

United States District Court
For the Northern District of California

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE)	Case No. 13-cv-00895-SC
COMMISSION,)	
)	<u>ORDER</u>
Plaintiff,)	
)	
v.)	
)	
WALTER NG; KELLY NG; BRUCE)	
HORWITZ; and THE MORTGAGE FUND,)	
LLC,)	
)	
Defendants.)	
)	
)	
)	

This is a securities fraud case brought by Plaintiff Securities and Exchange Commission ("SEC") against Defendants Walter Ng, Kelly Ng, Bruce Horwitz, and The Mortgage Fund, LLC ("The Mortgage Fund"). The Ngs and Dr. Horwitz created a real estate fund called Mortgage Fund '08, LLC ("MF08") in late 2007. ECF No. 1 ("Compl.") ¶ 1. The SEC alleges that Defendants pitched MF08 as an investment opportunity that would produce returns through investment in commercial real estate loans. According to the SEC, the Ngs and Dr. Horwitz actually used the money invested in MF08 to fund their existing real estate fund, R.E. Loans, LLC

1 ("R.E. Loans"). The SEC also alleges that Defendants lied to
2 investors about the financial performance of MF08 and R.E. Loans
3 until both went bankrupt. Id. ¶¶ 2-3.

4 All four defendants have now apparently consented to final
5 judgment against them, without admitting or denying the
6 accusations. ECF Nos. 38 ("Walter Ng Consent"), 40 ("Kelly Ng
7 Consent"), 42 ("Horwitz Consent"), 44 ("Mortgage Fund Consent").
8 The proposed judgments include a combination of injunctions
9 prohibiting Defendants from engaging in future violations of
10 securities laws and disgorgement of profits from the conduct
11 alleged in the Complaint. The Court has reviewed Defendants'
12 consent declarations and finds that Defendants Bruce Horwitz and
13 The Mortgage Fund have consented to the proposed judgments against
14 them. Accordingly, the Court will enter the proposed judgments
15 against those two defendants.

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1 However, the consent declarations of Kelly Ng and Walter Ng
2 are incomplete. Walter Ng's consent declaration is missing page 2,
3 and Kelly Ng's declaration is missing pages 2 and 3.
4 Significantly, those are the pages upon which the Ngs presumably
5 consent to the injunction, disgorgement, and civil penalties
6 included in the judgments. Therefore, the Court will not enter
7 judgment against Defendants Walter Ng or Kelly Ng until the SEC
8 produces the complete consent declarations. The SEC shall file the
9 complete documents with the Court within seven (7) days of the
10 signature date of this order.

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12 IT IS SO ORDERED.

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14 Dated: July 31, 2014

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UNITED STATES DISTRICT JUDGE

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