Bobby encourage these aspects of the TEXITcoin community?

A. Absolutely.

Q. In your experience personally, did people and do people value the community aspects of the TEXITcoin project?

A. Well, I'll definitely say that I think people value that tremendously. I know I can speak for myself. I think that's one of the strongest parts of our project, is that we have a strong community that rallies around the project and we're looking for equal success.

Q. You talked yesterday about the importance of widespread use and adoption of the TXC token in trying to achieve the goals of the project. Did and do miners help spread the word about the TEXITcoin and the TXC token?

A. Absolutely. It would be necessary. Our project itself can only do so much. I mean, we're actually very fortunate that, you know, our internal leadership team, Bobby Gray himself has come up with some avenues for utility that can help grow our coin. But I think I mentioned yesterday, and I'm a strong

believer that the growth is actually going to come from, you know, either our community at large or people even outside our community coming in and developing on the coin. So we're definitely as a community trying to spread that word and share that, that, you know, we're a strong, reliable network and that you can build on us. Please come, please join.

Q. What's your view about how that would or could ultimately affect the value of the TXC token itself?

A. What's my view on that?

Q. Why is that important for the value of the TXC token?

A. I understand. What that does is, that would bring usage and, I mean, basic supply and demand in the public market. The more the coin is being used, the more it's traded; the more it's traded, the better chance we have of the project being more valuable in the future.

JUDGE DEANGELO: Mr. Rossmiller, hold on. Mr. Walsh, can you please turn on the camera?

THE WITNESS: I tried to do that, Your Honor.

JUDGE DEANGELO: It's not a touch screen. Hold on. It's not a touch screen.

THE WITNESS: I did attempt to do that earlier because I remembered your instructions yesterday. There you go. I'm thinking it's a touch screen.

JUDGE DEANGELO: It is not.

THE WITNESS: Believe it or not, technology wasn't my strongest suit.

JUDGE DEANGELO: Go ahead.

MR. ROSSMILLER: Thank you, Your Honor.

Q. (BY MR. ROSSMILLER) Mr. Walsh, I want to ask you a few questions about your current role with the TEXITcoin project.

A. Yes.

Q. Earlier I think you mentioned that you're currently working on the TXC mining operation; is that right?

A. Yes.

Q. How did that come about?

A. As I remember, some time in early to mid October the mining team that was on task was struggling getting things accomplished and Bobby kind of appealed to a group of us. We were on a zoom call, as I remember; I'm not quite sure when that was. But he was talking just in general and said something in reference to struggling with getting the mine completed and kind

of getting it running and trying to solve some solutions. And I have a little bit of construction management in my background from, you know, working in that type of a field for a lot of years. Not directly, but kind of just in an associated way. And I just raised my hand and told him I could be in Texas really quick and I would do an assessment for him.

I showed up in Texas the next morning, drove down, I toured -- at that time we had three mine sites. At that time we were trying to build out the third one. I made some quick general assessments and met Bobby back in McKinney and when he asked me what I thought could fix it, I said me. I said I'd volunteer and jump in and get it done for him.

Q. Mr. Walsh, just to orient, I think you said that this happened October. Did you mean this past October of 2025?

A. October of 2025, yes, sir.

Q. And when Bobby would talk about issues or problems in connection with the mines, would he talk about that to a small secret group of people or was that something that he talked about openly on calls with anybody who was listening?

A. Openly on calls all the time.

Q. And again, at a high level, what do you do in

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connection with the mining sites logistically?
A. Well, I mean, I think the basic is I plan, coordinate and just execute the installation. One day, I have a phone where I'm coordinating the deliveries and getting the mines to and from the port to the project. The next day, I'm wearing a hard hat, you know, coordinating a crane truck, dropping the containers on site, and the next day I might have a shovel in my hand putting the dang things together. So, I'm kind of a -- I'm just kind of a fill-in. I'll do it all, and that's how it's been.
Q. And is that in connection with home miners or the larger mines for the larger project?
A. Well, my primary role is installing the physical -- the physical mines, the large scale mines, the containers and even some of the micromines that we do have that are inside, you know, a warehouse of some sort. My involvement with home miners is, they're installed at the home, so I don't go to everybody's house and install them, but I play at least somewhat of a small role of helping get people on the list to get them and communicating some of the setup guide. I've helped put together the setup guide for those and things of that nature so that people, when they're shipped a home miner, they have a good chance of getting it

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installed and hooked up to the network.
Q. So separate from the home mining facilities, how many mining facilities are there?
A. Currently we have four.
Q. Okay. Mr. Walsh, what would you say to someone who believed that this was not a real program, that TXC wasn't really being created? What would be your response to that?
A. Well, I've been involved since late 2024. Like I said, I've been involved in -- I've emersed myself in it and been involved in as many of the phone calls, as many of the projects as I can. Fast forward to today, like I said, I'm one of the guys that's actually physically installing the mining equipment and, you know, plugging it in and making the power come on and it's as real as it possibly could be, every aspect that I see.
Q. Is there security at the mining sites?
A. Yes. We have -- we have security cameras and then also one of my tasks is we put up a security fence around the outside.
Q. Are there things like locks and alarms on the sites?
A. Yes.
Q. Why?

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A. Well, I mean, it's very expensive equipment that we've got out there and, you know, locks are only as good as the next crowbar, you know, or something like that, and we don't want to risk anything getting either, you know, messed with or sabotaged or anything like that. You know, like a lot of big electrical equipment.
I mean, there's a big red button on the outside of the container that says "Emergency Shutoff" and I'm very protective of that button. I would hate for somebody to just walk by and say, "Hey, what would happen if we pushed this?" That would be bad for us and we'd obviously have to go out and do resets and all those things. So we put up a perimeter fence, we put a lock, we put barbed wire, we do the important things to make sure the facilities are protected.
Q. If you recall, was security of the mining locations talked about on the weekly calls?
A. I don't know that security specific outside of -- outside of -- I know, like, our Conroe facility is -- it's kind of a badge entry system. There's a security gate and everything to get in and out. It's not for public use where you can just kind of walk on and walk in. So, I know that's been talked about on the calls, you know, so that we don't have somebody just arbitrarily show up and say, "Hey, I'm from TEXITcoin.

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I want to go look around." We don't have the ability to do that on that facility like we would maybe with others.
Q. Well, speaking of people showing up, are there ever tours of facilities? Do miners ever tour facilities?
A. Yeah. We had one of our leaders in Mansfield, Texas, I believe it was Wednesday nights, did a meeting every Wednesday night and presented TEXITcoin. And then after the show, he would take anybody and everybody that wanted to go a couple miles around the corner to our Mansfield property and tour the mine, and you can stick your finger in the oil and take pictures. We have a lot of pictures with our community, you know, hovering around the mine and taking a look. And a few times I attended so that I could talk about the mine with him and share that, share that information with the community.
MR. ROSSMILLER: So on the subject of photos, I'd like to show you just a few. And just for efficiency, we'll offer Respondent's Exhibits 5, 8, 9 and 11.
(Respondent's Exhibit Nos. 5, 8, 9 and 11 offered)
MR. HEINTZ: No objection.

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JUDGE DEANGELO: Okay. So Respondent's Exhibits 5, 8, 9 and 11 are admitted.

(Respondent's Exhibit Nos. 5, 8, 9 and 11 admitted)

MR. ROSSMILLER: If we could bring up Respondent's Exhibit 9.

Q. (BY MR. ROSSMILLER) And, Mr. Walsh, if you could tell us what we're looking at with these photos as we go through them. So what are we looking at here?

A. Right now you're looking at our Conroe facility. We delivered those two mines. They still have the side wall panels from the shipping on the sea, those silver side panels. So those just landed on the ground probably within the previous week, and that's in Conroe, Texas. That's a stage, I'm hanging off the side of a ladder taking those silver panels off and prepping the container for install.

Q. And what does that involve? What does the install involve?

A. Well, I mean, aside from the basics of obviously opening up the container and taking all of the protective gear off the outside, when you open up the inside there's a top railing system and, of course, it's been -- it's been prepped for ocean shipping, so it's got, you know, straps and bubble wrap. We've got to get

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all that out. The perimeter railing goes around the top. I'm assuming we're going to look at a few more pictures of the mine.

Q. Let me bring those up.

A. There's some hoses and network cables. Light, electrical we do in-house. When I say light, it's really plug in place kind of things. The biggest thing I supervise is an electrician to come to the site and do the large scale power connections.

Q. The transformers?

A. Yeah. That's thousands of volts, thousands of amps.

Q. I'm sorry.

A. That's on me.

Q. Let's pull up, if we can, Respondent's Exhibit 8, please. We can zoom in a little bit, please, in that lower half.

So what are we looking at here?

A. That's the interior of one of our container units. I can't tell you where that one's located because they're all the same. But that is the interior of one of our BC40 Elite FogHashing containers.

And what you see on the right and left on the lower portion are the tanks that, they hold the fluid. And then the mining units, the basic mining

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machines are dropped down into that fluid and then the silver stainless steel tubing that you see coming up from each of those tanks, the red is pumping out the hot fluid and sending it up through those radiators that are on the roof and the blue is the cooled fluid pumping back into the unit and circulating over the ASIC machines.

Q. We can take that down and pull up Respondent's Exhibit 11, please. If we could zoom in a little bit on that, too, please.

A. This is one of our micro mines in Mansfield. This is an early installation of the first mine we installed in Mansfield and then we've since upgraded that facility. But on this picture that we're looking at, this is a B24 unit that has 24 ASICs. Same principle as the previous, just on a lot smaller scale. The container holds 200 ASIC machines; this one holds 24.

Q. Okay. And if we can take that down, please, and pull up Respondent's Exhibit 5. This is a video, so I'll just ask to start it. We'll pause it a couple times. So if we could play that.

(Respondent's Exhibit No. 5 played)

Q. (BY MR. ROSSMILLER) Please pause it.

Where are we and what are we looking at so

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far, please?

A. So, this is the first photo that you showed me and I told you it was Conroe just after we had set the containers in place. This is actually the same two -- we're going to look at the same two containers that we had previously saw in that picture, but now they're hooked up and running. This is -- this is a short video that I took. I'm the author of this video and it's a short video I took showing, you know, number one, that we're up and running, and you'll be able to see the fluid moving around and see both containers.

Q. Let's play a little bit more to be able to see that, please.

(Respondent's Exhibit No. 5 played)

Q. (BY MR. ROSSMILLER) Will you pause here, please.

What are we looking at here?

A. Well, as mentioned earlier, these are the tubs, those tubs, and I still have the lids on, so you're looking through some Plexiglass. But essentially what you see inside those tubs, they're filled with dielectric fluid and immersed in there, each of those tubs hold 20 L9 ASIC machines. And, of course, you see all the plugs and wires and network connection cables and there are 10 of those what we call tubs containing

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20 machines. There are 10 of them inside each container.
Q. The dielectric fluid, is that nonconductive?
A. Yes, sir.
Q. Is that so everything doesn't explode?
A. Yeah. So, I mean, you know, you can't put something that's plugged into the wall into your bathtub; that would be a bad result. But with dielectric fluid, us guys on the mining team we're elbows deep all the time while they're plugged in, while they're operating.
Q. And what's the purpose of the fluid?
A. Cooling.
Q. Why is that necessary?
A. Well, the machines perform significantly better at cool temperatures and these are high powered, high paced, high speed, I guess I should say, super computers and the secret to getting the best performance is keeping them cool.
Q. And you had mentioned the different colored pipes. Is it right that once the fluid gets heated up from the heat of the machines, at some point, the hotter fluid goes out and the cooler fluid comes?
A. So, yeah. Essentially how that works is the hotter fluid rises to the top. So there's an outlet

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near the top and we pull that out with the red fluid, it goes up to the cooling towers above, circulates through all those radiators that have fans and are air cooled, and then it's pumped back down through the blue tube which goes all the way down and comes up underneath the unit. And the cool fluid is circulated in the ASICs that are in the middle, and it's a continuous cycle.
MR. ROSSMILLER: Can we keep playing the video, please.
(Respondent's Exhibit No. 5 played)
Q. (BY MR. ROSSMILLER) Mr. Walsh, why did you take this video?
A. Timing-wise we had just, you know, kind of flipped the switch on the units. You know, it takes a little while to go through the process, hook up the electrical, make all the connections, put the miners actually in the fluid, make sure they're all running and hashing. And that was just kind of a quiet celebration. When I was there on the site myself I took a video to share with my team.
Q. In your view, is this work and what we see in the photos and video consistent with Bobby's public statements about building public mining capacity for TEXITcoin?
A. Absolutely. I mean, from what you're seeing

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here in the picture from what we started with there's been an absolute ton of work that's gone into it; not just by me, but by several others.
Q. Sitting here today, do you have any regrets about purchasing mining packages and getting involved with the TEXITcoin project and the community?
A. Absolutely none.
Q. Do you believe that Bobby lied to you or misled you about anything?
A. No.
Q. From all the things that you've heard Bobby say on the, I take it, hundreds of calls that you have been on and discussions, trips, gatherings, do you believe that Bobby lied to or deceived any of the other people in the community?
A. No.
Q. Sitting here today what does the TEXITcoin program mean to you?
A. Well, it's something pretty special. Like I say, I embraced it in 2024 as a -- as a -- essentially a first-time opportunity in the crypto world in any kind of larger scale and I feel very fortunate that I picked a good project and I've kind of immersed myself in it now. It's become a -- it's become kind of a passion and I do it seven days a week. If I'm on vacation or I'm at

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home, I have generally got my phone and I'm answering questions or trying to help folks. So, it's just become -- it's become my hobby, my -- my -- my path. I like supporting the program. I do everything I can to help. I raise my hand more times than I probably should and I don't regret that at all. So I've done a lot of things for TEXITcoin and they've done a lot of things for me, so I'm on the team and looking for things to hopefully some day be a powerful top 100 crypto.
MR. ROSSMILLER: Thank you, Mr. Walsh. Your Honor, we pass the witness.
JUDGE DEANGELO: Mr. Heintz.

CROSS-EXAMINATION

BY MR. HEINTZ:
Q. Okay. Mr. Walsh, so you've been involved at the physical mining sites since fall of 2025?
A. Yes, sir.
Q. And so during that time you've communicated with Mr. Gray about the status of those sites?
A. Yes, sir.
Q. And you've provided Mr. Gray with updates from the mining sites?
A. Yes.
Q. Have you been to all mining sites?
A. Yes.

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Q. And those are located where?
A. Our original site is in McKinney, Texas. Our second site was installed in Mansfield, Texas, third, in Victoria, Texas, and then most recently our fourth site was -- actually, I can say we have two installations. We installed two containers in Conroe in November of 2025, and then I came back in May and June and finished in July four more containers in Conroe. So now we have a total of six.
Q. Has the Victoria site ever been operational?
A. Maybe for ten minutes.
Q. And that's because of a transformer issue and other things?
A. The team previous to me selected, unfortunately selected the wrong transformer, and that is the most important, you know -- that's the brains of the power of the operation and that's led the staff to buy a second one and we're getting ready to do the swap-out. It's finally -- it's finally been received, so we're getting really close.
Q. All right. So let's talk about what you do. So you monitor installation work and do installation work, correct, at the mining sites?
A. Yes.
Q. And you said, you mentioned -- and I don't want

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to mischaracterize what you said -- but you mentioned you provide a little help to the home miners. Could you describe that, what you do with that?
A. Well, I help work with a couple of folks that helped me put together the installation guides, the installation, the how-to's. We publish a little brochure in our knowledge base, our help desk, so that once the community member receives their mine they have kind of the step-by-step guide to --
Q. So what do they have to do? You don't have to go line by line of that guide but --
A. Essentially they have to download -- download the pool information, connect via their network cable their Internet, you know, plug in the basics, run some, feed in some information, connect the wallet -- obviously you've got to have a wallet to get some mining rewards from it -- and then just monitor it at home.
Q. So, in contrast, at the mining facility you testified that you are overseeing delivery, overseeing the use of a crane and then next you have a hard hat, hammer, putting it together. So that sounds like it's a little more work to set up these mining facilities, is that correct? A lot more work, correct?
A. A lot more work. Yeah, I'd like to think that.
Q. Okay. You also have mentioned, you mentioned

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something about utility. So utility, switching over to TEXITcoin itself, the actual token, utility helps with the value of TXC, correct?
A. Well, utility is essentially kind of defined by the word itself. Utility is the use of the coin and that's important for any project that wants to grow in value and have acceptance.
Q. And you testified that Bobby Gray came up with ideas for utility, some ideas for utility?
A. Yeah, yeah. So we're very fortunate. He is -- not all programs the founder comes up with the project and comes up with the utility, so we're pretty fortunate that he's come up with a few of those options and his team is, you know, working on those and he's developing those. And then that's like I mentioned, we're waiting for the utility -- the community to jump on and help us, as well.
Q. So talking about ordinary purchasers, people that aren't paid or volunteers, you know, they can't just walk onto the mine and operate their portion of -- operate a machine or a portion of a machine, correct?
A. I don't -- I don't know what you're defining as their portion.
Q. Let's not say a portion. They can't just walk onto the mine site, correct?

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A. Yeah, we'd have to let them in. Like we mentioned, there's security and locks and alarm codes and things like that. So as long as you have a staff member or someone who has access to those, we can bring you in.
Q. Then the ordinary purchaser, they couldn't turn their 100 megahash on or off as they wish, correct?
A. No.
Q. And they couldn't decide which physical machine of those 200 machines that are in the container, which is supplying their 100 megahash, correct?
A. No.
Q. And they couldn't choose where that machine is located. They couldn't say I'm in Conroe; I'd like my machine that's using my megahash to be in Conroe so I can drive by it every once in a while. They couldn't choose the location, correct?
A. No.
Q. And they couldn't decide when it would operate, correct? They couldn't say." I want this done next week", and have it up and going, correct?
A. No.
Q. And those were operational decisions made by Mr. Gray and the mining team and people surrounding the mining team, correct?

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MR. ROSSMILLER: Objection as to those decisions.

JUDGE DEANGELO: Sustained.

Q. (BY MR. HEINTZ) Location, when they would be up and running, those decisions, who's doing the installation, who's doing the -- where they're buying them from, those decisions are made by Mr. Gray and the mining team, correct?

A. Yes.

Q. So after the purchasing of a mining package, an ordinary purchaser depended upon your team to actually create and maintain the hash power associated with that packaging?

A. For the installation of the physical mines, yes.

Q. And the maintaining of those physical locations, correct?

A. We also maintain them.

Q. All right. You said earlier that you and the mining teams are up to your elbows in the dielectric oil all the time. Why are you having to reach into the oil all the time?

A. Well, I was referring to when we're on site doing the installs.

Q. Okay.

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A. When we're setting the machines in place and plugging them in and those kind of things. On a day-to-day basis we don't need our hands in the fluid at all.

Q. So, the L9 miners that are immersion cooled, they're submerged in the dielectric cooling fluid, correct?

A. Yes.

Q. So keeping an immersion cooled mining system operating requires more than simply placing an L9 in the cooling fluid, right?

A. Well, there's other equipment involved and, of course, we have a monitoring system.

Q. But what I'm saying is, you can't just set an L9 in immersion cooling fuel -- oil, walk out of there and leave it for 136 years and it's just going to operate, correct?

A. Probably not.

Q. The system uses pumps to circulate the cooling fluid; is that correct?

A. Yes.

Q. It uses heat exchangers or dry coolers to remove heat from that fluid; is that correct?

A. Yes.

Q. So it also requires plumbing, hoses, fittings,

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valves, and similar connections to circulate the fluid, correct?

A. Yes.

Q. And the fluid system uses filtration to remove particles or contaminants, correct?

A. Yes.

Q. And those filters have to be inspected and, when necessary, cleaned or replaced, correct?

A. Yes.

Q. Fluid levels have to be monitored and fluid may have to be replenished, correct?

A. Yes.

Q. How often is the fluid tested? Does it have to be tested?

A. I'm not aware of us testing any fluid. You mentioned the level. We monitor the level, but there's no -- there's no test on the fluid that I'm aware of that we do.

Q. And any leaks in the immersion cooling system have to be identified and repaired, correct?

A. Yes.

Q. And the condition of the dielectric fluid has to be monitored and when appropriate monitored or inspected? I think I asked you that.

A. I think that's the same question you asked me

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before.

Q. It's testing the level of it.

A. Yeah, we monitor the level in case there is a leak or something like that. That would be the first sign of a leak, but we don't test the quality of the fluid. Visually if it's dirty or something like that, dust got in or something like that, we have -- we have pumps that we would circulate that out and change it. We don't want to risk any damage to anything else in the system.

Q. So immersion cooling helps with just kind of controlling the temperature of these machines and helping them function better, correct?

A. Yes.

Q. Immersion cooling does not eliminate maintenance of the mining operation, correct?

A. Correct.

Q. In fact, it adds pumps, heat rejection equipment, plumbing, filtration, and cooling fluid that would have to remain functional for the mines to operate properly, correct?

A. Yeah, but it extends the life of the equipment, as well, the miners themselves. I think that's an important tradeoff.

Q. Some monitoring and controls can be automated,

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correct?
A. Yes.
Q. But automation cannot physically remove a failed L9 from an immersion tank, can it?
A. No.
Q. And automation cannot physically replace a failed hash board, can it?
A. It cannot.
Q. It cannot physically replace a failed power supply or other failed component of the operation, can it?
A. Correct.
Q. It cannot physically repair a leaking hose, fitting valve, or seal, correct?
A. Correct.
Q. And it cannot physically replace a failed circulation pump, correct?
A. Correct.
Q. So when that kind of physical maintenance is required, an actual person has to perform the work, correct?
A. Yes.
Q. And is that usually you?
A. There are three of us on the mining team and the one closest located and most available responds as

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quickly as possible if anything is identified like that.
Q. Now, are all three of those individuals paid by Bobby Gray?
A. Yes.
Q. So an ordinary purchaser does not have to travel to the centralized mine and perform that physical maintenance in order for his mining package to receive its allocation, correct?
A. Does not have to.
Q. That purchaser depends on the operations team to keep those physical systems running or functioning?
A. Yes.
Q. You mentioned some meet-ups and events. Who pays for the in-person events and meet-ups?
A. Well, it kind of -- it kind of depends if you -- a lot of people do them on their own. If they're using that as a mechanism to help build their team, they pay for them on their own. If they're scheduled in advance and approved, they can be -- they can be paid for by the advertising or marketing budget that is -- that is allowed through -- through Bobby and he publishes that. That's one of the -- that's one of the documented categories on our website, marketing and promotions. If it's -- if it's an approved event, it can be paid for out of that fund.

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Q. Okay. And is that the same -- who pays for the trips to Thailand and Las Vegas?
A. Out of that fund.
Q. Out of that fund, okay. All right. So you testified that you've been there from very early on in 2024. How many employees does Mr. Gray have working on TEXITcoin, MineTXC, Blockchain Mint and the whole ecosystem?
MR. ROSSMILLER: Objection, Your Honor; foundation. If he knows.
JUDGE DEANGELO: Yes, so overruled.
Answer if you know.
A. I actually don't know that answer.
Q. Have you ever been to the -- and only because it was called this by Mr. Gray, their headquarters in McKinney?
A. Their main office in McKinney, I've been there a few times.
Q. How many people did you see when you were there?
MR. ROSSMILLER: I'm sorry. Just to clarify, I'm assuming the question is about employees as opposed to just people in general.
JUDGE DEANGELO: It's people.
MR. ROSSMILLER: Objection; vague.

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JUDGE DEANGELO: Okay --
Q. (BY MR. HEINTZ) How many -- how many employees did you see at the headquarters in McKinney?
A. Maybe eight or ten usually in that office.
Q. Do you know how many people are paid by Bobby Gray to do work on this project?
A. I do not.
Q. You and at least the mining team, correct?
A. There's three of us on the mining team.
Q. Okay. And those people are paid?
A. Yeah.
Q. Are they all paid in USDC like yourself?
A. I would assume so.
Q. How much are you paid by Bobby Gray for the work you perform for the mining operation?
A. I earn 3,000 USDC a week.
Q. So that's weekly pay?
A. (Moving head up and down).
Q. Was that a fixed amount, hourly amount, or it's just fixed 3,000 a week?
A. Fixed.
Q. Approximately how much has Mr. Gray paid you in USDC in total for that work? And I can clarify that question. When did you start getting paid?
A. Well, I haven't always been paid the same rate.

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So, I started work in helping Mr. Gray in February of '25 and I've stair-stepped up based on the additional contributions I've made over that time. I've only recently been at the level that I'm at now.

Q. Do you still live in Nevada?

A. Yes.

Q. So, when something goes on you have to hop on a plane to fly to Texas to the mining facilities?

A. Or drive, yes.

Q. Or drive. And then stay in a hotel, eat meals. Are you reimbursed for that on top of your $3,000?

A. I am for like the hotel stay but, I mean, I eat meals, anyway, so I pay for that myself. I'm eating whether I'm home or here, so I don't feel he's responsible or the program is responsible for that.

Q. Got you. Where do the other members of the mining team live?

A. I don't know their exact town, but they live in the McKinney area, much closer to the McKinney area than I do.

Q. So couldn't they just handle the stuff in the Texas mining facilities?

A. They primarily do for the small tasks and that. But the reason I've been here recently is because we were doing the large installation at Conroe and I

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supervised that.

Q. Okay. So when you receive your USDC from Mr. Gray, is that from Mr. Gray personally?

A. It comes from a crypto wallet. I don't know who is the owner of that wallet.

Q. And how is that compensation reported to you? For example, do you receive a W-2 or 1099 from Mr. Gray?

A. I don't have a contract or anything like that.

MR. HEINTZ: If I could have a minute, Your Honor.

Q. (BY MR. HEINTZ) To your knowledge, what was the first mining site to come online, only one you know about. I'm only asking you about mining sites you're aware of.

A. The McKinney, the McKinney site in Bobby's personal residence, garage; that's where it came on line first.

Q. And when was that, do you know?

A. Beginning of 2024, January was the -- I've always learned that the first block was mined, was mined there in his home in January of 2024.

Q. And what about the next facility?

A. The next facility would be Mansfield, Texas and that was probably early 2025. I don't know exactly. First quarter of 2025.

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Q. And then which facility came next?

A. Victoria.

Q. And it hasn't -- it's only been on line about ten minutes, correct?

A. We fired it up to see if it was going to work and when it started running hot we shut it down and protected our equipment and then worked on getting the right -- obviously we had to analyze it, figure out what was wrong. Once we determined that, now we've had to order the parts.

Q. And when was that?

A. All of that happened in November of '25, the actual -- I mean -- and maybe even early December when we found out the issues. But the installation actually started previous to my time in July.

Q. And has the equipment been sitting there since?

A. It's all locked up waiting for me.

Q. Okay. And then I guess that leaves us with just the Conroe facility came after that?

A. Yes, sir.

Q. And you said there was two different installations. When was the first installation?

A. The first installation started in mid November and I completed it or we completed, I guess I should say, we completed it on December 22nd, right before

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Christmas. So that was a big day for us.

And then, and then we left that facility and were searching for other potential facilities. We had some containers, new containers come in and the best opportunity when those new, when that new equipment came in was to expand the Conroe site versus trying to get a build-out in another area that would be much, much more expensive. The Conroe site was perfect for us, so we tripled it, put six containers.

Q. Do you know what merge mining is?

A. Yes.

Q. Do you know about when the mining facilities started participating in merge mining?

A. Early first quarter of 2025 we started. And I think, through the developers and through tech, they worked on improving that, and then this year first quarter-ish we mastered it. We've got it, the tech has grown now and it's fully on line now.

Q. And that doesn't take any kind of changes or maintenance or anything at the physical mining sites, correct?

A. No, that's all done through programs and development, programatically.

Q. And what coins are being merge mined, do you know?

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A. We mine our native tokens, TXC and IXK and then we also merge mine Litecoin, LTC and we mine DOGE.
Q. And what are the DOGE and Litecoin used for that are mined?
MR. ROSSMILLER: Objection, Your Honor; scope. We're pretty far afield now.
JUDGE DEANGELO: Overruled.
You can answer.
A. Those coins are used to accumulate and then they are sold off on the public market and the proceeds go towards paying our -- the costs of our mining facility, electricity, and things of that nature.
Q. And if you know, if you know this, is that all that those proceeds go to?
A. I don't know anywhere else -- I don't know.
Q. But that comes from the same mining equipment that was -- that's producing the same hash power, I guess hash power that a mining package purchaser is getting in their mining package, correct?
A. It all happens in the same hash power, same group.
MR. HEINTZ: Just one minute, Your Honor. One more look through. Okay. No further questions.
Thank you, Mr. Walsh.
JUDGE DEANGELO: Redirect.

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MR. ROSSMILLER: Just briefly, Your Honor.

REDIRECT EXAMINATION

BY MR. ROSSMILLER:
Q. Mr. Walsh, you were asked some questions about the larger site being more work than the home miners to set up and maintain; is that right? Do you recall being asked about that?
A. Yeah, yes.
Q. Let me just ask you, you don't have any professional degrees or certifications in building or architecture, do you?
A. No.
Q. You don't have any formal training in doing the work that you're doing on the sites?
A. No.
Q. Do you need much more than a hard hat and a good attitude?
A. No.
Q. In terms of the home miners, whether you have a home miner or whether you don't, if you have a mining package is there any difference in what you get? In other words, do you just get the same TXC token either way?
A. Yes.
Q. And the home miners, do they contribute to the

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mining pool in exactly the same way as the larger mines?
A. Exactly, yes.
Q. Is the purchase price of a mining package with a home miner any different than if you don't have one?
A. No.
Q. And again, you get the same TXC token either way?
A. Yes.
Q. You were also asked a couple questions about merge mining. Any proceeds of selling the product of merge mining, that doesn't go back to mining package purchasers, right?
A. No.
Q. There's no DOGE coin dividends or anything like that?
A. In the mining pool that we have ordered --
Q. Back to the mining package owners.
A. I'm only asking for a point of clarification. If I'm a home miner?
Q. Anybody. You don't get a check in the mail for sales of DOGE coin, right?
A. Well, there's no check in the mail. But as a clarification, if you're running a home miner you get to keep the proceeds of your Litecoin and DOGE in your self-custody wallet. That's the reward for home mining

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to offset the personal power expense.
MR. ROSSMILLER: Just one minute, Your Honor.
JUDGE DEANGELO: Um-hum.
Q. (BY MR. ROSSMILLER) Oh, I'm sorry, just one more question, or a couple.
The issues regarding the setup of the Victoria mine, were those secret or were those talked about on calls and discussions?
A. We've talked about those for a year openly.
MR. ROSSMILLER: No further questions at this time.
JUDGE DEANGELO: Okay. Go ahead.

RECROSS-EXAMINATION

BY MR. HEINTZ:
Q. Let me try to ask this a way -- Mr. Rossmiller just asked you about home miners. Are you aware of what it takes to qualify to get a home miner?
A. Well, obviously you have to be a community member, first and foremost. To qualify for the Mini DOGE III, that's a 700 hash power unit, so we require the owner to have a 700 hash power. We have a DG 1, is the second unit we provide to home miners, and that requires 2,100 hash power and that's what it runs on.
Q. So from what you've just explained, those home

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miner individuals have already purchased mining packages or somehow earned that level of hash power, correct?
A. Correct.
Q. So they're not just walking in and buying a home miner from the operation, correct?
A. No.
MR. HEINTZ: No further questions, Your Honor.
MR. ROSSMILLER: Nothing further, Your Honor. Thank you.
EXAMINATION
BY JUDGE DEANGELO:
Q. Can you please clarify to me again what's the benefit of having home miner equipment?
A. For the individual or for --
Q. Yes, for the individual.
A. -- for the project?
Q. For the purchaser.
A. For the purchaser? Well, the satisfaction of helping your project is first and foremost, and I think that's what's been important. I'm going to describe my personal feeling. I enjoy helping my project and supporting that, strengthening the network.
The reward or the benefit that I think you're maybe asking of is that you do receive the

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proceeds of the litecoin and DOGE that hash power earns. That's deposited to you essentially daily in your self-custody wallet, the litecoin and DOGE, and then you're able to freely do whatever you want with that. You can save it, you can sell it on the open market, you can -- that's kind of the reward for helping us out by giving us that additional node, that additional backup redundancy in the network.
Q. And that's on top of the TEXITcoin they're receiving?
A. Correct, on top of.
Q. And what's the benefit of having home miners for, I guess not the company, Mr. Gray, for the operation?
A. For the project?
Q. For the project.
A. The benefit that we have is what I would call or what I've kind of defined as a geographical decentralization. If you have all your power on in one location, one centralized location and the power goes out, your whole network is down. If you are spread out with multiple facilities, which is what my role is, is building multiple facilities to spread that out and maintain redundancy and strength of our network, the home miner, even though it's a small contribution in the

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overall grand scheme of things compared to our -- you know, a container mine, it does add strength and support and that additional node out there that, if the power went out over here, well, your power is still on, so you're helping us back up the network and maintain our ability to still conduct critical business.
Q. If something happens, if there's a problem with the home mining equipment, who's responsible to address that?
A. Well, we haven't really had to deal with much of that. If something's failed in the field we've asked the community member send it back to our office and then we've replaced it. And so there hasn't been -- there's not like a field maintenance crew that goes out and fixes those. We've just exchanged to this point.
Q. That happens through customer service?
A. Yes.
Q. And the project is buying those individual home miners and then distributing them to purchasers who would like to have them at home?
A. Right. If they volunteered that they want to help and support the project and they have, you know, that criteria as far as qualifications, then we -- we send it or the project sends it out, pays for shipping, sends it to them, they plug in and use their own

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electricity, and for that they get to keep the litecoin and DOGE rewards.
JUDGE DEANGELO: Anything to follow up?
MR. ROSSMILLER: A single clarifying question with respect to Your Honor asked.
FURTHER REDIRECT EXAMINATION
BY MR. ROSSMILLER:
Q. Do the proceeds of any merge mining help offset the significant electricity costs in running a home miner?
A. For the individual?
Q. For the individual.
A. Yeah, the proceeds of litecoin and DOGE earnings, that goes directly to the home miner, the community member, and they get to keep that to pay for their own power.
Q. And the electricity cost can be significant; is that right?
A. It can be. I recently developed, or one of my team members helped me develop a little calculator that we share with our community so they can get an idea, based on their average electrical cost, if it's going to be profitable or not.
Q. When you say "proceeds" you mean the coin itself; is that right?

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A. Proceeds meaning the litecoin and DOGE.
Q. You said the customer gets to keep the proceeds?
A. The litecoin and DOGE tokens. Those are actually tokens, another cryptocurrency.
MR. ROSSMILLER: Thank you, Your Honor.
JUDGE DEANGELO: Anything?
MR. HEINTZ: (Moving head side to side).
JUDGE DEANGELO: Thank you for your testimony. You are excused.
Next witness.
MR. PERRY: Your Honor, at this time Respondents have no further witnesses and we rest our case.
JUDGE DEANGELO: Great. Let's go off the record.
(Recess: 10:02 a.m. to 10:15 a.m.)
JUDGE DEANGELO: We are back on the record. Both parties completed their direct case and, let's see. Short closing, beginning with the Board.
MR. HEINTZ: May we request a short break before that?
JUDGE DEANGELO: Sure.
MR. HEINTZ: Our closing is like four minutes.

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MR. PERRY: I second that.
JUDGE DEANGELO: Off the record. Let's come back at 10:20.
(Recess: 10:16 a.m. to 10:20 a.m.)
JUDGE DEANGELO: Okay. We're back on the record. Closing, beginning with the Board.
CLOSING ARGUMENT ON BEHALF OF THE PETITIONER
MR. HEINTZ: Thank you, Your Honor. We appreciate the Court's point that the parties will have post-hearing briefing, so I'm not going to try to brief the case from this table. I just want to leave the Court with the economic reality that emerged from the evidence. Strip away the labels of mining pool, community affiliates, computational resources and look at what actually happened.
First, people paid money. A purchaser paid $995 and received 100 megahash; pay more money, receive more hash power. Before making that payment the purchaser had not supplied an ASIC, electricity, a mining facility, networking infrastructure, mining software or existing hash power to this operation. Payment came first. Only after payment did Respondents assign mining power to that purchaser.
Second, the purchaser's money was being used to advance the project as a whole. The evidence

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showed that money paid for mining packages helped build the mine and supported the broader operation. It was not simply payment for a piece of equipment that the purchaser took home and independently operated. And that brings us to the most important point, who performed the essential work.
Respondents acquired the equipment, Respondents installed the equipment, Respondents maintained the equipment, Respondents paid the utilities for the equipment, Respondents operated the mining system. The purchasers generally did none of those things. More than 90 percent of purchasers never took possession of mining hardware at all. So when Respondents say these purchasers contributed computational resources, look at the sequence of events.
Before the transaction the purchaser had contributed no computational power to this operation, then the purchaser contributed money. After that payment Respondents supplied the mining capacity from an operation Respondents continued to run. That is the economic reality of this case we ask the Court to evaluate. People put in money, that money supported a common mining operation. And what those purchasers received depended upon Respondents continuing to acquire, install, power, maintain, operate and manage

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the mining infrastructure.
Respondents have emphasized that some purchasers also recruited people, promoted the project or participated in the community, but none of those activities changes who performed the essential work necessary for the mining packages themselves to produce TXC. A purchaser did not have to install ASICs, a purchaser did not have to maintain the equipment, a purchaser did not have to pay the electric bill, a purchaser did not have to operate the mining facility. Respondents did those things. And without Respondents continuing to perform those functions, the mining packages could not produce and distribute TXC as represented.
That is why labels do not resolve this case. Calling someone a miner does not tell us what that person actually did. Calling a purchase computational resources does not tell us who actually supplied and operated those resources, And calling the operation a mining pool does not change the underlying transaction. The Securities Act looks to the economic reality.
The registration violations, disclosure issues and appropriate relief deserve the fuller treatment the Court requested in post-hearing briefing

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and we will address those matters there. But on the threshold question of what these mining packages actually were, the evidence showed a remarkably simple transaction. The purchasers provided money, Respondents provided and operated the mining enterprise, and the purchasers depended on Respondent's continuing efforts for that enterprise to produce and distribute TXC.

For those reasons Petitioner respectfully asks the Court to uphold the order with any appropriate modifications supported by the evidence and applicable law and to grant the relief warranted by the admitted evidentiary record. Thank you, Your Honor.

JUDGE DEANGELO: Respondent.

CLOSING ARGUMENT ON BEHALF OF RESPONDENT

MR. PERRY: Thank you, Your Honor. I want to take a moment to talk about the stakes here. There's a reason there's hundreds of people who have been watching these proceedings every day on You Tube and it's not just because the MineTXC community supports Bobby Gray and believe in his project. It's because this is a case of first impression with true significance. There is no precedent for the State's theory. You have heard none from them; I believe you will see none in their brief. But if the Court endorses their theory it will shut down digital mining industries

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in Texas and potentially beyond.

You heard evidence from Mr. Sotak, our expert witness, that my mining pools like this one are commonplace and now you understand why. You've seen the MineTXC mines, videos of them, you've seen how they operate. You've also seen from State's witnesses like Mr. Hesse that it is not economically or logistically viable to operate mining equipment at home at a scale that will produce any meaningful results. Heating issues, cooling issues, logistical issues, maintenance. You can't negotiate favorable utility rates for a single home line.

The alternative, what solves that problem, is what's at issue here in this case. It's a mining pool where the participants pay to have the pool operator handle the logistics. That is all that happened here. And paying a pool operator to deal with the logistics doesn't transform this routine mining activity into a securities transaction. The core work of mining still requires the active participation of purchasers.

And you heard Mr. Sotak say that when new purchasers bought packages you could literally track the new hash power coming on line. Of course no one supplied hash power or ASICs before they bought mining.

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It's a transaction. They paid money and then new devices were plugged in and new hash power came on line. That is how a mining pool operates and their work of contributing that new computational power, which would not have been added to the system but for their purchase of the mining package, is part of what takes us outside of the framework of the Securities Act. The State hasn't met its burden.

Bottom line, all that anyone expected to receive was TXC, and that is all that they got. Every single witness on both sides said exactly that. The reality of the transaction; you buy a mining package, you get TXC. The State appears to be trying to pivot mid-hearing to this issue of the resale-ability, the transferability of the mining package itself. Your Honor, that is a complete misdirection.

First, when you review the cease and desist and the notice of hearing you will see that factual allegation is not in there. There is a significant notice problem that will create a massive appellate issue if the States proceeds on this new theory. But more fundamentally, you have heard no evidence in these four days that anyone bought a mining package for the purpose or with the expectation of reselling the package itself at a profit. That it was a possibility doesn't

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mean that anyone entered the transaction with a reasonable expectation of profit on it. They put on five purchaser witnesses. Not a single one talked about that. No one testified they bought a package expecting to resell it at a profit.

You heard from Mr. Sotak that this should be treated as a service contract, not an equity interest. No witness, not even theirs, testified they believed they were receiving anything else of value other than TXC. Not a share in a company or profit stream, not a resellable mining package, nothing, just the TXC. And a contract to receive a daily distribution of a mined commodity is not a securities transaction.

The best witness on this point was Nike Nickel. He bought $250,000 of TXC on the open market, on an exchange, and he bought a mining package. He did not distinguish at all between what he expected to get from his open market purchase and what he expected to get from buying a mining package. They were different ways of acquiring the exact same thing, TXC with no other expectations attached, nothing.

You also heard from Mr. Sotak that the mined TXC pool fits within the SEC safe harbor for digital mining. We will brief the issue. But he testified that purchasers do contribute new resources,

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computational resources to the pool, and that that is the core work of digital mining, that complex computational work that actually mines new blocks of cryptocurrency.

The State's entire case, all of their lines of questioning comes down to who plugs it in, who cleans the hoses, who does the maintenance? That's logistical work. That is not the core work of mining activity. That's logistics around the core work and it's not relevant.

The State's position seems to boil down to this, Your Honor, that it is outcome determinative who plugs in a mining device. It's an absurd position. Their position is that the 200 mining package purchasers who plugged in rigs at home contributed their own computational resources; and were not parties to a securities transaction and everyone else who joined the pool on the same exact terms but had Bobby or Steve Walsh plug in a new device or bring new hash power on line for them, they were part of a securities transaction.

Think about how absurd of a result that would be. Someone plugs in a device at home and someone pays Bobby to plug in a device or allocate new hash power for them. Each purchaser pays the same amount up

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front, each receives the exact same thing. Same input, same output, but the State says one is a security and the other isn't. That's nonsensical and it's not the law.

But there also was no way that someone in January 2024 could have anticipated that might be treated as a securities transaction. This is a rapidly evolving area of the law. The SEC issued guidance in March of 2025. They issued a new 400-page guidance two days ago, during this hearing, on digital assets and securities. The legal landscape is moving towards clarity, but it is still opaque and there is no way that Bobby Gray could have anticipated that the outcome determinative factor is whether he's plugging in a device for someone or they're plugging it in at home. He acted in complete faith and he acted consistent with what he and any reasonable person in his shoes would have understood the law to be.

And that brings us to the fraud allegations which, Your Honor, in a word are frivolous. Mr. Hines said not a single word about fraud in his brief summation and I think it is outrageous they have not already withdrawn them. They are so completely dismantled that I cannot believe genuinely that the State is proceeding with them, and I hope the State will

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do the right thing after this hearing and withdraw them.

There is no evidence, it is undisputed, Bobby Gray never lied, ever. There is no evidence he had a duty to disclose the allegedly omitted facts. They introduced no evidence of a duty. Their investigator admitted there was no fiduciary or contractual duty to disclose. But Your Honor also heard, probably more than you would have cared to, evidence that he did disclose this information. The bankruptcy disclosed repeatedly. Two of their witnesses had declared bankruptcy and not disclosed that to anyone. That goes to materiality.

And I will say, certain of the State's witnesses not only did not equip themselves appropriately, but were fundamentally not credible on key aspects of their testimony and should be given no weight. Mr. Fuselier admitted that Bobby disclosed bankruptcy; you saw evidence of that on Zoom. Steve Walsh testified to it. Their purchasers said that he disclosed issues with the mines in realtime. He disclosed security issues, he disclosed the security operations. Mr. Fuselier admitted that, you heard him on Zoom, you heard Mr. Walsh say it. And the same with the qualifications of the people operating the mines.

As to the assets, liabilities and

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capitalization, because these aren't entities they don't have those. And you heard Mr. Fuselier say, their lead investigator, that to the extend that MineTXC, Blockchain Mint and TEXITcoin did have assets, liabilities and capitalization, that was disclosed on the website there under Resources. Your Honor, it is the definition of a frivolous allegation. You didn't hear from a single purchaser who paid by check. There is no evidence this was material. It's a complete sideshow.

As to the fact that TEXITcoin, Blockchain Mint and MineTXC aren't registered with the Texas Secretary of State, again, there's no duty to disclose. The testimony of the purchasers that this would have been material and they wouldn't have invested is not credible. They made no effort to look into this. They also all owned other crypto that isn't issued by entities at all and they didn't care or they took no steps to learn anything about that.

But, Your Honor, I want to focus on the key point here. The question is not whether every single purchaser knew the information at issue. The allegation is that Bobby Gray intentionally failed -- that's the allegation -- that he intentionally failed to disclose these facts. There is no evidence of intentional

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concealment. The undisputed evidence is that Bobby was transparent and honest throughout.

As I told you at the opening, this is not a real fraud case. I know that the Court is awaiting briefing and will make an informed decision on the securities issue. I urge Your Honor to reject the fraud allegation immediately. Don't wait. Every single day that allegation remains intact it defames and harms my client. It should be removed either by the State as withdrawn or by Your Honor immediately.

Your Honor should also reject the allegation that miners didn't receive at-home equipment. The State knows that is false. They know that they included a false allegation in their cease and desist order. It should be struck. It is irresponsible of them to proceed with an allegation they know to be false. That should give the Court significant pause about the State's case.

The evidence uniformly establishes that TEXITcoin, Blockchain Mint and MineTXC are not entities. They are not capable of being sued or ceasing and desisting anything. Only MineTXC, and for a brief period of time Blockchain Mint, sold packages. All of those should be struck as nonentities. And we should brief the question as to Mr. Gray only whether the

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mining packages were securities. The fraud allegations should be dropped immediately and I believe, Your Honor, that you will conclude, based on the economic reality of the transaction, that the State has failed to meet its burden of proof.

It is a heavy burden of proof to prove that these are securities transactions within the meaning of the Securities Act and I believe that the Court will conclude, in a case with this type of significance on this thin evidence that the State has brought forth, that the State has overreached here well beyond the statutory jurisdiction. Thank you.

I will say, Your Honor, it's been a pleasure to try this case. I know it's not a real trial, but to do this hearing if front of you. We appreciate the court reporter, I'm sure both sides, very much, especially when we sometimes talk over each other and the remote issues and I speak quickly. But we're grateful to the court and the staff and to Your Honor for convening us here and giving us all, both sides, a fair opportunity.

JUDGE DEANGELO: Of course.

Rebuttal?

MR. HEINTZ: No, Your Honor.

JUDGE DEANGELO: So let's see. The parties

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agreed to the following briefing deadlines. October 9, 2026, both parties' initial briefs are going to be due. October 23rd, 2026, both parties' reply briefs are going to be due. And then 60 days later my proposal for decision is going to be, within those 60 days it's going to be issued. Let's see.

On the record I want to go over the exhibits that were admitted during this hearing. These need to be provided to the court reporter by the end of Monday. So, let's see. For Petitioner I have Exhibit 1, 3 through 7, 9, 10, 18, 22, 23, 40 through 54, 56, 58, 61, 70a through 70c, 71a through 71n, 74a through 74g, 86a, 86b, 88, 90, 91, 92a through 92c, 94, 104, 107a through 107x, 108a, 108b, 112, 113a through 113d, 114, 118a through 118i, 119, 120a through 120e, 121a through 121c, 122a through 122c, 127a through -- and 127b, 128a, 128b, 131, 132a, 132b, 137a through 137f, 143a through 143g, 149a through 149k, 150a, 150b, 151, 156, and 157a, 157b.

For Respondent I have 1, 3, 4, 5, 8, 9, 11, 15 through 18, 21a, 21b, 24, 26, 29, 38, 49 through 51, 55a, 55b, and 68. So those will come in to SOAH as official record with the transcript. And then outside of that, as I mentioned before, I would need the parties to submit transcript of the admitted clips to Kiteworks.

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That's not going to be evidence. It's just help for me to go through those videos. And that is due by October 15, 2026.

MR. HEINTZ: October 15th? I think we said the 5th.

JUDGE DEANGELO: That's what you agreed.

MR. HEINTZ: We had the 5th down, but the 15th is fine.

MR. PERRY: We should give it before we give the briefs.

JUDGE DEANGELO: That's right. Oh, right, sorry. October 5th, 2026. Okay. And with that, this hearing is concluded.

(Hearing concluded at 10:42 a.m.)

C E R T I F I C A T E

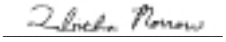
THE STATE OF TEXAS)

COUNTY OF TRAVIS)

I, Tabitha Morrow, Certified Shorthand Reporter in and for the State of Texas, Registered Professional Reporter, do hereby certify that the above-mentioned matter occurred as hereinbefore set out.

I further certify that the proceedings of such were reported by me or under my supervision, later reduced to typewritten form under my supervision and control, and that the foregoing pages are a full, true, and correct transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 2nd day of September, 2026.



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