

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6121 / September 12, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-21063

In the Matter of

**SPARKLABS GLOBAL
VENTURES
MANAGEMENT, LLC,
SPARKLABS
MANAGEMENT, LLC AND
BERNARD MOON,**

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS
PURSUANT TO SECTIONS 203(e), 203(f)
AND 203(k) OF THE INVESTMENT
ADVISERS ACT OF 1940, MAKING
FINDINGS, AND IMPOSING REMEDIAL
SANCTIONS AND A CEASE- AND-DESIST
ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) against SparkLabs Global Ventures Management, LLC, SparkLabs Management, LLC, and Bernard Moon (collectively, “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over Respondents and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e), 203(f), and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds¹ that:

Summary

1. This matter involves unauthorized and undisclosed inter-fund loan transactions by venture capital fund managers SparkLabs Global Ventures Management, LLC and SparkLabs Management, LLC, and their principal, Bernard Moon. From at least 2016 through 2019 (the "Relevant Period"), Respondents directed certain funds they managed to make more than 50 loans totaling over \$4.4 million to other funds under their management and affiliates of Respondents to help finance the borrowing funds' investment strategies and to meet their obligations to repay outstanding loans from other affiliated entities.

2. By entering into these loans, Respondents breached their fiduciary duty to their clients. In particular, the loans violated the lending funds' operating agreements, which did not authorize the funds to use investment capital for loans to Respondents' affiliates, were for durations in excess of the limitations imposed in the funds' respective limited partnership agreements, and were made at below-market interest rates to affiliated borrowing funds with limited or no operating history. In addition, Respondents repeatedly failed to enforce the terms of the loans when they were due. In one instance, after a borrowing fund defaulted, Respondents accepted repayment in the form of shares in a portfolio company without conducting an independent valuation of those shares. Respondents were solely responsible for determining the terms for each side of the respective transactions. Thus the inter-fund loans and the Respondents' interest in the success of the larger SparkLabs organization, encompassing multiple funds, created conflicts of interest for Respondents as between various funds that they managed, which Respondents failed to disclose to the funds.

3. Contrary to the funds' agreements, Respondents did not create any committees of limited partners that could have advised on or consented to potentially conflicted transactions, such as these loans.

4. As a result, Respondents violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder.

Respondents

¹ The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

5. SparkLabs Global Ventures Management LLC (“SparkLabs GVM”) (SEC No. 802-112315), a Delaware limited liability company with its principal place of business in Palo Alto, California, is an exempt reporting adviser reporting to the state of California since December 2017.² SparkLabs GVM is serves as the investment adviser for a series of venture capital funds, including SparkLabs Global Ventures Fund I, L.P. (“GVF I”), a Cayman Islands exempted limited partnership, and SparkLabs Global Ventures Fund II, L.P. (“GVF II”), a Cayman Islands limited partnership (collectively, the “**Venture Funds**”), , and is an affiliate of the General Partners for each of those Funds, SparkLabs Global Ventures General Partner I, L.P., and SparkLabs Global Ventures General Partner II, L.P.

6. SparkLabs Management, LLC (“SparkLabs Management”) (SEC No. 802-111979), a Delaware limited liability company, has been an exempt reporting adviser reporting to the state of California since September 29, 2017, with its principal place of business in Palo Alto, California.³ It serves as the investment adviser for a series of early-stage venture capital funds and startup accelerators, including, among others, SparkLabs Korea Fund II, L.P. (“Korea Fund II”), a Cayman Islands limited partnership with its principal place of business in Seoul, Republic of Korea; SparkLabs Frontier ASU Fund I, L.P. (“Frontier Fund”) a Delaware limited partnership with its principal place of business in Palo Alto, California; and SparkLabs Taipei Fund I, L.P., a Cayman Islands limited partnership with its principal place of business in Taipei, Taiwan (collectively, the “**Accelerator Funds**”).

7. Bernard Moon (“Moon”), 51, is a resident of Moraga, California and an owner and managing member of both SparkLabs GVM and SparkLabs Management. Moon also serves as a member of the general partner entities for each of the funds managed by SparkLabs Management and SparkLabs GVM.

Background

8. In 2013, Moon founded SparkLabs, a collection of related entities that includes Respondents SparkLabs GVM and SparkLabs Management, among other affiliates. SparkLabs focuses on investments in the U.S. and Asia through both traditional seed-stage venture capital funds managed by SparkLabs GVM, and startup accelerators managed by SparkLabs Management (together, the “**SparkLabs Funds**” or the “**Funds**”).

9. SparkLabs Management manages the Accelerator Funds, which invest in seed-stage startup companies. These funds pay the operational costs of the startups during the investment

² SparkLabs GVM claimed exempt reporting adviser status with the SEC in December 2017, which was withdrawn in October 2019.

³ SparkLabs Management claimed exempt report adviser status with the SEC in September 2017, which was withdrawn in June 2022.

period, including staff salary, rent, management costs, and the costs of “demo days”, in which the portfolio companies showcase their ideas to investors.

10. SparkLabs GVM primarily advises private funds to invest in equity securities issued by private companies in the U.S., Asia, and Europe. SparkLabs GVM charges the Venture Funds a management fee, which was 1.5% to 3% of committed capital during the Venture Funds’ investment period. SparkLabs GVM’s affiliated general partners also received a carried interest of up to 20-25% of the net profits realized by the limited partners in the Venture Funds.

11. The limited partnership agreements (“LPAs”) and private placement memoranda governing SparkLabs Venture Funds, including GVF I and GVF II, required the creation of an “Advisory Committee” of limited partners in the funds to consult with the General Partner as to potential conflicts of interest. In addition, the LPAs of certain of the SparkLabs Accelerator Funds required the creation of an advisory committee of limited partners or the approval of a majority in interest of limited partners prior to entering certain transactions, including with respect to conflicts of interest. During the Relevant Period, SparkLabs did not create any committees of limited partners that could have advised on and consented to potentially conflicted transactions, including inter-fund loans.

The Inter-Fund Loans

12. The SparkLabs Funds’ governing documents did not authorize the Funds to make loans to SparkLabs affiliates, nor did they describe the potential or actual conflicts of interest associated with such loans. Despite that, from at least April 2016 through November 2019, on at least 54 occasions, Respondents caused certain SparkLabs Funds to lend a total of more than \$4.4 million to other SparkLabs Funds and SparkLabs affiliates, including to SparkLabs GVM. The borrowing SparkLabs Funds and SparkLabs affiliates used these loans to, among other things, finance investments and pay for operational expenses. The General Partner for each of the Funds, and Bernard Moon as the Managing Member of each, was ultimately responsible for each of the Funds’ investment decisions and for administering the affairs of the Funds, including whether and how to make disclosures (including in the Funds’ financial statements) to investors.

13. These loans also created a conflict of interest for Respondents because they were solely responsible for determining the terms for each side of the transactions between affiliated SparkLabs Funds, and had an interest in the success of the larger SparkLabs organization, encompassing multiple funds. In particular, Respondents were responsible for (a) directing the lending Funds to make the loans; (b) determining the loan terms; and (c) determining when and whether the borrowing SparkLabs Funds and entities repaid those loans, including whether to enforce repayment and interest terms. Although at least some of the Funds required the establishment of a committee of limited partners to address conflicts of interest, Respondents did not present these inter-fund loans to investors in the Funds or establish any advisory committees of investors.

14. Respondents did not undertake a process to determine whether the loans were in the best interests of the lending Funds. In particular, the borrowing Funds were generally newly-formed funds with little or no operating history and without easily available options to secure similar loans in the market because of the higher credit risk they posed to potential lenders. Throughout the Relevant Period, Respondents caused the lending Funds to make the loans at below-market interest rates, ranging from 0.5% to 1%.

15. On at least 10 occasions the borrowing SparkLabs entities did not timely repay outstanding loans, and in multiple instances, interest was not timely paid. Respondents did not take action on behalf of the lending Funds to renegotiate new terms or otherwise enforce these agreements when borrowing Funds defaulted, allowing the borrowing Funds an indeterminate time to repay those loans. At no point did they address the conflicts of interest arising from these loans with an advisory committee of investors.

Loans Between Venture Funds

16. Between January 30, 2017 and June 27, 2017, GVF I made 16 separate loans totaling \$371,391 to GVF II at a 1% interest rate, with each loan due on December 31, 2017. GVF II used these loans to pay for investments and operational expenses. GVF II had no capital commitments until March 2017, when it raised \$1 million.

17. On September 12, 2017, GVF II made a \$250,000 investment in a portfolio company (“Company A”). On October 26, 2017, with partial principal and interest still outstanding on its earlier loans to GVF II, GVF I made another \$200,000 loan to GVF II at a 1% interest rate, due December 31, 2018. GVF II used this loan to finance an investment in a portfolio company. GVF II did not repay this loan when due, and GVF I took no action to enforce repayment.

18. On June 10, 2020, GVF II settled its outstanding debt to GVF I by transferring ownership of its investment in Company A to GVF I, although, at the time, GVF I was already fully invested. This transfer was contrary to the terms of the written loan documents, which required GVF II to repay the loans in U.S. dollars. In addition, SparkLabs GVM and Moon did not perform a valuation of Company A at the time of the transfer, but instead relied on a valuation performed during an earlier funding round for Company A in September 2017, in which GVF II was a minority investor.

19. An investment adviser’s fiduciary duty includes both a duty of loyalty and a duty of care. To fulfill these obligations, an adviser, among other things, must make full and fair disclosure to a client of conflicts of interest, and must provide investment advice in the best interest of its client based on the client’s objectives.

20. The LPA for GFV I required the formation of an “Advisory Committee” of limited partners with the authority to approve or disapprove certain transactions. In the Private Placement Memorandum for GFV I, SparkLabs Global Ventures Partner I, L.P., the General Partner for the

fund, represented that the fund's advisory committee would consult with the General Partner of the fund as to potential conflicts of interest. Bernard Moon was a member of the General Partner for the fund and primarily responsible for the Fund's investment activities. SparkLabs GVM and Moon did not disclose the loans and the resulting conflicts of interest at the time of the loans to GVF I, or create an advisory committee of limited partners in GVF I to which it could have disclosed such conflicts. While the notes to the 2016 and 2017 audited financial statements for GVF I, dated March 21, 2018, documented outstanding balances from related parties, including a note receivable from GVF II, those financial statements were published after the loans had been made and without consent from an advisory committee.

21. SparkLabs GVM and Moon breached their duty of care to GVF I by recommending that the fund enter into a series of loans with GVF II at a below-market interest rate that did not account for the relative risk of default. In addition, they failed to enforce timely repayment of the loan, accepted payment in a form not authorized by the loan agreements, and did not obtain a current valuation of Company A stock which GVF I accepted as repayment from GVF II of overdue loans.

Korea Fund II Loans

22. Starting in approximately June 2017 and through at least November 2019, Respondents Moon and SparkLabs Management caused Korea Fund II to lend over \$1.78 million to multiple Accelerator Funds and affiliated entities, enabling those entities to preserve investment opportunities. For example, in November 2018 and March 2019, Respondents caused Korea Fund II to make two loans totaling \$959,980 at a 1% interest rate to the Frontier Fund, an Accelerator Fund with no operational history, in order for the Frontier Fund to make an investment to which it had previously committed. Although the Frontier Fund anticipated capital commitments, at the time of the loans, those commitments were delayed and the timing of that investment was uncertain. The LPA for the Frontier Fund prohibited the fund from borrowing money from affiliated funds without the approval of an advisory committee of limited partners. The Frontier Fund did not form an advisory committee to approve these loan transactions, and did not repay these two loans to Korea Fund II until January 29, 2021, two years past the due date on the initial loan and over a year past the due date on the second loan.

23. In addition, from April 2018 through July 2019, Respondents caused Korea Fund II to loan SparkLabs GVM, an affiliated investment adviser, over \$360,000 for the cost of operations and professional fees for its management of GVF I and GVF II, also at a 1% interest rate. In total, by the end of July 2019, various SparkLabs Funds and affiliated entities owed Korea Fund II approximately \$1.57 million.

24. Starting in August 2019, with these loans still largely outstanding, Respondents caused Korea Fund II to borrow funds from other SparkLabs Funds and affiliated entities because it did not have available capital to meet its own needs. In August 2019, for example, SparkLabs Management caused Korea Fund II to borrow \$960,000 from SparkLabs Partners, Inc.

(“SparkLabs Partners”), a Korean-based affiliate, to pay for operational expenses and a follow-on investment. At the direction of SparkLabs Management and Moon, and based on their understanding of certain requirements under Korean law, Korea Fund II agreed to pay SparkLabs Partners a 6% interest rate on this loan. After Korea Fund II entered into this agreement, Respondents caused Korea Fund II to extend SparkLabs GVM additional loans at a 1% interest rate, despite Korea Fund II’s existing obligation to repay a 6% interest rate loan from SparkLabs Partners.

25. SparkLabs Management and Moon were conflicted in causing Korea Fund II to loan a significant portion of its cash and capital to the Frontier Fund and other SparkLabs-affiliates, including an affiliated investment adviser, and did not disclose these conflicts of interest. In addition, SparkLabs Management and Moon were conflicted when they caused Korea Fund II to extend a loan to the affiliated management company, SparkLabs GVM, at below-market rates using funds on which it was accruing a much higher interest rate.

26. SparkLabs Management and Moon also breached their duty of care to Korea Fund II by (1) failing to analyze whether Korea Fund II’s loans to SparkLabs affiliated entities at below-market rates were in the best interest of Korea Fund II, (2) failing to enforce the terms of those agreements, and (3) recommending that it make additional loans to SparkLabs GVM at a below-market interest rate at the same time Korea Fund II was accruing interest on a higher interest-rate loan to SparkLabs Partners.

Additional Breaches of the Duty of Care

Borrowing Duration Limitations

27. ***SparkLabs GVM.*** The LPA for GVF II provides that it may not borrow money “[e]xcept with regard to amounts borrowed for less than 180 days to satisfy the short-term needs of the partnership.” During the Relevant Period, however, loans from GVF I to GVF II exceeded that limitation on at least seven occasions, ranging from 181 days to 1,147 days until repayment. For example, a loan of \$200,000 on October 26, 2017 from GVF I to GVF II was due on December 31, 2018, but not repaid until June 10, 2020, 958 days later.

28. ***SparkLabs Management.*** The LPA for Korea Fund II, managed by SparkLabs Management, contained limitations on borrowing for more than 180 days. In two instances during the Relevant Period, Korea Fund II borrowed funds from a SparkLabs affiliated fund, GVF I, with an initial due date that exceeded 180 days. Ultimately, these two loans were repaid 394 days and 299 days after each respective loan date.

Borrowing Limitations

29. ***SparkLabs GVM.*** SparkLabs Venture Funds exceeded limitations on borrowing as a percentage of committed capital. The LPA for GVF II prohibited the partnership from borrowing in excess of 10% of the total capital committed by its partnership. Despite this limitation, between April 2017 and October 2017, GVF II entered into a series of loans with GVF I, also managed by SparkLabs GVM, that exceeded 10% -- and at one point exceeded 31% -- of the fund's committed capital.

30. ***SparkLabs Management.*** SparkLabs Accelerator Funds also exceeded limitations on borrowing as a percentage of committed capital. For example, the LPA for Korea Fund II prohibited the fund from borrowing in excess of 10% of committed capital. In August 2019, with approximately \$361,268 in outstanding loans borrowed from affiliated entities and only \$10 million in committed capital, Korea Fund II borrowed \$960,000 from SparkLabs Partners, a SparkLabs affiliated fund, amounting to an aggregate of 13% of committed capital.

31. The LPA for the Frontier Fund, also managed by SparkLabs Management, prohibits borrowing from affiliated SparkLabs entities without the approval of an advisory committee of limited partners. Additionally, the LPA restricts the fund from borrowing that, in aggregate, exceeds 15% of committed capital without the approval of an advisory committee of limited partners. Although no advisory committee was ever formed for the Frontier Fund, the fund entered into two agreements with Korea Fund II, also managed by SparkLabs Management, to borrow funds. In November 2018, the Frontier Fund entered into an agreement to borrow \$500,000 from Korea Fund II, due on December 31, 2019. In March 2019, the Frontier Fund entered into an agreement to borrow nearly \$460,000 from Korea Fund II, due on December 31, 2020. At the time of these transactions, the Frontier Fund had not raised any committed capital. As a result of these loans, the Frontier Fund breached the borrowing limitations in its LPA as well as the requirement that it receive approval from an advisory committee of limited partners prior to borrowing from affiliated SparkLabs entities. The Frontier Fund repaid these loans in January 2021.

Limitations on the Authority of the General Partners

32. The LPA for Korea Fund II prohibits its General Partner from causing the fund to enter into any transaction with a "GP Related Person," including any constituent partners, members, officers, or directors of the General Partner, the management company or any affiliate of those parties without the approval of a majority-in-interest of the fund's limited partners.

33. On multiple occasions between April 2018 and November 2019, Korea Fund II's General Partner caused it to loan funds to SparkLabs GVM, the management company for the Venture Funds. The Fund Managers for Korea Fund II's General Partner included Moon, among others, who also served as constituent partners for General Partner Fund Managers for SparkLabs GVM, and was thus a "GP Related Person."

34. Separately, in August 2019, SparkLabs Partners, another SparkLabs-affiliated entity, loaned Korea Fund II \$960,000. Because the sole shareholders and controlling members of SL Partners were also constituent partners of Korea Fund II's General Partner, this transaction was

a violation of Korea Fund II's LPA. Respondents never sought or obtained the approval of a majority-in-interest of the Fund's limited partners to enter into these transactions with SparkLabs GVM or SparkLabs Partners.

Violations

35. Section 206(2) of the Advisers Act prohibits investment advisers from directly or indirectly engaging "in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client." Proof of scienter is not required to establish a violation of Section 206(2) of the Advisers Act, but rather a violation may rest on a finding of simple negligence. *SEC v. Steadman*, 967 F.2d 636, 643 n.5 (D.C. Cir. 1992) (citing *SEC v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 195 (1963)). As a result of the conduct described above, SparkLabs Management, SparkLabs GVM, and Moon willfully violated Section 206(2) of the Advisers Act.⁴

36. Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder make it unlawful for an investment adviser to a pooled investment vehicle to "[m]ake any untrue statement of a material fact or to omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, to an investor or prospective investor in the pooled investment vehicle," or "engage in any act, practice, or course of business that is fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle." Scienter is not required to establish a violation of Section 206(4) or the rules thereunder. *Steadman*, 967 F.2d at 647. As a result of the conduct described above, SparkLabs Management, SparkLabs GVM, and Moon willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder.

Remedial Acts

⁴ "Willfully," for purposes of imposing relief under Sections 203(e) and 203(f) of the Advisers Act, "means no more than that the person charged with the duty knows what he is doing." *Wonsover vs. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir.1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term "willfully" for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has "willfully omit[ted]" material information from a required disclosure in violation of Section 207 of the Advisers Act).

37. In determining to accept Respondents' Offers, the Commission considered remedial acts promptly undertaken by Respondents, including the establishment of advisory committees of limited partners for all active Funds, the hiring of a full-time controller to monitor compliance, and the adoption of policies against inter-fund loans.

Undertakings

38. Respondents shall notify past and current investors in the Funds of the settlement terms of this Order by sending a copy of this Order to each investor via mail, email, or such other method not unacceptable to the Commission staff, together with a cover letter in a form not unacceptable to the Commission staff, within 30 days of this Order.

39. Respondents shall certify, in writing, compliance with the undertaking(s) set forth in paragraph 38 above. The certification shall identify the undertaking(s), provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Respondents agree to provide such evidence. The certification and supporting material shall be submitted to Jeremy Pendrey, Assistant Regional Director, Division of Enforcement, San Francisco Regional Office, Securities and Exchange Commission, 44 Montgomery Street, Suite 2800, San Francisco, CA 94104, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than 60 days from the date of the completion of the undertakings.

40. For good cause shown, the Commission staff may extend any of the procedural dates relating to these undertakings. Deadlines for procedural dates shall be counted in calendar days, except that if the last day falls on a weekend or federal holiday, the next business day shall be considered the last day.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents' Offers.

Accordingly, pursuant to Sections 203(e), 203(f), and 203(k) of the Advisers Act, it is hereby ORDERED that:

A. Respondents shall cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder.

B. Respondents are censured.

C. Respondents SparkLabs GVM and SparkLabs Management shall pay, jointly and severally, a civil penalty in the amount of \$200,000 to the Securities and Exchange Commission.

Payment shall be made in the following installments: \$50,000 within 90 days; \$50,000 within 180 days; \$50,000 within 270 days; and \$50,000 within 360 days. Payment shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondents SparkLabs GVM and SparkLabs Management shall contact the staff of the Commission for the amount due. If Respondents SparkLabs GVM and SparkLabs Management fail to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

D. Respondent Bernard Moon shall pay a civil penalty in the amount of \$25,000 to the Securities and Exchange Commission. Payment shall be made in the following installments: \$6,250 within 90 days; \$6,250 within 180 days; \$6,250 within 270 days; and \$6,250 within 360 days. Payments shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent Moon shall contact the staff of the Commission for the amount due. If Respondent Moon fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

E. Payment must be made in one of the following ways:

(1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or

(3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying SparkLabs GVM, SparkLabs Management, and Bernard Moon as Respondents in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or

money order must be sent to C. Dabney O’Riordan, Co-Chief, Asset Management Unit, Division of Enforcement, U.S. Securities and Exchange Commission, 444 S. Flower Street, Suite 900, Los Angeles, CA 90071.

F. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents’ payment of a civil penalty in this action (“Penalty Offset”). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a “Related Investor Action” means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

G. Respondents shall comply with the undertaking(s) enumerated in Section III above.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent Moon, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent Moon under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent Moon of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman

Secretary