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16 **UNITED STATES DISTRICT COURT**
17 **CENTRAL DISTRICT OF CALIFORNIA**

18 **SECURITIES AND EXCHANGE**
19 **COMMISSION,**

20 **Plaintiff,**

21 **v.**

22 **NANCY SHAO WEN CHU, ET AL.,**

23 **Defendants.**

24 **CASE No: CV 11-09859 R (FMOx)**

25 **SECOND AMENDED ORDER OF**
26 **FINAL JUDGMENT BY DEFAULT**

1 Plaintiff Securities and Exchange Commission (“Commission”) has moved
2 this Court to amend its Amended Order of Final Judgment by Default against
3 defendants Nancy Shao Wen Chu (“Chu”) and Eric Jon Strasser (“Strasser”) dated
4 August 8, 2012 (Dkt. 19). (Dkt. 22). Neither defendant Chu nor defendant
5 Strasser has entered an appearance in this matter. Having considered the
6 Commission’s motion and the record in this matter, the motion is GRANTED.
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9 Accordingly:

10 I.
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12 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Chu and
13 Strasser, and their agents, servants, employees, attorneys, and all persons in active
14 concert or participation with them who receive actual notice of this Amended
15 Order of Final Judgment by personal service or otherwise are permanently
16 restrained and enjoined from violating, directly or indirectly, Section 10(b) of the
17 Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and
18 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means
19 or instrumentality of interstate commerce, or of the mails, or of any facility of any
20 national securities exchange, in connection with the purchase or sale of any
21 security:
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26 (a) to employ any device, scheme, or artifice to defraud;

27 (b) to make any untrue statement of a material fact or to omit to state a
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1 material fact necessary in order to make the statements made, in the light of the
2 circumstances under which they were made, not misleading; or

3 (c) to engage in any act, practice, or course of business which operates or
4 would operate as a fraud or deceit upon any person.
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6 II.

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8 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND
9 DECREED that Chu and Chu's agents, servants, employees, attorneys, and all
10 persons in active concert or participation with them who receive actual notice of
11 this Amended Order of Final Judgment by personal service or otherwise are
12 permanently restrained and enjoined from violating Section 17(a) of the Securities
13 Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any
14 security by the use of any means or instruments of transportation or
15 communication in interstate commerce or by use of the mails, directly or
16 indirectly:
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19 (a) to employ any device, scheme, or artifice to defraud;
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21 (b) to obtain money or property by means of any untrue statement of a
22 material fact or any omission of a material fact necessary in order to make the
23 statements made, in light of the circumstances under which they were made, not
24 misleading; or
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27 (c) to engage in any transaction, practice, or course of business which
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1 operates or would operate as a fraud or deceit upon the purchaser.

2 III.

3 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
4 that Chu shall pay a civil penalty of \$15,600,000 (\$130,000 for each of 120
5 fictitious transactions) and Strasser shall pay a civil penalty of \$260,000 (\$130,000
6 for each of two fraudulent Securities Exchange Commission filings) pursuant to
7 Sections 20(d)(1) of the Securities Act [15 U.S.C. § 77t(d)(1)] and 21(d)(3)(A) of
8 the Exchange Act [15 U.S.C. § 78u(d)(3)(A)]. Chu and Strasser shall each make
9 their respective payments within 14 days after entry of this Amended Order of
10 Final Judgment.
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15 Defendants may transmit payment electronically to the Commission, which
16 will provide detailed ACH transfer/Fedwire instructions upon request. Payment
17 may also be made directly from a bank account via Pay.gov through the SEC
18 website at <http://www.sec.gov/about/offices/ofm.htm>. Defendants may also pay by
19 certified check, bank cashier's check, or United States postal money order payable
20 to the Securities and Exchange Commission, which shall be delivered or mailed to
21
22

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

27 and shall be accompanied by a letter identifying the case title, civil action number,
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1 and name of this Court; Defendant's name as a defendant in this action; and
2 specifying that payment is made pursuant to this Amended Order of Final
3 Judgment.
4

5 Defendant shall simultaneously transmit photocopies of evidence of
6 payment and case identifying information to the Commission's counsel in this
7 action. By making this payment, Defendant relinquishes all legal and equitable
8 right, title, and interest in such funds and no part of the funds shall be returned to
9 Defendant. The Commission shall send the funds paid pursuant to this Amended
10 Order of Final Judgment to the United States Treasury. Defendant shall pay post-
11 judgment interest on any delinquent amounts pursuant to 28 USC § 1961.
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15 IV.

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that,
17 pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section
18 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant Chu is prohibited
19 from acting as an officer or director of any issuer that has a class of securities
20 registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is
21 required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. §
22 78o(d)].
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26 V.

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

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4 VI.

5 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
6 Rules of Civil Procedure, the Clerk is ordered to enter this Amended Order of Final
7 Judgment forthwith and without further notice.
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10 SO ORDERED, this 6th day of April, 2015
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12 BY THE COURT:

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16 Manuel L. Real
17 United States District Judge

18 Presented by:

19
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