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9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **SOUTHERN DIVISION**

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 TG CAPITAL LLC, a Nevada limited
liability company, THANH VIET
17 "JEREMY" CAO, an individual, and
LODAVINA GROSNICKLE, an individual,
18 Defendants.
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Case No. SACV07-579 CJC (ANx)

**[PROPOSED] JUDGMENT OF
PERMANENT INJUNCTION,
DISGORGEMENT, AND CIVIL
PENALTIES BY DEFAULT
AGAINST DEFENDANT
LODAVINA GROSNICKLE**

1 This matter came on for hearing on the Motion by Plaintiff Securities and
2 Exchange Commission ("Commission") for Entry of a Default Judgment against
3 Defendant Lodavina Grosnickle ("Grosnickle" or "Defendant"), made pursuant to
4 Fed. R. Civ. P. 55(b)(2). The Commission filed its motion following entry by the
5 Clerk on July 13, 2007, of a Default against Grosnickle pursuant to Fed. R. Civ. P.
6 55(a), based on her failure to plead or otherwise defend this action. Although
7 served with the Commission's motion papers, Grosnickle has not opposed or
8 otherwise responded to the motion.

9 Accordingly:

10 **I.**

11 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
12 and Defendant's agents, servants, employees, attorneys, and all persons in active
13 concert or participation with them who receive actual notice of this Judgment by
14 personal service or otherwise are permanently restrained and enjoined from
15 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of
16 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
17 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of
18 interstate commerce, or of the mails, or of any facility of any national securities
19 exchange, in connection with the purchase or sale of any security:

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

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II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

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

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1), by effecting transactions in or inducing or attempting to induce the purchase or sale of securities by the use of the mails or any means or instrumentality of interstate commerce when such persons or entities are not registered with the Commission as a broker or dealer or when such persons are not associated with an entity registered with the Commission as a broker-dealer.

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1 **IV.**

2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
3 paragraphs V through IX of the Preliminary Injunction, which impose an asset
4 freeze, require the preservation of evidence, require the repatriation of funds, and
5 impose certain other requirements, shall continue to apply to Defendant and remain
6 in full force and effect until further order of this Court, and the entirety of the
7 Preliminary Injunction shall remain in full force and effect with respect to other
8 defendants until further order of this Court.

9 **V.**

10 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
11 that Defendant shall pay disgorgement of \$174,474.26, representing profits gained
12 as a result of the conduct alleged in the Complaint, together with prejudgment
13 interest thereon in the amount of \$41,881.67, for a total of \$216,366.93. Defendant
14 shall make this payment within 14 days after entry of this Final Judgment by
15 certified check, bank cashier's check, or United States postal money order payable
16 to the Securities and Exchange Commission. The payment shall be delivered or
17 mailed to the Office of Financial Management, Securities and Exchange
18 Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3,
19 Alexandria, Virginia 22312, and shall be accompanied by a letter identifying
20 Lodavina Grosnickle as a defendant in this action; setting forth the title and civil
21 action number of this action and the name of this Court; and specifying that
22 payment is made pursuant to this Final Judgment. Defendant shall pay post-
23 judgment interest on any delinquent amounts pursuant to 28 USC § 1961. The
24 Commission shall remit the funds paid pursuant to this paragraph to the United
25 States Treasury. The Commission may enforce the Court's judgment for
26 disgorgement and prejudgment interest by moving for civil contempt (and/or
27 through other collection procedures authorized by law) at any time after 14 days
28 following entry of this Final Judgment. In response to any such civil contempt

1 motion by the Commission, the defendant may assert any legally permissible
2 defense.

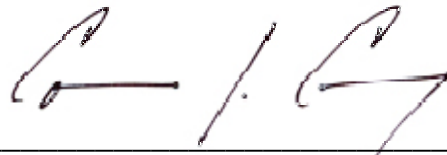
3 **VI.**

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
5 Defendant shall pay a civil penalty in the amount of \$130,000.00 pursuant to
6 Section 20(d)(1) of the Securities Act, 15 U.S.C. § 77t(d)(1), and Section
7 21(d)(3)(A) of the Exchange Act, 15 U.S.C. § 78u(d)(3)(A). Defendant shall make
8 this payment within 14 days after entry of this Final Judgment by certified check,
9 bank cashier's check, or United States postal money order payable to the Securities
10 and Exchange Commission. The payment shall be delivered or mailed to the
11 Office of Financial Management, Securities and Exchange Commission,
12 Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia
13 22312, and shall be accompanied by a letter identifying Lodavina Grosnickle as a
14 defendant in this action; setting forth the title and civil action number of this action
15 and the name of this Court; and specifying that payment is made pursuant to this
16 Final Judgment. Defendant shall pay post-judgment interest on any delinquent
17 amounts pursuant to 28 USC § 1961. The Commission shall remit the funds paid
18 pursuant to this paragraph to the United States Treasury.

19 **VII.**

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this
21 Court shall retain jurisdiction of this matter and over this Defendant for the
22 purposes of enforcing the terms of this Judgment.

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25 Dated: May 9, 2011



26 HONORABLE CORMAC J. CARNEY
27 UNITED STATES DISTRICT JUDGE
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