

**JS-6**

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

STEVE QI and LAW OFFICES OF  
STEVE QI & ASSOCIATES, A  
PROFESSIONAL CORPORATION,

Defendants.

Case No. 2:17-cv-08856 CJC(JCx)

**FINAL JUDGMENT AS TO  
DEFENDANTS STEVE QI AND  
LAW OFFICES OF STEVE QI &  
ASSOCIATES, A PROFESSIONAL  
CORPORATION**

The Securities and Exchange Commission having filed a Complaint and Defendants Steve Qi and Law Offices of Steve Qi & Associates, A Professional Corporation (collectively, “Defendants”) having entered a general appearance; consented to the Court’s jurisdiction over Defendants 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 VI); 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 Defendants are permanently restrained and enjoined from violating Section 17(a)(2) 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

1 communication in interstate commerce or by use of the mails, directly or indirectly  
2 to obtain money or property by means of any untrue statement of a material fact or  
3 any omission of a material fact necessary in order to make the statements made, in  
4 light of the circumstances under which they were made, not misleading.

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

11 II.

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
13 that Defendants are permanently restrained and enjoined from violating Section  
14 15(a) of the Exchange Act, 15 U.S.C. § 78o(a), which makes it unlawful for any  
15 broker or dealer which is either a person other than a natural person or a natural  
16 person not associated with a broker or dealer which is a person other than a natural  
17 person (other than such a broker or dealer whose business is exclusively intrastate  
18 and who does not make use of any facility of a national securities exchange), to  
19 make use of the mails or any means or instrumentality of interstate commerce to  
20 effect any transactions in, or to induce or attempt to induce the purchase or sale of,  
21 any security (other than an exempted security or commercial paper, bankers'  
22 acceptances, or commercial bills) unless such broker or dealer is registered in  
23 accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b).

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as  
25 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also  
26 binds the following who receive actual notice of this Final Judgment by personal  
27 service or otherwise: (a) Defendants' officers, agents, servants, employees, and  
28

1 attorneys; and (b) other persons in active concert or participation with Defendants  
2 or with anyone described in (a).

3 III.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that  
5 Defendants are jointly and severally liable for disgorgement of \$1,317,248,  
6 representing profits gained as a result of the conduct alleged in the Complaint,  
7 together with prejudgment interest thereon in the amount of \$180,835, and a civil  
8 penalty in the amount of \$160,000 pursuant to Section 20(d) of the Securities Act,  
9 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C.  
10 § 78u(d)(3). Defendants shall satisfy this obligation by paying in \$1,658,083 to the  
11 Securities and Exchange Commission pursuant to the terms of the payment  
12 schedule set forth in paragraph IV below.

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

19 Enterprise Services Center  
20 Accounts Receivable Branch  
21 6500 South MacArthur Boulevard  
22 Oklahoma City, OK 73169

22 and shall be accompanied by a letter identifying the case title, civil action number,  
23 and name of this Court; Steve Qi and Law Offices of Steve Qi & Associates, A  
24 Professional Corporation as defendants in this action; and specifying that payment  
25 is made pursuant to this Final Judgment.

26 Defendants shall simultaneously transmit photocopies of evidence of  
27 payment and case identifying information to the Commission's counsel in this  
28 action. By making this payment, Defendants relinquishes all legal and equitable

1 right, title, and interest in such funds and no part of the funds shall be returned to  
2 Defendant. The Commission shall send the funds paid pursuant to this Final  
3 Judgment to the United States Treasury.

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

9 IV.

10 Defendants shall pay the total of disgorgement, prejudgment interest, and  
11 penalty due of \$1,658,083 in five installments to the Commission according to the  
12 following schedule: (1) \$233,000 within 14 days of entry of this Final Judgment;  
13 (2) \$250,000 within 90 days of entry of this Final Judgment; (3) \$250,000 within  
14 180 days of entry of this Final Judgment; (4) \$250,000 within 270 days of entry of  
15 this Final Judgment; and (5) \$675,083 within 360 days of entry of this Final  
16 Judgment. Payments shall be deemed made on the date they are received by the  
17 Commission and shall be applied first to post judgment interest, which accrues  
18 pursuant to 28 U.S.C. § 1961 on any unpaid amounts due after 14 days of the entry  
19 of Final Judgment. Prior to making the final payment set forth herein, Defendants  
20 shall contact the staff of the Commission for the amount due for the final payment.

21 If Defendants fail to make any payment by the date agreed and/or in the  
22 amount agreed according to the schedule set forth above, all outstanding payments  
23 under this Final Judgment, including post-judgment interest, minus any payments  
24 made, shall become due and payable immediately at the discretion of the staff of the  
25 Commission without further application to the Court.

26 V.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the  
28 Consents are incorporated herein with the same force and effect as if fully set forth

1 herein, and that Defendants shall comply with all of the undertakings and  
2 agreements set forth therein.

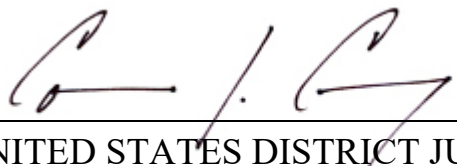
3 VI.

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

13 VII.

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

17  
18  
19 Dated: November 5, 2018

  
UNITED STATES DISTRICT JUDGE