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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

JUSTIN MOONGYU LEE;
REBECCA TAEWON LEE;
THOMAS EDWARD KENT;
AMERICAN IMMIGRANT
INVESTMENT FUND I, LLC;
BIOFUEL VENTURE IV, LLC;
BIOFUEL VENTURE V, LLC;
NEXLAND, INC., dba NEXLAND
INVESTMENT GROUP; and
NEXSUN ETHANOL, LLC,

Defendants.

Case No. 2:14-cv-06865 RGK (Ex)

~~PROPOSED~~ FINAL JUDGMENT BY
DEFAULT AS TO DEFENDANTS
JUSTIN MOONGYU LEE;
AMERICAN IMMIGRANT
INVESTMENT FUND I, LLC;
BIOFUEL VENTURE IV, LLC;
BIOFUEL VENTURE V, LLC;
NEXLAND, INC., DBA NEXLAND
INVESTMENT GROUP; AND
NEXSUN ETHANOL, LLC

1 The Securities and Exchange Commission (“SEC”) having filed a Complaint,
2 and having served copies of the Summons and Complaint upon Defendants Justin
3 Moongyu Lee (“J. Lee”); and Defendants American Immigrant Investment Fund I,
4 LLC; Biofuel Venture IV, LLC; Biofuel Venture V, LLC; Nexland, Inc., dba
5 Nexland Investment Group; and Nexsun Ethanol, LLC (collectively, the “Entity
6 Defendants”); the Clerk having entered defaults pursuant to Fed. R. Civ. P. 55(a)
7 against the Entity Defendants (Dkt. No. 23), and Defendant J. Lee (Dkt. No. 34), for
8 failure to answer or otherwise respond to the Complaint; and the Court, having
9 considered all of the evidence and arguments presented with regard to the motion by
10 Plaintiff SEC pursuant to Fed. R. Civ. P. 55(b)(2) for entry of default judgment
11 against the Defendants, and having granted the SEC’s motion:

12 **I.**

13 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant J.
14 Lee and the Entity Defendants are permanently restrained and enjoined from
15 violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C.
16 § 77q(a)] in the offer or sale of any security by the use of any means or instruments of
17 transportation or communication in interstate commerce or by use of the mails,
18 directly or indirectly:

- 19 (a) to employ any device, scheme, or artifice to defraud;
- 20 (b) to obtain money or property by means of any untrue statement of a
21 material fact or any omission of a material fact necessary in order to
22 make the statements made, in light of the circumstances under which
23 they were made, not misleading; or
- 24 (c) to engage in any transaction, practice, or course of business which
25 operates or would operate as a fraud or deceit upon the purchaser.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
27 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
28 binds the following who receive actual notice of this Final Judgment by personal

1 service or otherwise: (a) Defendants' officers, agents, servants, employees, and
2 attorneys; and (b) other persons in active concert or participation with Defendants or
3 with anyone described in (a).

4 **II.**

5 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
6 J. Lee and the Entity Defendants are permanently restrained and enjoined from
7 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934
8 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder
9 [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate
10 commerce, or of the mails, or of any facility of any national securities exchange, in
11 connection with the purchase or sale of any security:

- 12 (a) to employ any device, scheme, or artifice to defraud;
13 (b) to make any untrue statement of a material fact or to omit to state a
14 material fact necessary in order to make the statements made, in the light
15 of the circumstances under which they were made, not misleading; or
16 (c) to engage in any act, practice, or course of business which operates or
17 would operate as a fraud or deceit upon any person.

18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
19 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
20 binds the following who receive actual notice of this Final Judgment by personal
21 service or otherwise: (a) Defendants' officers, agents, servants, employees, and
22 attorneys; and (b) other persons in active concert or participation with Defendants or
23 with anyone described in (a).

24 **III.**

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
26 J. Lee and the Entity Defendants are liable, jointly and severally, for disgorgement of
27 \$7,210,000, representing profits gained as a result of the conduct alleged in the
28 Complaint, together with prejudgment interest thereon in the amount of

1 \$1,052,403.73, for a total of \$8,262,403.73. Defendants shall satisfy this obligation
2 by paying \$8,262,403.73 to the Securities and Exchange Commission within 14 days
3 after entry of this Final Judgment. Defendants may transmit payment electronically
4 to the SEC, which will provide detailed ACH transfer/Fedwire instructions upon
5 request. Payment may also be made directly from a bank account via Pay.gov
6 through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendants
7 may also pay by certified check, bank cashier's check, or United States postal money
8 order payable to the Securities and Exchange Commission, which shall be delivered
9 or mailed to

10 Enterprise Services Center
11 Accounts Receivable Branch
12 6500 South MacArthur Boulevard
13 Oklahoma City, OK 73169

14 and shall be accompanied by a letter identifying the case title, civil action number,
15 and name of this Court; identifying the paying defendant by name as a defendant in
16 this action; and specifying that payment is made pursuant to this Final Judgment.
17 Defendants shall simultaneously transmit photocopies of evidence of payment and
18 case identifying information to the SEC's counsel in this action. By making this
19 payment, Defendants relinquish all legal and equitable right, title, and interest in such
20 funds and no part of the funds shall be returned to Defendants. The SEC shall hold
21 the funds (collectively, the "Fund") and may propose a plan to distribute the Fund
22 subject to the Court's approval. The Court shall retain jurisdiction over the
23 administration of any distribution of the Fund. If the SEC staff determines that the
24 Fund will not be distributed, the SEC shall send the funds paid pursuant to this Final
25 Judgment to the United States Treasury. The SEC may enforce the Court's judgment
26 for disgorgement and prejudgment interest by moving for civil contempt (and/or
27 through other collection procedures authorized by law) at any time after 14 days
28 following entry of this Final Judgment. Defendants shall pay post judgment interest

1 on any delinquent amounts pursuant to 28 U.S.C. § 1961.

2 IV.

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
4 J. Lee shall pay a civil penalty in the amount of \$150,000 to the Securities and
5 Exchange Commission pursuant to Section 20(d) of the Securities Act [15 U.S.C. §
6 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant
7 J. Lee shall make this payment within 14 days after entry of this Final Judgment.

8 Defendant J. Lee may transmit payment electronically to the SEC, which will provide
9 detailed ACH transfer/Fedwire instructions upon request. Payment may also be made
10 directly from a bank account via Pay.gov through the SEC website at

11 <http://www.sec.gov/about/offices/ofm.htm>. Defendant J. Lee may also pay by
12 certified check, bank cashier's check, or United States postal money order payable to
13 the Securities and Exchange Commission, which shall be delivered or mailed to

14 Enterprise Services Center
15 Accounts Receivable Branch
16 6500 South MacArthur Boulevard
17 Oklahoma City, OK 73169

18 and shall be accompanied by a letter identifying the case title, civil action number,
19 and name of this Court; Justin Moongyu Lee as a defendant in this action; and
20 specifying that payment is made pursuant to this Final Judgment. Defendant J. Lee
21 shall simultaneously transmit photocopies of evidence of payment and case
22 identifying information to the SEC's counsel in this action. By making this payment,
23 Defendant J. Lee relinquishes all legal and equitable right, title, and interest in such
24 funds and no part of the funds shall be returned to Defendant J. Lee. The SEC shall
25 send the funds paid pursuant to this Final Judgment to the United States Treasury.
26 Defendant J. Lee shall pay post-judgment interest on any delinquent amounts
27 pursuant to 28 USC § 1961.

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V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

VI.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: **OCT 28 2015**


HONORABLE R. GARY KLAUSNER
UNITED STATES DISTRICT JUDGE