

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
Western Division**

SECURITIES AND EXCHANGE
COMMISSION,
Plaintiff,
vs.
ZHUOBIN HONG and CAIXIA
JIANG,
Defendants,
AND
ZHUOYAN HONG, and
HAOTAO JIANG,
Relief Defendants.

Case No. 2:20-cv-004080-MCS-RAO
~~PROPOSED~~ FINAL JUDGMENT AS
TO DEFENDANT CAIXIA JIANG

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Caixia Jiang (“Defendant”) having entered a general appearance; consented
3 to the Court’s jurisdiction over Defendant and the subject matter of this action;
4 consented to entry of this Final Judgment without admitting or denying the allegations of
5 the Complaint (except as to jurisdiction and except as otherwise provided herein in
6 paragraph IV) ; waived findings of fact and conclusions of law; and waived any right to
7 appeal from this Final Judgment:

8 **I.**

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
10 permanently restrained and enjoined from violating, directly or indirectly, Section 10(b)
11 of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and
12 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or
13 instrumentality of interstate commerce, or of the mails, or of any facility of any national
14 securities exchange, in connection with the purchase or sale of any security:

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

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

27 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 [17 C.F.R. § 240.14e-3] promulgated thereunder, in connection with any tender offer or request or invitation for tenders, from engaging in any fraudulent, deceptive, or manipulative act or practice, by:

- (a) purchasing or selling or causing to be purchased or sold the securities sought or to be sought in such tender offer, securities convertible into or exchangeable for any such securities or any option or right to obtain or dispose of any of the foregoing securities while in possession of material information relating to such tender offer that Defendant knows or has reason to know is nonpublic and knows or has reason to know has been acquired directly or indirectly from the offering person; the issuer of the securities sought or to be sought by such tender offer; or any officer, director, partner, employee or other person acting on behalf of the offering person or such issuer, unless within a reasonable time prior to any such purchase or sale such information and its source are publicly disclosed by press release or otherwise; or
- (b) communicating material, nonpublic information relating to a tender offer, which Defendant knows or has reason to know is nonpublic and knows or has reason to know has been acquired directly or indirectly from the offering person; the issuer of the securities sought or to be sought by such tender offer; or any officer, director, partner, employee, advisor, or other person acting on behalf of the offering person or such issuer, to any person under circumstances in which it is reasonably foreseeable that such communication is likely to result in the purchase or sale of securities in the manner described in subparagraph (a) above, except that this paragraph shall not apply to a communication made in good faith

- 1 (i) to the officers, directors, partners or employees of the offering
2 person, to its advisors or to other persons, involved in the
3 planning, financing, preparation or execution of such tender
4 offer;
- 5 (ii) to the issuer whose securities are sought or to be sought by
6 such tender offer, to its officers, directors, partners, employees
7 or advisors or to other persons involved in the planning,
8 financing, preparation or execution of the activities of the
9 issuer with respect to such tender offer; or
- 10 (iii) to any person pursuant to a requirement of any statute or rule
11 or regulation promulgated thereunder.

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

18 **III.**

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
20 shall pay a civil penalty in the amount of \$2.3 million to the Securities and Exchange
21 Commission pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1].
22 Defendant shall make this payment within 30 days after entry of this Final Judgment.

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

1 Enterprise Services Center
2 Accounts Receivable Branch
3 6500 South MacArthur Boulevard
4 Oklahoma City, OK 73169

5 and shall be accompanied by a letter identifying the case title, civil action number, and
6 name of this Court; Caixia Jiang as a defendant in this action; and specifying that
7 payment is made pursuant to this Final Judgment.

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

13 The Commission may enforce the Court's judgment for penalties by the use of all
14 collection procedures authorized by law, including the Federal Debt Collection
15 Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the
16 violation of any Court orders issued in this action. Defendant shall pay post-judgment
17 interest on any amounts due after 30 days of the entry of this Final Judgment pursuant to
18 28 USC § 1961.

19 IV.

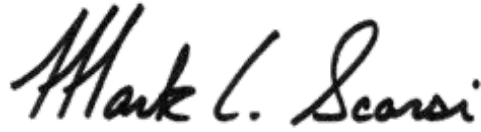
20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
21 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11
22 U.S.C. § 523, the allegations in the complaint are true and admitted by Defendant, and
23 further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts
24 due by Defendant under this Final Judgment or any other judgment, order, consent order,
25 decree or settlement agreement entered in connection with this proceeding, is a debt for
26 the violation by Defendant of the federal securities laws or any regulation or order issued
27 under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §
28 523(a)(19).

///

V.

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

Dated: March 9, 2022



MARK C. SCARSI
UNITED STATES DISTRICT JUDGE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28