

THE HONORABLE JOHN C. COUGHENOUR

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

JONATHAN LY,

Defendant.

CASE NO. C16-1855-JCC

ORDER

FINAL JUDGMENT AS TO DEFENDANT JONATHAN LY

The Securities and Exchange Commission having filed a Complaint and Defendant Jonathan Ly having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment; waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of

1 interstate commerce, or of the mails, or of any facility of any national securities exchange, in
2 connection with the purchase or sale of any security:

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

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

14 II.

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

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

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

6 III.

7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable
8 for disgorgement of \$348,515.72, representing profits gained as a result of the conduct alleged in
9 the Complaint, together with prejudgment interest thereon in the amount of \$27,391.30.
10 Defendant shall satisfy this obligation by paying \$375,907.02 to the Securities and Exchange
11 Commission within 14 days after entry of this Final Judgment.

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

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

22 and shall be accompanied by a letter identifying the case title, civil action number, and name of
23 this Court; Jonathan Ly as a defendant in this action; and specifying that payment is made
24 pursuant to this Final Judgment.

25 Defendant shall simultaneously transmit photocopies of evidence of payment and case
26 identifying information to the Commission's counsel in this action. By making this payment,

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

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

8 IV.

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, for purposes of
10 exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the
11 allegations in the complaint are true and admitted by Defendant, and further, any debt for
12 disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this
13 Final Judgment or any other judgment, order, consent order, decree or settlement agreement
14 entered in connection with this proceeding, is a debt for the violation by Defendant of the federal
15 securities laws or any regulation or order issued under such laws, as set forth in Section
16 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

17 V.

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

21 VI.

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

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1 DATED this 13th day of February, 2017.

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6 John C. Coughenour
7 UNITED STATES DISTRICT JUDGE
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