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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

ORDER RE:

- (1) ENTRY OF PARTIAL PRELIMINARY INJUNCTION;**
- (2) TO CONTINUE HEARING RE ORDER TO SHOW CAUSE WHY A PRELIMINARY INJUNCTION SHOULD NOT BE GRANTED; AND**
- (3) PERMIT THE RECEIVER TO ENGAGE EB-5 COUNSEL PENDING HEARING ON THE PRELIMINARY INJUNCTION**

1 This matter is before the Court on Consent and Stipulation of Edward and Jean
2 Chen to Entry of Preliminary Injunction and Orders: (1) Empowering the Receiver to
3 Employ Immigration Counsel; (2) Vacating the Hearing on the Order to Show Cause
4 Why a Preliminary Injunction Should Not Be Granted; and (3) Ordering a Hearing on
5 November 22, 2017 to Determine Whether a Permanent Receiver Should Be Appointed.

6 The Court, having previously issued a Temporary Restraining Order and Orders:
7 (1) Freezing Assets; (2) Appointing a Temporary Receiver; (3) Requiring Accountings;
8 and (4) Prohibiting the Destruction of Documents; and Order To Show Cause Re
9 Preliminary Injunction on September 20, 2017 (“TRO”); and having considered the
10 SEC’s Complaint, the TRO Application, the supporting Memorandum of Points and
11 Authorities, the supporting declarations and exhibits, the other evidence and argument
12 presented to the Court, as well as the Consents and Stipulations, finds that:

13 A. This Court has jurisdiction over the parties to, and the subject matter of,
14 this action.

15 B. Edward and Jean Chen have consented to the entry of a preliminary
16 injunction on the terms below.

17 **Preliminary Injunction Enjoining Future Violations of the Securities Laws**

18 IT IS HEREBY ORDERED pending trial on the action that Defendants Edward
19 Chen a/k/a Jianqiao Chen, Jian Qiao Chen, and Jian Chen (“Edward Chen”), Jean Chen
20 a/k/a Jing Jian and Jean Jiang (“Jean Chen”), and their officers, agents, servants,
21 employees, attorneys, subsidiaries and affiliates, and those persons in active concert or
22 participation with any of them, who receive actual notice of this Order, by personal
23 service or otherwise, and each of them, be and hereby are preliminarily restrained and
24 enjoined from, directly or indirectly, in the offer or sale of any securities, by the use of
25 any means or instruments of transportation or communication in interstate commerce or
26 by the use of the mails:

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

28 B. obtaining money or property by means of any untrue statement of a

1 material fact or any omission to state a material fact necessary in order to
2 make the statements made, in light of the circumstances under which they
3 were made, not misleading; or

- 4 C. engaging in any transaction, practice, or course of business which operates
5 or would operate as a fraud or deceit upon the purchaser; in violation of
6 Section 17(a)(1)(2) & (3) of the Securities Act, 15 U.S.C. § 77q(a)(1) (2) &
7 (3).

8 IT IS FURTHER ORDERED that pending trial on this action Defendants Edward
9 Chen, Jean Chen, and their officers, agents, servants, employees, attorneys, subsidiaries
10 and affiliates, and those persons in active concert or participation with any of them, who
11 receive actual notice of this Order, by personal service or otherwise, and each of them,
12 be and hereby are preliminarily restrained and enjoined from, directly or indirectly, in
13 connection with the purchase or sale of any security, by the use of any means or
14 instrumentality of interstate commerce, or of the mails, or of any facility of any national
15 securities exchange:

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

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

19 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rules 10b-
20 5(a) and (c) thereunder, 17 C.F.R. §§ 240.10b-5(a) & (c).

21 IT IS FURTHER ORDERED that Edward Chen and his officers, agents, servants,
22 employees, attorneys, subsidiaries and affiliates, and those persons in active concert or
23 participation with any of them, who receive actual notice of this Order, by personal
24 service or otherwise, and each of them, be and hereby are preliminarily restrained and
25 enjoined from, directly or indirectly, in connection with the purchase or sale of any
26 security, by the use of any means or instrumentality of interstate commerce, or of the
27 mails, or of any facility of any national securities exchange, making any untrue
28 statement of a material fact or omitting to state a material fact necessary in order to

1 make the statements made, in the light of the circumstances under which they were
2 made, not misleading; in violation of Section 10(b) of the Exchange Act, 15 U.S.C. §
3 78j(b), and Rule 10b-5(b) thereunder, 17 C.F.R. § 240.10b-5(b).

4 **Continued Hearing and Extension of Remaining Provisions of TRO**

5 IT IS FURTHER ORDERED that the Temporary Restraining Order and Orders:
6 (1) Freezing Assets; (2) Appointing a Temporary Receiver; (3) Requiring Accountings
7 and (4) Prohibiting the Destruction of Documents shall be extended to 5:00 p.m. on
8 November 22, 2017, or to such date when the hearing on such matters is actually held;


9 That any declarations, affidavits, points and authorities or other submissions in
10 support of, or opposition to the issuance of an order continuing the aforementioned
11 provisions of the Temporary Restraining Order shall be filed with the Court and
12 electronically served on opposing counsel by the Court's CM/ECF system no later than
13 5:00 p.m. on November 13, 2017. Any reply papers shall be filed with the Court and
14 electronically served on opposing counsel by the Court's CM/ECF system no later than
15 5:00 p.m. on November 16, 2017.

16 IT IS FURTHER ORDERED that the Receiver's request to engage EB-5 counsel is
17 denied because of the failure to comply with the Court's October 4, 2017 Order. [Docket
18 No. 20]

19 IT IS FURTHER ORDERED that the Receiver or his designated agent may sign
20 checks or wire instructions for the Receivership estate for times when the Receiver is
21 unavailable.

22
23 **IT IS SO ORDERED.**

24 DATED: October 16, 2017

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26 _____
27 HONORABLE PERCY ANDERSON
28 UNITED STATES DISTRICT JUDGE