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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
Western Division**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

IMRAN HUSAIN and GREGG EVAN
JACLIN,

Defendants.

Case No. 2:16-cv-03250-ODW (Ex)

**JUDGMENT AS TO
GREGG EVAN JACLIN**

1 The Securities and Exchange Commission having filed a First Amended
2 Complaint and Defendant Gregg Evan Jaclin having entered a general appearance;
3 consented to the Court's jurisdiction over Defendant and the subject matter of this
4 action; consented to entry of this Judgment; waived findings of fact and conclusions
5 of law; and waived any right to appeal from this Judgment:

6 **I.**

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

14 (a) to employ any device, scheme, or artifice to defraud; or

15 (c) to engage in any act, practice, or course of business which operates or
16 would operate as a fraud or deceit upon any person.

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

23 **II.**

24 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
25 Defendant is permanently restrained and enjoined from violating Section 17(a) of the
26 Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale
27 of any security by the use of any means or instruments of transportation or
28 communication in interstate commerce or by use of the mails, directly or indirectly:

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

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as

9 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also

10 binds the following who receive actual notice of this Judgment by personal service or

11 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and

12 (b) other persons in active concert or participation with Defendant or with anyone

13 described in (a).

14 **III.**

15 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that

16 Defendant is permanently restrained and enjoined from violating Section 5 of the

17 Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any

18 applicable exemption:

- 19 (a) Unless a registration statement is in effect as to a security, making use of
- 20 any means or instruments of transportation or communication in
- 21 interstate commerce or of the mails to sell such security through the use
- 22 or medium of any prospectus or otherwise;
- 23 (b) Unless a registration statement is in effect as to a security, carrying or
- 24 causing to be carried through the mails or in interstate commerce, by any
- 25 means or instruments of transportation, any such security for the purpose
- 26 of sale or for delivery after sale; or
- 27 (c) Making use of any means or instruments of transportation or
- 28 communication in interstate commerce or of the mails to offer to sell or

1 offer to buy through the use or medium of any prospectus or otherwise
2 any security, unless a registration statement has been filed with the
3 Commission as to such security, or while the registration statement is the
4 subject of a refusal order or stop order or (prior to the effective date of
5 the registration statement) any public proceeding or examination under
6 Section 8 of the Securities Act [15 U.S.C. § 77h].

7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
8 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
9 binds the following who receive actual notice of this Judgment by personal service or
10 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and
11 (b) other persons in active concert or participation with Defendant or with anyone
12 described in (a).

13 IV.

14 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
15 Defendant is permanently restrained and enjoined from, directly or indirectly, aiding
16 and abetting violations of Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d),
17 which requires the filing by issuers of annual and quarterly reports in conformity with
18 the SEC's rules and regulations; and Rules 15d-1 thereunder, 17 C.F.R. § 240.15d-1,
19 which requires the filing of accurate annual reports; Rule 15d-13 thereunder, 17
20 C.F.R. § 240.15d-13, which requires the filing of accurate quarterly reports; and Rule
21 12b-20, 17 C.F.R. § 240.12b-20 thereunder, which requires an issuer to include in its
22 annual and quarterly reports material information as may be necessary to make the
23 required statements, in light of the circumstances in which they were made, not
24 misleading.

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
26 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
27 binds the following who receive actual notice of this Judgment by personal service or
28 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and

1 (b) other persons in active concert or participation with Defendant or with anyone
2 described in (a).

3 **V.**

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
5 Defendant is permanently barred from participating in an offering of penny stock,
6 including engaging in activities with a broker, dealer, or issuer for purposes of
7 issuing, trading, or inducing or attempting to induce the purchase or sale of any penny
8 stock. A penny stock is any equity security that has a price of less than five dollars,
9 except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

10 **VI.**

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
12 is liable for disgorgement of \$32,700, representing profits gained as a result of the
13 conduct alleged in the Complaint, together with prejudgment interest thereon in the
14 amount of \$7,773.80. Defendant shall satisfy this obligation by paying \$40,473.80 to
15 the Securities and Exchange Commission pursuant to the terms of the payment
16 schedule set forth in paragraph VII below after entry of this Judgment.

17 Defendant may transmit payment electronically to the Commission, which will
18 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also
19 be made directly from a bank account via Pay.gov through the SEC website at
20 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
21 check, bank cashier's check, or United States postal money order payable to the
22 Securities and Exchange Commission, which shall be delivered or mailed to:

23 Enterprise Services Center
24 Accounts Receivable Branch
25 6500 South MacArthur Boulevard
26 Oklahoma City, OK 73169

27 and shall be accompanied by a letter identifying the case title, civil action number,
28 and name of this Court; Gregg Jaclin as a defendant in this action; and specifying that

1 payment is made pursuant to this Judgment.

2 Defendant shall simultaneously transmit photocopies of evidence of payment
3 and case identifying information to the Commission's counsel in this action. By
4 making this payment, Defendant relinquishes all legal and equitable right, title, and
5 interest in such funds and no part of the funds shall be returned to Defendant. The
6 Commission shall send the funds paid pursuant to this Judgment to the United States
7 Treasury.

8 The Commission may enforce the Court's judgment for disgorgement and
9 prejudgment interest by moving for civil contempt (and/or through other collection
10 procedures authorized by law) at any time after November 29, 2019, the date set forth
11 in the payment schedule in paragraph VII below. Defendant shall pay post judgment
12 interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

13 **VII.**

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
15 shall pay a total of disgorgement and prejudgment interest due of \$40,473.80 to the
16 Commission on or before November 29, 2019. The payment shall be deemed made
17 on the date it is received by the Commission.

18 **VIII.**

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the SEC
20 has determined to forgo seeking a civil penalty against Defendant, and the claim for a
21 civil penalty against Defendant is hereby DISMISSED with prejudice.

22 **IX.**

23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
24 Consent is incorporated herein with the same force and effect as if fully set forth
25 herein, and that Defendant shall comply with all of the undertakings and agreements
26 set forth therein.

27 **X.**

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
2 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
3 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant,
4 and further, any debt for disgorgement, prejudgment interest or other amounts due by
5 Defendant under this Judgment or any other judgment, order, consent order, decree or
6 settlement agreement entered in connection with this proceeding, is a debt for the
7 violation by Defendant of the federal securities laws or any regulation or order issued
8 under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C.
9 §523(a)(19).

10 **XI.**

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

14 **XII.**

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

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19 Dated: August 1, 2019



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22 Otis D. Wright, II

23 UNITED STATES DISTRICT JUDGE
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