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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

GENE SHEN,

Defendant.

No. 5:18-cv-04104-BLF

FINAL JUDGMENT AS TO DEFENDANT GENE SHEN

The Securities and Exchange Commission having filed a Complaint and Defendant Gene Shen 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 without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph IV); 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 interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

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

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

12 II.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable
14 for disgorgement of \$40,622, representing profits gained as a result of the conduct alleged in the
15 Complaint, together with prejudgment interest thereon in the amount of \$4,228 and a civil
16 penalty in the amount of \$43,342 pursuant to Section 21(d) of the Exchange Act [15 U.S.C. §
17 78u(d)]. Defendant shall satisfy this obligation by paying \$88,192 to the Securities and
18 Exchange Commission within 14 days after entry of this Final Judgment.

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

25 Enterprise Services Center
26 Accounts Receivable Branch
27 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

1 and shall be accompanied by a letter identifying the case title, civil action number, and name of
2 this Court; Gene Shen as a defendant in this action; and specifying that payment is made
3 pursuant to this Final Judgment.

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

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

13 III.

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

17 IV.

18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for purposes of
19 exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the
20 allegations in the complaint are true and admitted by Defendant, and further, any debt for
21 disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this
22 Final Judgment or any other judgment, order, consent order, decree or settlement agreement
23 entered in connection with this proceeding, is a debt for the violation by Defendant of the federal
24 securities laws or any regulation or order issued under such laws, as set forth in Section
25 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

V.

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

Dated: July 13, 2018



UNITED STATES DISTRICT JUDGE

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