

NOTE: CHANGES MADE BY THE COURT

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

IMRAN HUSAIN,

Defendant.

Case No. 2:16-cv-03250-ODW-E

**AMENDED FINAL JUDGMENT AS
TO DEFENDANT IMRAN HUSAIN**

1 On March 25, 2021, the Court entered its Order Granting in Part and Denying in
2 Part Plaintiff Securities and Exchange Commission's ("SEC") Motion for Summary
3 Judgment (ECF. No. 97) and Denying Defendant Imran Husain's Motion for Partial
4 Summary Judgment. (Order on Mot. Summ. J. ("Summary Judgment Order"),
5 ECF. No. 122.) Thereafter, on April 5, 2021, the Court entered a final judgment,
6 (April 5, 2021 Final J. ("April 5, 2021 Final Judgment"), ECF No. 124), against
7 Defendant, imposing injunctive relief, a penny stock bar, an officer and director bar,
8 and a civil monetary penalty in the amount of \$1,757,000. *See generally id.* On appeal,
9 the Ninth Circuit reversed the Court's grant of summary judgment on the amount of
10 the civil penalty and remanded the case back to this Court for a redetermination of the
11 amount of Defendant's civil penalty. On September 22, 2023, having received the
12 mandate of the circuit court of appeals, this Court vacated its imposition of a civil
13 monetary penalty in the amount of \$1,757,000 against Defendant in its April 5, 2021
14 Final Judgment. (Min. Order Spread Mandate, ECF. No. 137.)

15 Defendant, having entered a general appearance, consented to the Court's
16 jurisdiction over him, acknowledged the Court's Summary Judgment Order, and
17 waived any right to appeal from this amended final judgment (the "Amended Final
18 Judgment"), consents to this Amended Final Judgment, which amends the April 5,
19 2021 Final Judgment to impose a \$1,000,000 civil monetary penalty, with all other
20 terms of the April 5, 2021 Final Judgment remaining the same, such that, for purposes
21 of Rule 506(d) of SEC Regulation D [17 C.F.R. § 230.506(d)] and Rule 262(a) of SEC
22 Regulation A [17 C.F.R. § 230.262(a)], and the time-limited bars imposed by the
23 April 5, 2021 Final Judgment, the injunctions, the seven-year penny stock bar and the
24 seven-year officer and director bar shall be deemed to have been entered solely on April
25 5, 2021 and to run from that date. Good cause appearing therefor:

26 **I.**

27 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant
28 is permanently restrained and enjoined from violating, directly or indirectly,

1 Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C.
2 § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
3 any means or instrumentality of interstate commerce, or of the mails, or of any facility
4 of any national securities exchange, in connection with the purchase or sale of any
5 security:

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

12 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, as
13 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
14 binds the following who receive actual notice of this Judgment by personal service or
15 otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and
16 (b) other persons in active concert or participation with Defendant or with anyone
17 described in (a).

18 **II.**

19 **IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED**
20 that Defendant is permanently restrained and enjoined from violating Section 17(a) of
21 the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or
22 sale of any security by the use of any means or instruments of transportation or
23 communication in interstate commerce or by use of the mails, directly or indirectly:

- 24 (a) to employ any device, scheme, or artifice to defraud;
- 25 (b) to obtain money or property by means of any untrue statement of a
26 material fact or any omission of a material fact necessary in order to make the
27 statements made, in light of the circumstances under which they were made, not
28 misleading; or

1 (c) to engage in any transaction, practice, or course of business which
2 operates or would operate as a fraud or deceit upon the purchaser.

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

9 **III.**

10 **IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED**
11 that Defendant is permanently restrained and enjoined from violating section five of
12 the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any
13 applicable exemption:

- 14 (a) Unless a registration statement is in effect as to a security, making use of
15 any means or instruments of transportation or communication in interstate
16 commerce or of the mails to sell such security through the use or medium
17 of any prospectus or otherwise;
- 18 (b) Unless a registration statement is in effect as to a security, carrying or
19 causing to be carried through the mails or in interstate commerce, by any
20 means or instruments of transportation, any such security for the purpose
21 of sale or for delivery after sale; or
- 22 (c) Making use of any means or instruments of transportation or
23 communication in interstate commerce or of the mails to offer to sell or
24 offer to buy through the use or medium of any prospectus or otherwise
25 any security, unless a registration statement has been filed with the
26 Commission as to such security, or while the registration statement is the
27 subject of a refusal order or stop order or (prior to the effective date of the
28 registration statement) any public proceeding or examination under

1 Section 8 of the Securities Act [15 U.S.C. § 77h].

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

8 **IV.**

9 **IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED**
10 that Defendant is prohibited, for seven years following the date of entry of the April 5,
11 2021 Final Judgment, from participating in an offering of penny stock, including
12 engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading,
13 or inducing or attempting to induce the purchase or sale of any penny stock. A penny
14 stock is any equity security that has a price of less than five dollars, except as provided
15 in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

16 **V.**

17 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, pursuant
18 to section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and section 20(e) of
19 the Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited, for seven years
20 following the date of entry of the April 5, 2021 Final Judgment, from acting as an
21 officer or director of any issuer that has a class of securities registered pursuant to
22 section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports
23 pursuant to section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

24 **VI.**

25 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that
26 Defendant shall pay a civil penalty in the amount of \$1,000,000, pursuant to
27 Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and section 21(d)(3) of the
28 Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant shall make the required payment

1 within 30 days after entry of this Final Judgment.

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

8 Enterprise Services Center
9 Accounts Receivable Branch
10 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

11 and shall be accompanied by a letter identifying the case title, civil action number, and
12 name of this Court; Imran Husain as a defendant in this action; and specifying that
13 payment is made pursuant to this Final Judgment.

14 Defendant shall simultaneously transmit photocopies of evidence of payment
15 and case identifying information to the Commission's counsel in this action. By
16 making this payment, Defendant relinquishes all legal and equitable right, title, and
17 interest in such funds and no part of the funds shall be returned to Defendant. The
18 Commission shall send the funds paid pursuant to this Final Judgment to the United
19 States Treasury.

20 The Commission may enforce the Court's judgment for penalties by the use of
21 all collection procedures authorized by law, including the Federal Debt Collection
22 Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the
23 violation of any Court orders issued in this action. Defendant shall pay post-judgment
24 interest on any amounts due after 30 days of the entry of this Final Judgment pursuant
25 to 28 USC § 1961.

26 **VII.**

27 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, for
28 purposes of exceptions to discharge set forth in section 523 of the Bankruptcy Code,

1 11 U.S.C. § 523, the allegations in the complaint are true and admitted by Defendant,
2 and further, any debt for disgorgement, prejudgment interest or other amounts due by
3 Defendant under this Judgment or any other judgment, order, consent order, decree or
4 settlement agreement entered in connection with this proceeding, is a debt for the
5 violation by Defendant of the federal securities laws or any regulation or order issued
6 under such laws, as set forth in section 523(a)(19) of the Bankruptcy Code, 11 U.S.C.
7 § 523(a)(19).

8 **VIII.**

9 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the
10 claims in the SEC's Complaint against Defendant for secondary, aiding and abetting
11 violations of the securities laws (Claims 2, 5, 8-10) are dismissed as moot.

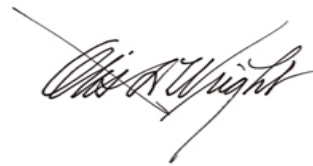
12 **IX.**

13 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the
14 SEC's request for disgorgement against Defendant is denied.

15 **X.**

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

19
20 Dated: June 20, 2024



21
22 HONORABLE OTIS D. WRIGHT, II
23 UNITED STATES DISTRICT JUDGE
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