

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

WELL ADVANTAGE LIMITED, *et al.*,

Defendants.

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ELECTRONICALLY FILED

DOC #:

DATE FILED: 2/11/2014

CASE NO. 12 CIV 5786 (RJS)

JUDGE SULLIVAN

**FINAL STIPULATION AND ORDER RELATED TO  
BENEFICIAL OWNER STEPHEN WONG**

WHEREAS in the Complaint filed on July 27, 2012 (Docket No. 1), and the First Amended Complaint filed on August 3, 2012 (Docket No. 19) (the "First Amended Complaint"), Plaintiff Securities and Exchange Commission (the "Commission") named as Defendants, among others, Certain Unknown Traders in the Securities of Nexen, Inc. ("Nexen") in an Account of Phillips Securities, PTE Ltd. with Pershing L.J.C ("Phillip Account");

WHEREAS China Shenghai Investment Management Limited (formerly known as China Alpha Investment Management Limited) ("China Shenghai") is a Hong Kong-based asset management firm that was authorized by Stephen Wang Sang Wong ("Stephen Wong") to operate a discretionary customer account held by Stephen Wong at GF Securities (Hong Kong) Brokerage Limited ("GF"), a Hong Kong-based brokerage firm, in its sole discretion for the benefit of Stephen Wong (the "Wong Discretionary Customer Account");

WHEREAS between July 12 and 19, 2012, China Shenghai exercised its sole discretion to execute trades in the securities of Nexen in the Phillip Account, purchasing a total of 308,164 shares for the Wong Discretionary Customer Account and, by July 23, 2012, China Shenghai sold all of those Nexen shares;

**WHEREAS** these trades by China Shenghai were attributed in the First Amended Complaint to Defendants Certain Unknown Traders in the Securities of Nexen in the Phillip Account, and Plaintiff alleged that the trades were “highly suspicious” and were made on the basis of material, nonpublic information;

**WHEREAS** on July 27, 2012, Plaintiff obtained an asset freeze pursuant to part V of the Court’s Order to Show Cause and Order Freezing Assets and Granting Other Relief entered on July 27, 2012 (Docket No. 2) (the “July 27 Order”);

**WHEREAS** on August 21, 2012, counsel for the Commission and counsel for Stephen Wong stipulated and agreed, and the Court ordered, that the asset freeze imposed pursuant to Part V of the July 27 Order shall remain in full force and effect as to Stephen Wong until a final judgment is entered as to Defendants Certain Unknown Traders in the Securities of Nexen in the Phillip Account, or until a further Order of the Court vacating, modifying or otherwise affecting the terms of the August 21 Stipulation and Order, whichever is earlier (Docket No. 34) (the “August 21 Order”);

**WHEREAS** on November 18, 2013, counsel for the Commission and counsel for Stephen Wong stipulated and agreed, and the Court ordered, that: (1) the asset freeze imposed pursuant to the July 27 Order and the August 21 Order shall be immediately lifted as to \$5,166,065.03, the aggregate cost basis of the trades China Shenghai made in the Wong Discretionary Customer Account, which shall be immediately released from the Phillip Account to Stephen Wong, including any interest earned on the aggregate cost basis since July 27, 2012; and (2) the asset freeze imposed pursuant to the July 27 Order and the August 21 Order shall remain in full force and effect as to \$2,840,948.54, the total realized profit related to the trades China Shenghai made in the Wong Discretionary Customer Account (the “Stephen Wong Frozen

Funds”), and any interest earned on the Stephen Wong Frozen Funds, until a further Order of the Court (Docket No. 73) (the “November 18 Order”); and

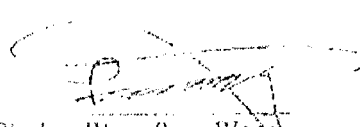
**WHEREAS** China Shenghai, without admitting or denying the allegations of the First Amended Complaint, has consented to the entry of a Final Judgment that, among other things, adjudges China Shenghai liable for disgorgement in the amount of \$4,268,057.16, which includes disgorgement of \$2,840,948.54 in profits resulting from China Shenghai’s July 2012 purchases and sales of Nexen stock for the Wong Discretionary Customer Account;

**IT IS HEREBY STIPULATED AND AGREED** by and between counsel for the Commission and Stephen Wong as follows:

1. Upon the Court’s entry of the Final Judgment as to China Shenghai, Stephen Wong will relinquish all legal and equitable right, title and interest in the Stephen Wong Frozen Funds that are currently held by Pershing LLC (“Pershing”) pursuant to the Court’s Orders of July 27, August 21, 2012 and November 18, 2013.
2. Following the Court’s entry of the Final Judgment as to China Shenghai, Pershing will transfer the Stephen Wong Frozen Funds to the Commission in accordance with the provisions of the Final Judgment as to China Shenghai.
3. Upon Pershing’s payment of the Stephen Wong Frozen Funds to the Commission, all asset freeze, document preservation and any other obligations imposed upon Stephen Wong by the Court’s Orders of July 27, August 21, 2012 and November 18, 2013 shall terminate immediately, without further order of the Court.
4. Upon Pershing’s payment of the Stephen Wong Frozen Funds to the Commission in accordance with the provisions of the Final Judgment as to China Shenghai, no claim against

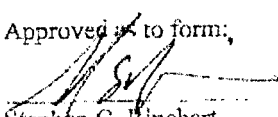
Stephen Wong will remain pending in this civil action, and this matter shall be dismissed against him with prejudice, without further order of the Court.

Dated: January 27, 2014  
Hong Kong

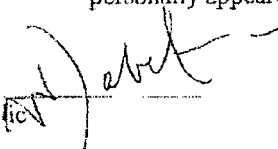
  
Stephen Wang Sang Wong

On January 27, 2014, Stephen Wang Sang Wong, first having identified by production of his Hong Kong Identify Card No. personally appeared before me and acknowledged executing the foregoing Consent.

Approved as to form;

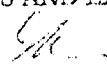
  
Stephen G. Kinehart  
Troutman Sanders LLP  
Counsel for Stephen Wang Sang Wong

WITNESS AS TO SIGNATURE ONLY  
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KWAN CHUI YI MABEL,  
NOTARY PUBLIC  
HONG KONG BAR  
5TH FLOOR TARDINE HOUSE  
1 CONNAUGHT PLACE  
HONG KONG

Dated: January 30, 2014

SECURITIES AND EXCHANGE COMMISSION

By:   
Simona K. Suh  
Counsel for the Securities and  
Exchange Commission

2/11/14

SO ORDERED:  
  
RICHARD J. SULLIVAN  
UNITED STATES DISTRICT JUDGE