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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

EDWARD CHEN, JEAN CHEN,
HOME PARADISE INVESTMENT
CENTER LLC, GH INVESTMENT
LP, GH DESIGN GROUP, LLC,
GOLDEN GALAXY LP, AND MEGA
HOME, LLC,

Defendants.

Case No. 2:17-cv-06929-PA-JEM

**JUDGMENT AS TO DEFENDANTS
GH INVESTMENT LP AND GH
DESIGN GROUP, LLC**

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendants GH Investment LP and GH Design Group, LLC, having entered a general
3 appearance; consented to the Court's jurisdiction over them and the subject matter of
4 this action; consented to entry of this Judgment, without admitting or denying the
5 allegations of the Complaint (except as to jurisdiction); waived findings of fact and
6 conclusions of law; and waived any right to appeal from this Judgment:

7 **I.**

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED, that GH
9 Investment LP and GH Design Group, LLC and their officers, agents, servants,
10 employees, attorneys, subsidiaries and affiliates, and those persons in active concert
11 or participation with any of them, who receive actual notice of this Order, by personal
12 service or otherwise, and each of them, be and hereby are permanently restrained and
13 enjoined from, directly or indirectly, in the offer or sale of any securities, by the use
14 of any means or instruments of transportation or communication in interstate
15 commerce or by the use of the mails:

16 A. employing any device, scheme or artifice to defraud;

17 B. obtaining money or property by means of any untrue statement of a
18 material fact or any omission to state a material fact necessary in order to
19 make the statements made, in light of the circumstances under which
20 they were made, not misleading; or

21 C. engaging in any transaction, practice, or course of business which
22 operates or would operate as a fraud or deceit upon the purchaser;

23 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

24 **II.**

25 IT IS FURTHER ORDERED that GH Investment LP and GH Design Group,
26 LLC and their officers, agents, servants, employees, attorneys, subsidiaries and
27 affiliates, and those persons in active concert or participation with any of them, who
28 receive actual notice of this Order, by personal service or otherwise, and each of

1 them, be and hereby are permanently restrained and enjoined from, directly or
2 indirectly, in connection with the purchase or sale of any security, by the use of any
3 means or instrumentality of interstate commerce, or of the mails, or of any facility of
4 any national securities exchange:

5 A. employing any device, scheme or artifice to defraud; or

6 B. engaging in any act, practice, or course of business which operates or
7 would operate as a fraud or deceit upon any person;

8 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rules 10b-
9 5(a) and (c) thereunder, 17 C.F.R. §§ 240.10b-5(a) & (c).

10 III.

11 IT IS FURTHER ORDERED that GH Investments LP and its officers, agents,
12 servants, employees, attorneys, subsidiaries and affiliates, and those persons in active
13 concert or participation with any of them, who receive actual notice of this Order, by
14 personal service or otherwise, and each of them, be and hereby are permanently
15 restrained and enjoined from, directly or indirectly, in connection with the purchase
16 or sale of any security, by the use of any means or instrumentality of interstate
17 commerce, or of the mails, or of any facility of any national securities exchange,
18 making any untrue statement of a material fact or omitting to state a material fact
19 necessary in order to make the statements made, in the light of the circumstances
20 under which they were made, not misleading; in violation of Section 10(b) of the
21 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5(b) thereunder, 17 C.F.R. §
22 240.10b-5(b).

23 IV.

24 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
25 GH Investment LP and GH Design Group, LLC shall pay disgorgement of ill-gotten
26 gains, prejudgment interest thereon, and a civil penalty pursuant to Section 20(d) of
27 the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15
28 U.S.C. § 78u(d)(3)]. The Court shall determine the amounts of the disgorgement and

1 civil penalty upon motion of the Commission. Prejudgment interest shall be
2 calculated from June 1, 2014, based on the rate of interest used by the Internal
3 Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C.
4 § 6621(a)(2). In connection with the Commission's motion for disgorgement and/or
5 civil penalties, and at any hearing held on such a motion: (a) GH Investment LP and
6 GH Design Group, LLC will be precluded from arguing that they did not violate the
7 federal securities laws as alleged in the Complaint; (b) GH Investment LP and GH
8 Design Group, LLC may not challenge the validity of the Consent or this Judgment;
9 (c) solely for the purposes of such motion, the allegations of the Complaint shall be
10 accepted as and deemed true by the Court; and (d) the Court may determine the issues
11 raised in the motion on the basis of affidavits, declarations, excerpts of sworn
12 deposition or investigative testimony, and documentary evidence, without regard to
13 the standards for summary judgment contained in Rule 56(c) of the Federal Rules of
14 Civil Procedure. In connection with the Commission's motion for disgorgement
15 and/or civil penalties, the parties may take discovery, including discovery from
16 appropriate non-parties.

17 **V.**

18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
19 Consent is incorporated herein with the same force and effect as if fully set forth
20 herein, and that GH Investment LP and GH Design Group, LLC shall comply with all
21 of the agreements set forth therein.

22 **VI.**

23 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this
24 action for the purpose of enforcing the terms of this Judgment and implementing and
25 carrying out the terms of all orders and decrees which may be entered herein and to
26 entertain any suitable application or motion for additional relief within the
27 jurisdiction of this Court.


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VII.

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 Judgment forthwith and without further notice.

IT IS SO ORDERED.

Dated: May 14, 2018


UNITED STATES DISTRICT JUDGE

Presented by:

/s/ Donald W. Searles
Donald W. Searles
Attorney for Plaintiff
Securities and Exchange Commission