

## SECURITIES AND EXCHANGE COMMISSION,

**Plaintiff,**

**VS.**

**KING CHUEN TANG a/k/a CHEN TANG,  
RONALD YEE, ZISEN YU, JOSEPH SETO,  
MING SIU, KING S. TANG a/k/a JAMES K. TANG,  
and YING KIT YU a/k/a EDDIE YU,**

**Defendants,**

and

**VENTURE ASSOCIATES FUND I,  
TANG CAPITAL PARTNERS,  
ACCELERATION CAPITAL PARTNERS,  
AMERICAN PEGASUS LONG SHORT FUND  
SEGREGATED PORTFOLIO, PING LEE TANG,  
KA LING LEE, YIN LEE KA, CHEUNG-TING KA,  
SYLVIA TSUI, DOI PING SIU, YUEN-LAI MA,  
LEUNG-KEE SIU, ROSALIE CHO, and  
MINOR CHILD I and MINOR CHILD II,  
minor children of Defendant King Chuen Tang  
a/k/a Chen Tang,**

### Relief Defendants.

**Case No.: 3:09-cv-05146-JCS**

**[Proposed] AGREED  
FINAL JUDGMENT AS TO  
DEFENDANT KING CHUEN  
TANG, a/k/a CHEN TANG**

Judge: Hon. Joseph C. Spero

1 The Securities and Exchange Commission filed a Complaint, and Defendant King Chuen  
2 Tang, a/k/a Chen Tang ("Defendant"): entered a general appearance; consented to the Court's  
3 jurisdiction over Defendant and the subject matter of this action; consented to entry of this Agreed  
4 Final Judgment as to Defendant Chen Tang ("Final Judgment"); waived findings of fact and  
5 conclusions of law; and waived any right to appeal from this Final Judgment. Therefore:  
6

7 I.

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

17 (a) to employ any device, scheme, or artifice to defraud;

18 (b) to make any untrue statement of a material fact or to omit to state a material fact  
19 necessary in order to make the statements made, in the light of the circumstances under which they  
20 were made, not misleading, or  
21

22 (c) to engage in any act, practice, or course of business which operates or would operate  
23 as a fraud or deceit upon any person.  
24

25 II.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant, his agents,  
27 servants, employees, attorneys, and all other persons in active concert or participation with him, who  
28

1 receive actual notice of this order, by personal service or otherwise, and each of them, be and hereby  
 2 are restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. §77q(a)],  
 3 directly or indirectly, in the offer or sale of a security, by making use of any means or instruments of  
 4 transportation or communication in interstate commerce or by use of the mails:

5           A.     to employ any device, scheme or artifice to defraud;

6                               B.     to obtain money or property by means of any untrue  
 7 statement of a material fact or any omission to state a material fact necessary in order to make the  
 8 statements made, in the light of the circumstances under which they were made, not misleading;  
 9 and/or  
 10

11                           C.     to engage in any transaction, practice or course of business which  
 12 operates or would operate as a fraud or deceit upon any purchaser.  
 13

### 14   III.

15           IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for  
 16 disgorgement of \$980,703.53, representing profits gained as a result of the conduct alleged in the  
 17 Complaint, together with prejudgment interest thereon in the amount of \$115,359.95 for a total of  
 18 \$1,096,063.48. Based on Defendant's sworn representations in his Statement of Financial Condition  
 19 and other documents and information submitted to the Commission and the Defendant's guilty plea  
 20 in *United States v. King Chuen Tang, a.k.a. Chen Tang*, Crim. No. 3:10-cr-80-JSW (N.D. Cali. [San  
 21 Francisco Div.]), however, the Court is not ordering Defendant to pay a civil penalty, and payment of  
 22 all but \$382,024.09 is waived.  
 23

24           Defendant shall satisfy this obligation by paying \$350,000 to the Securities and Exchange  
 25 Commission within 60 days after entry of this Final Judgment. The remaining \$32,024.09 shall be  
 26 contributed as follows: (1) \$27,401.32 shall be paid by funds held in escrow by Commercial Escrow  
 27  
 28



1 Services, Inc. as Trustee for Escrow No. 39-4909-AH, account number ending #7727; and (2)  
2 \$5,722.77 shall be paid by funds held in trust by Brown, White & Newhouse f/b/o its client, K.F.T.  
3 The escrow agents and/or Trustees are directed to release said funds and remit payment to the  
4 Securities and Exchange Commission within 30 days after the entry of this Final Judgment.

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

11  
12  
13 Enterprise Services Center  
14 Accounts Receivable Branch  
15 6500 South MacArthur Boulevard  
16 Oklahoma City, OK 73169

17 and shall be accompanied by a letter identifying the case title, civil action number, and name of this  
18 Court; Defendant's name as a defendant in this action; and specifying that payment is made pursuant  
19 to this Final Judgment.

20 Defendant, Trustees, and/or escrow agents shall simultaneously transmit photocopies of  
21 evidence of payment and case identifying information to the Commission's counsel in this action.  
22 By making this payment, Defendant, Trustees, and/or escrow agents relinquish all legal and equitable  
23 right, title, and interest in such funds and no part of the funds shall be returned.

24 The determination not to impose a civil penalty and to waive payment of all but \$382,024.09  
25 of the disgorgement and pre-judgment interest is contingent upon the accuracy and completeness of  
26 Defendant's Statement of Financial Condition. If at any time following the entry of this Final  
27  
28

1 Judgment the Commission obtains information indicating that Defendant's representations to the  
2 Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading,  
3 inaccurate, or incomplete in any material respect as of the time such representations were made, the  
4 Commission may, at its sole discretion and without prior notice to Defendant, petition the Court for  
5 an order requiring Defendant to pay the unpaid portion of the disgorgement, pre-judgment and post-  
6 judgment interest thereon, and the maximum civil penalty allowable under the law. In connection  
7 with any such petition, the only issue shall be whether the financial information provided by  
8 Defendant was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the  
9 time such representations were made. In its petition, the Commission may move this Court to  
10 consider all available remedies, including, but not limited to, ordering Defendant to pay funds or  
11 assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The  
12 Commission may also request additional discovery. Defendant may not, by way of defense to such  
13 petition: (1) challenge the validity of the Consent or this Final Judgment; (2) contest the allegations  
14 in the Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-judgment  
15 and post-judgment interest or a civil penalty should not be ordered; (4) contest the amount of  
16 disgorgement and pre-judgment and post-judgment interest; (5) contest the imposition of the  
17 maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy,  
18 including, but not limited to, any statute of limitations defense. Defendant shall also pay post-  
19 judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.  
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23 IV.

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is  
25 incorporated herein with the same force and effect as if fully set forth herein, and that Defendant  
26 shall comply with all of the undertakings and agreements set forth therein.  
27  
28

V.

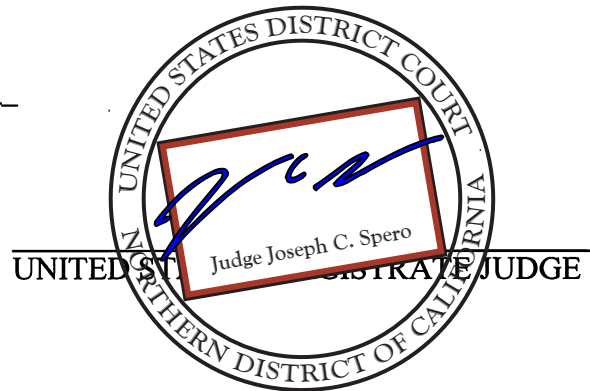
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purpose of enforcing the terms of this Final Judgment.

VI.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

IT IS SO ORDERED.

Dated: 03/06/13



1 Approved as to Form:

2  
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14 Attorney for Plaintiff Securities and Exchange Commission