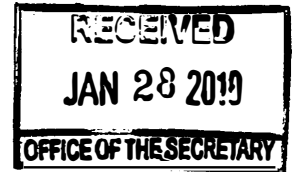


**ADMINISTRATIVE PROCEEDING
FILE NO. 3-18454**

**UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION**



In the Matter of

**Christopher M. Lee, a/k/a Rashid K.
Khalfani,**

Respondent.

The Honorable James E. Grimes

**DIVISION OF ENFORCEMENT'S REPLY BRIEF IN SUPPORT OF MOTION FOR
SUMMARY DISPOSITION AGAINST RESPONDENT CHRISTOPHER M. LEE, A/K/A
RASHID K. KHALFANI**

January 9, 2019

Division of Enforcement
Securities and Exchange Commission
Amy Jane Longo
Douglas M. Miller
Junling Ma
Los Angeles Regional Office
444 South Flower Street, Suite 900
Los Angeles, CA 90071
Telephone: (323) 965-3998
Facsimile: (213) 443-1904

On December 6, 2018, the Division of Enforcement (“Division”) moved, pursuant to Rule 250(b) of the Securities and Exchange Commission’s (“SEC) Rule of Practice, for summary disposition of the claims in the Order Instituting Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940 and Notice of Hearing (the “OIP”), against Respondent Christopher M. Lee, a/k/a Rashid K. Khalfani (“Khalfani”). The motion requests that Khalfani be permanently barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal adviser, transfer agent, and nationally recognized statistical rating organization. The Division served its motion and accompanying papers on Khalfani at his last known address; however, the papers were subsequently returned. *See* Declaration of Douglas M. Miller in support of Division of Enforcement’s Reply Brief, filed concurrently herewith, ¶¶ 2-9.

Pursuant to the Order Setting Briefing Schedule issued by the Hearing Officer on November 14, 2018, Khalfani was required to file any opposition to the Division’s motion by December 28, 2018. *See* November 14, 2018 Order at 1. Khalfani did not timely file or serve any opposition papers, and as of this filing, the Division has not been served with any opposition papers. *See* Miller Decl. ¶ 7.

Having filed no opposition papers, Khalfani has, as of this filing, failed to raise any genuine issues of material fact in response to the Division’s motion. *See, e.g., In re China-Biotics, Inc.*, Exchange Act Release No. 70800, 2013 SEC LEXIS 3451, at *63 (Nov. 4, 2013)(noting respondent “was given the opportunity to produce affidavits or other specific evidence of such a genuine issue but affirmatively declined to do so...Having chosen not to offer evidence in opposing the Division’s motion for summary disposition, [respondent] cannot use this appeal to avoid the consequences of that choice.”); *In re Derrick N. McKinney & Rick R. Malizia*, Init. Dec. Rel. No. 278, 2005 SEC LEXIS 661, at **4-5 (Mar. 22, 2005)(“By analogy to Rule 56 of the Federal Rules of Civil Procedure, a factual dispute between the parties will not defeat a motion for summary disposition unless it is both genuine and material...Once the moving party has carried its burden, ‘its opponent must do more than simply show that there is some metaphysical doubt as to the material facts.’ ...The opposing party must set forth specific

facts showing a genuine issue for a hearing and may not rest upon the mere allegations or denials of its pleadings.” (internal citations omitted)).

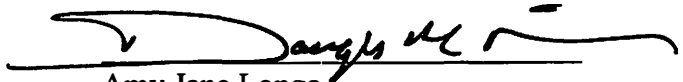
For the reasons set forth in its motion, the Division respectfully requests that its motion for summary disposition be granted and that a permanent collateral bar be imposed against Khalfani. Alternatively, the Division requests that the Hearing Officer issue an order requiring Khalfani to file any opposition to the Division’s motion and its reply by February 1, 2019, the same length of time the Hearing Officer gave Khalfani to oppose the Division’s motion while he was incarcerated. If the Hearing Officer is inclined toward this alternative relief, the Division has taken the additional step of serving its original motion and this reply on Khalfani at his pre-incarceration address, his address during incarceration, an address linked to Khalfani after his incarceration, as well as several email addresses linked to Khalfani. *See Miller Decl.* ¶ 10.

DATED: January 9, 2019

Respectfully submitted,

DIVISION OF ENFORCEMENT

By its Attorneys:

A handwritten signature in black ink, appearing to read "Douglas M. Miller", is written over a horizontal line.

Amy Jane Longo
Douglas M. Miller
Junling Ma
Securities and Exchange Commission
Los Angeles Regional Office
444 S. Flower Street, Suite 900
Los Angeles, CA 90071

In the Matter of Christopher M. Lee, a/k/a Rashid K. Khalfani
Administrative Proceeding File No. 3-18454
SERVICE LIST

Pursuant to Commission Rule of Practice 151 (17 C.F.R. §201.151), I certify that the attached:

DIVISION OF ENFORCEMENT'S REPLY BRIEF IN SUPPORT OF MOTION FOR SUMMARY DISPOSITION AGAINST RESPONDENT CHRISTOPHER M. LEE, A/K/A RASHID K. KHALFANI

was served on January 9, 2019, upon the following parties as follows:

Brent J. Fields, Secretary
Securities and Exchange Commission
100 F. Street, N.E., Mail Stop 1090
Washington, DC 20549-1090

(By UPS)
(Original and three copies)

Honorable James E. Grimes
Administrative Law Judge
Securities and Exchange Commission
100 F. Street, N.E., Mail Stop 2557
Washington, DC 20549-2557
Email: alj@sec.gov

(By Email and UPS)

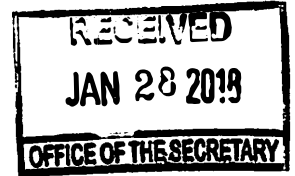
Christopher M. Lee aka Rashid K. Khalfani
310 N. Indian Hill Boulevard, No. 145
Claremont, CA 91711
Email: [REDACTED]@gmail.com; [REDACTED]@yahoo.com

(By Electronic and UPS)

Dated: January 9, 2019


Douglas M. Miller

**ADMINISTRATIVE PROCEEDING
FILE NO. 3-18454**



**UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION**

In the Matter of

**Christopher M. Lee, a/k/a Rashid K.
Khalfani,**

Respondent.

The Honorable James E. Grimes

**DECLARATION OF DOUGLAS M. MILLER IN SUPPORT OF DIVISION OF
ENFORCEMENT'S REPLY MOTION FOR SUMMARY DISPOSITION AGAINST
RESPONDENT CHRISTOPHER M. LEE, A/K/A RASHID K. KHALFANI**

I, Douglas M. Miller, declare pursuant to 28 U.S.C. § 1746 as follows:

1. I am an attorney at law admitted to practice law in the State of California and in the Central District of California. I am employed as a Senior Trial Counsel for the Division of Enforcement (“Division”) at the Los Angeles Regional Office of the U.S. Securities and Exchange Commission, 444 S. Flower Street, Suite 900, Los Angeles, California 90071, Telephone: (323) 965-3998, Extension 53837. I have personal knowledge of each of the facts set forth in this Declaration and, if called as a witness, could and would competently testify thereto.

2. On December 6, 2018, the Division served its motion for summary disposition and supporting papers by U.S. Mail to respondent’s last known address:

Christopher M. Lee aka Rashid K. Khalfani
Booking # [REDACTED]
[REDACTED]
P.O. Box [REDACTED]
Santa Ana, CA [REDACTED]

3. On December 6, 2018, the Division also sent its motion for summary disposition and supporting papers to respondent via email to [REDACTED]@gmail.com and to [REDACTED]@yahoo.com.

4. Attached as Exhibit 1 is a true and correct copy of the email the Division received on December 6, 2018, saying delivery of these emails was completed but that no delivery notification was sent by the destination server.

5. On or about December 12, 2018, the Division learned that its motion for summary disposition and supporting papers it sent to respondent at Santa Ana County Jail via U.S. Mail were returned. That same day, the Division contacted United States Probation Officer (“USPO”), Adriana Corona-Buergo, to request a valid address for respondent following his

release from custody. Ms. Corona-Buergo responded by saying she could not release any information to any third parties without an order from the United States District Court.

6. Attached as Exhibit 2 is a true and correct copy of the email the Division sent to USPO Corona-Buergo and the response it received from her.

7. Although the Hearing Officer's November 14, 2018 Order Setting Briefing Schedule gave respondent until no later than December 28, 2018 to file an opposition to the Division's motion for summary disposition, the Division still has not received any opposition papers from respondent nor been contacted by respondent regarding the motion.

8. On January 9, 2019, I spoke with FBI Special Agent William Bondurant to learn whether he had any information regarding respondent's address after he was released from custody. Special Agent Bondurant said he could not confirm respondent's address after he was released from custody. The last known address Special Agent Bondurant had for respondent was [REDACTED], Azusa, California [REDACTED], which was the address respondent provided on the day he was arrested and being booked into custody. According to the docket in respondent's criminal case, *United States v. Rashid K. Khalfani*, 18-CR-00211-DOC, this is the address of the property posted as a security for respondent's bond. Special Agent Bondurant said he also had another email address associated with respondent ([REDACTED]@gmail.com).

9. The address the Division had for respondent before his incarceration was [REDACTED], No. [REDACTED], Claremont, CA [REDACTED] which respondent listed in his July 6, 2018 response to an order to show cause.

10. On January 9, 2019, the Division re-sent its motion for summary disposition and supporting papers and reply in support of motion for summary disposition to the following addresses and email addresses:

a. Christopher M. Lee aka Rashid K. Khalfani
Booking # [REDACTED]

[REDACTED]
P.O. Box [REDACTED]
Santa Ana, CA [REDACTED]

b. Christopher M. Lee aka Rashid K. Khalfani
[REDACTED]
Azusa, California [REDACTED]

c. Christopher M. Lee aka Rashid K. Khalfani
[REDACTED], No. [REDACTED]
Claremont, CA [REDACTED]

d. [REDACTED]@gmail.com
[REDACTED]@yahoo.com
[REDACTED]@gmail.com

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 9, 2019 in Los Angeles, California.


Douglas M. Miller

EXHIBIT 1

From: Microsoft Outlook

Sent: Thursday, December 06, 2018 2:29 PM

To: Law, Joseph

Subject: Relayed: smail In the Matter of Christopher M. Lee, a/k/a Rashid K. Khalfani, AP File No. 3-18454

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

██████████@gmail.com (rk.khalfani@gmail.com)

██████████@yahoo.com (██████████@yahoo.com)

Subject: smail In the Matter of Christopher M. Lee, a/k/a Rashid K. Khalfani, AP File No. 3-18454

EXHIBIT 2

-----Original Message-----

From: [Adriana Corona-Buergo@cacp.uscourts.gov](mailto:Adriana_Corona-Buergo@cacp.uscourts.gov) [mailto:[Adriana Corona-Buergo@cacp.uscourts.gov](mailto:Adriana_Corona-Buergo@cacp.uscourts.gov)]
Sent: Wednesday, December 12, 2018 11:26 AM
To: Irwin, Magnolia
Cc: adriana_corona-buergo@cacpt.uscourts.gov; Jennifer.Waier@usdoj.gov; Longo, Amy; Ma, Junling; Miller, Douglas
Subject: Re: Khalfani, Rashid K., Docket No. 8:18CR00211

Good morning.

I'm not allowed to release any information, to any third parties, without a court order.

Adriana Corona-Buergo
U.S. Pretrial Services Officer
Roybal Federal Building
255 E. Temple Street, Suite 1410
Los Angeles, CA 90012
213-894-5395

From: "Irwin, Magnolia" <IrwinMa@sec.gov>
To: "Jennifer.Waier@usdoj.gov" <Jennifer.Waier@usdoj.gov>, "adriana_corona-buergo@cacpt.uscourts.gov" <adriana_corona-buergo@cacpt.uscourts.gov>
Cc: "Longo, Amy" <LongoA@SEC.GOV>, "Miller, Douglas" <millerdou@SEC.GOV>, "Ma, Junling" <MAJ@sec.gov>
Date: 12/12/2018 11:23 AM
Subject: Khalfani, Rashid K., Docket No. 8:18CR00211

Good morning, Mses. Waier and Corona-Buergo.

We understand the Mr. Khalfani has been released from custody. Do you happen to have a valid address for him? If so, could we impose and have you email that information to us?

Thank you and with kind regards,
Magnolia
Magnolia M. Irwin, Paralegal
U.S. Securities and Exchange Commission
Los Angeles Regional Office
444 S. Flower Street, Suite 900
Los Angeles, CA 90071
(323) 965-3960 (T)
(213) 443-1904 (F)
irwinma@sec.gov

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