

1
2
3
4
5
6
7
8
9
10
11
12
13
14

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

JS-6

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

STEVE QI and LAW OFFICES OF
STEVE QI & ASSOCIATES, A
PROFESSIONAL CORPORATION,

Defendants.

Case No. 2:17-cv-08856 CJC(JCx)

**FINAL JUDGMENT AS TO
DEFENDANTS STEVE QI AND
LAW OFFICES OF STEVE QI &
ASSOCIATES, A PROFESSIONAL
CORPORATION**

15
16 The Securities and Exchange Commission having filed a Complaint and
17 Defendants Steve Qi and Law Offices of Steve Qi & Associates, A Professional
18 Corporation (collectively, “Defendants”) having entered a general appearance;
19 consented to the Court’s jurisdiction over Defendants and the subject matter of this
20 action; consented to entry of this Final Judgment without admitting or denying the
21 allegations of the Complaint (except as to jurisdiction and except as otherwise
22 provided herein in paragraph VI); waived findings of fact and conclusions of law;
23 and waived any right to appeal from this Final Judgment:

24 I.

25 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that
26 Defendants are permanently restrained and enjoined from violating Section 17(a)(2)
27 of the Securities Act of 1933 (the “Securities Act”), 15 U.S.C. § 77q(a), in the offer
28 or sale of any security by the use of any means or instruments of transportation or

1 communication in interstate commerce or by use of the mails, directly or indirectly
2 to obtain money or property by means of any untrue statement of a material fact or
3 any omission of a material fact necessary in order to make the statements made, in
4 light of the circumstances under which they were made, not misleading.

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

11 II.

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
13 that Defendants are permanently restrained and enjoined from violating Section
14 15(a) of the Exchange Act, 15 U.S.C. § 78o(a), which makes it unlawful for any
15 broker or dealer which is either a person other than a natural person or a natural
16 person not associated with a broker or dealer which is a person other than a natural
17 person (other than such a broker or dealer whose business is exclusively intrastate
18 and who does not make use of any facility of a national securities exchange), to
19 make use of the mails or any means or instrumentality of interstate commerce to
20 effect any transactions in, or to induce or attempt to induce the purchase or sale of,
21 any security (other than an exempted security or commercial paper, bankers'
22 acceptances, or commercial bills) unless such broker or dealer is registered in
23 accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b).

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

1 attorneys; and (b) other persons in active concert or participation with Defendants
2 or with anyone described in (a).

3 III.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
5 Defendants are jointly and severally liable for disgorgement of \$1,317,248,
6 representing profits gained as a result of the conduct alleged in the Complaint,
7 together with prejudgment interest thereon in the amount of \$180,835, and a civil
8 penalty in the amount of \$160,000 pursuant to Section 20(d) of the Securities Act,
9 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C.
10 § 78u(d)(3). Defendants shall satisfy this obligation by paying in \$1,658,083 to the
11 Securities and Exchange Commission pursuant to the terms of the payment
12 schedule set forth in paragraph IV below.

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

19 Enterprise Services Center
20 Accounts Receivable Branch
21 6500 South MacArthur Boulevard
22 Oklahoma City, OK 73169

22 and shall be accompanied by a letter identifying the case title, civil action number,
23 and name of this Court; Steve Qi and Law Offices of Steve Qi & Associates, A
24 Professional Corporation as defendants in this action; and specifying that payment
25 is made pursuant to this Final Judgment.

26 Defendants shall simultaneously transmit photocopies of evidence of
27 payment and case identifying information to the Commission's counsel in this
28 action. By making this payment, Defendants relinquishes all legal and equitable

1 right, title, and interest in such funds and no part of the funds shall be returned to
2 Defendant. The Commission shall send the funds paid pursuant to this Final
3 Judgment to the United States Treasury.

4 The Commission may enforce the Court's judgment for disgorgement and
5 prejudgment interest by moving for civil contempt (and/or through other collection
6 procedures authorized by law) at any time after 14 days following entry of this
7 Final Judgment. Defendants shall pay post judgment interest on any delinquent
8 amounts pursuant to 28 U.S.C. § 1961.

9 IV.

10 Defendants shall pay the total of disgorgement, prejudgment interest, and
11 penalty due of \$1,658,083 in five installments to the Commission according to the
12 following schedule: (1) \$233,000 within 14 days of entry of this Final Judgment;
13 (2) \$250,000 within 90 days of entry of this Final Judgment; (3) \$250,000 within
14 180 days of entry of this Final Judgment; (4) \$250,000 within 270 days of entry of
15 this Final Judgment; and (5) \$675,083 within 360 days of entry of this Final
16 Judgment. Payments shall be deemed made on the date they are received by the
17 Commission and shall be applied first to post judgment interest, which accrues
18 pursuant to 28 U.S.C. § 1961 on any unpaid amounts due after 14 days of the entry
19 of Final Judgment. Prior to making the final payment set forth herein, Defendants
20 shall contact the staff of the Commission for the amount due for the final payment.

21 If Defendants fail to make any payment by the date agreed and/or in the
22 amount agreed according to the schedule set forth above, all outstanding payments
23 under this Final Judgment, including post-judgment interest, minus any payments
24 made, shall become due and payable immediately at the discretion of the staff of the
25 Commission without further application to the Court.

26 V.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
28 Consents are incorporated herein with the same force and effect as if fully set forth

1 herein, and that Defendants shall comply with all of the undertakings and
2 agreements set forth therein.

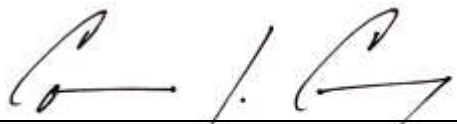
3 VI.

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

13 VII.

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

17
18
19 Dated: November 5, 2018


UNITED STATES DISTRICT JUDGE