



NEW YORK
REGIONAL OFFICE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

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April 10, 2025

By ECF

Hon. Paul G. Gardephe
United States District Judge
Thurgood Marshall United States Courthouse
40 Foley Square
New York, NY 10007

Re: *SEC v. CanaFarma Hemp Products Corp., et al.*, 21 Civ. 8211 (PGG)

Dear Judge Gardephe:

Plaintiff Securities and Exchange Commission (the “SEC”) respectfully submits this letter (1) to seek approval of the proposed final consent judgments (“Proposed Final Judgments”) filed today on ECF. (Dkt. Nos. 57 & 58) and (2) to update the Court as to the SEC’s decision not to seek monetary relief against Igor Palatnik (“Palatnik”).

If entered, the Proposed Final Judgments would implement the settlement terms relating to remedies against Defendants Frank Barone (“Barone”) and Kirill Chumenko (“Chumenko”) and resolve, as to Barone and Chumenko, all remaining issues in this case.

The Proposed Final Judgments are fair and reasonable and do not disserve the public interest, under *SEC v. Citigroup Global Markets, Inc.*, 752 F.3d 285 (2d Cir. 2014). Among other things, the Proposed Final Judgments would:

1. Permanently enjoin Barone and Chumenko from committing violations of the federal securities laws that the SEC has charged them with, including injunctions against committing fraud in connection with the offer, purchase, and sale of securities;
2. Impose five-year officer-and-director bars on Barone and Chumenko, pursuant to 15 U.S.C. §§ 77t(e) and 78u(d)(2); and
3. Impose five-year penny stock bars on Barone and Chumenko, pursuant to 15 U.S.C. § 77t(g) and 78u(d)(6).

As to Palatnik, the consent judgment entered by the Court on February 21, 2024 (Dkt. No. 42) imposed injunctive relief, a permanent officer-and-director bar, and a permanent penny stock bar. It also left open the issue of monetary relief until such time as

Hon. Paul G. Gardephe
April 10, 2025
Page 2

the SEC makes a motion for such relief. The SEC does not intend to seek monetary relief against Palatnik. Accordingly, there are no outstanding issues in this matter as to Palatnik.

For these reasons, the SEC therefore respectfully requests that the Court approve the Proposed Final Judgments (Dkt. Nos. 57 & 58) and docket them with Barone and Chumenko's signed consents. By doing so, the Court will fully resolve all of the SEC's remaining claims in this action.

Respectfully submitted,

/s/ Russell J. Feldman

Russell J. Feldman
Trial Attorney

Enclosure

cc: All counsel of record (by ECF)