

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 5882 / September 30, 2021**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20616**

**In the Matter of**

**RICHARD VU NGUYEN,**

**Respondent.**

**DIVISION OF ENFORCEMENT'S MOTION FOR THE ENTRY OF FINDINGS AND  
IMPOSITION OF REMEDIAL SANCTIONS BY DEFAULT AGAINST RESPONDENT  
RICHARD VU NGUYEN**

Douglas M. Miller  
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## **I. INTRODUCTION**

Respondent Richard Vu Nguyen (“Respondent” or “Nguyen”) has not responded to the Commission’s Order Instituting Proceedings (“OIP”) nor has he complied with this Court’s ensuing Order to Show Cause why he should not be defaulted. In accordance with that May 4, 2022 Order to Show Cause, the Division of Enforcement (“Division”) hereby moves for the entry, by default, of findings and the imposition of remedial sanctions against respondent Nguyen. Based upon the OIP’s allegations, which are now deemed true, as well as the allegations deemed true in the SEC’s district court action, the Commission should determine that a permanent bar against Nguyen is appropriate and in the public interest under Section 203(f) of the Investment Advisers Act of 1940 (“Adviser’s Act”).

## **II. BACKGROUND**

The Commission issued the OIP on September 30, 2021. *See* OIP, Adviser Act Rel. No. 5882 (Sept. 30, 2021). The Division successfully served the OIP upon Respondent on March 24, 2022. *See* Division of Enforcement’s Final Status Report Concerning Service of OIP (Mar. 24, 2022). Respondent never filed an answer to the OIP. On May 4, 2022, the Commission issued an Order to Show Cause in which it ordered Respondent to explain why he should not be deemed in default and why these proceedings should not be determined against him due to his failure to file an answer or to otherwise defend against these proceedings. *See* Order to Show Cause, Adviser Act Rel. No. 6014 (May 4, 2022). Specifically, the Commission ordered Respondent to address the reasons for his failure to timely file an answer and to include a proposed answer in the event the Commission decided not to enter a default against him. *Id.* at 1. The Order to Show Cause ordered Respondent to do this by May 18, 2022, and gave the Division until June 15, 2022, to move for entry of an order of default and the imposition of remedial sanctions, if Respondent failed to comply. *Id.* at 2. Respondent has not complied with the Commission’s

Order to Show Cause within the time allowed.

As alleged in the OIP, the Commission filed a civil action entitled *Securities and Exchange Commission v. Richard Vu Nguyen, et al.*, Civil Action Number 8:19-cv-01174-SVW-KES, in the United States District Court for the Central District of California. *See* Ex. A (Complaint). The Commission's Complaint alleged that, from February 2018 through March 2019, Respondent and his company, NTV Financial Group, Inc. ("NTV Financial"), raised about \$2.4 million from approximately 80 investors who invested in the "Nguyen Tran Le Fund." *See* OIP at ¶ II(2). Respondent lured these investors by falsely claiming he could guarantee investors "no loss" of their principal investment and by falsely claiming that Respondent had worked at Goldman Sachs as a fund manager whose accounts never suffered any losses. *Id.* However, investors in the Nguyen Tran Le Fund did suffer significant losses, in part, because Respondent misappropriated approximately \$600,000, spending a good portion of the money on himself and his girlfriend, relief defendant Mai Do. *Id.*

The Complaint further alleges that Respondent had some clients open brokerage accounts, fund the accounts with at least \$50,000, and then give Respondent their account's username and password so he could trade securities, principally options, in those accounts for the clients. *See* OIP at ¶ II(3). For managing these accounts, NTV Financial and Respondent were to receive 50% of the trading profits, while the clients were solely responsible for the trading losses. NTV Financial and Respondent managed the accounts of at least 30 clients who deposited approximately \$1.9 million into the accounts. *Id.* The Complaint alleges that, by the end of March 2019, many clients had suffered losses totaling \$570,000. *Id.*

The OIP alleges that, on February 11, 2020, the district court entered a judgment against

Respondent.<sup>1</sup> *See* OIP at ¶ II(1). The judgment permanently enjoined Respondent from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Securities and Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, and Sections 206(1), 206(2) and 206(4) of the Adviser’s Act and Rule 206(4)-8 thereunder. *Id.* The judgment was entered based on Respondent’s consent and the allegations in the complaint against him were deemed true. *See* Ex. B (Consent Judgment).

### **III. ARGUMENT**

#### **A. Section 203(f) Relief Is Appropriate Based on Nguyen’s Conduct and Default**

Rule 220(f) of the Commission’s Rules of Practice provides that if a “respondent fails to file an answer ... within the time provided, such person may be deemed in default pursuant to Rule 155(a).” 17 C.F.R. § 201.220(f). In turn, Rule 155(a) of the Commission’s Rules of Practice allows the Commission to “determine the proceedings against [a respondent] upon consideration of the record, including the order instituting the proceedings, the allegations of which may be deemed to be true.” 17 C.F.R. § 201.155(a).

On May 4, 2022, the Commission issued the Order to Show Cause finding that Respondent failed to respond to the OIP within the specified 20 days of service of the OIP. The Order to Show Cause gave Respondent until May 18, 2022, to submit a response and advised him that failure to do so could result in him being deemed in default and the proceedings determined against him. The Division has not received any response from Respondent, and therefore moves for findings and remedies by default in accordance with the deadline specified in the Order to Show Cause.

The Commission has the authority to impose remedial sanctions under Section 203(f)

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<sup>1</sup> The date of the judgment was actually February 13, 2020, and the date alleged in the OIP was slightly incorrect.

when a respondent is the subject of a permanent court injunction prohibiting conduct associated with the purchase or sale of a security or from performing certain actions in connection with the securities industry. 15 U.S.C. § 80b-3(e)(4). As alleged in the OIP, the facts of which are deemed true upon Respondent's default, the district court entered injunctions in February 2021 against Respondent, prohibiting him from future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1), 206(2) and 206(4) of the Adviser's Act and Rule 206(4)-8 thereunder. Those injunctions constitute a basis for remedial relief under Section 203(f) against Respondent.

Respondent was also an investment adviser. Section 202(a)(11) of the Advisers Act defines an "investment adviser" to include any person who, for compensation, engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing, or selling securities. 15 U.S.C. § 80b-2(a)(11). The OIP alleges that, from 2018 through March 2019, Respondent raised about \$2.4 million from approximately 80 investors by telling them to invest in the Nguyen Tran Le Fund, falsely claiming they would not suffer any loss of their principal investment and by falsely claiming he had managed funds for Goldman Sachs. The OIP further alleges that Respondent had clients open brokerage accounts so that he could trade options on their behalf in exchange for 50% of the profits. The fact that Nguyen held himself out as an investment advisor and received money from investment accounts under his control establishes he was in the business of being an investment adviser and received compensation as such. *See In the Matter of Alexander v. Stein*, Release No. IA – 1497, 59 S.E.C. Docket 1115, 1995 WL 358127 (June 8, 1995). The Division has thus established the propriety of remedial action against Respondent under Section 203(f).

**B. The Commission Should Impose a Permanent Bar against Nguyen**

Whether an administrative sanction based upon an injunction is in the public interest

turns on the egregiousness of the respondent's actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the respondent's assurances against future violations, recognition of the wrongful conduct, and the likelihood that the respondent's occupation will present future opportunities for violations. *See Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979), *aff'd on other grounds*, 450 U.S. 91 (1981); *In re Vladimir Boris Bugarski*, No. 3-14496, 2012 WL 1377357, at \*4 (Commission Op. April 20, 2012). The Commission also considers whether the sanction will have a deterrent effect. *Id.* “[N]o one factor is dispositive.” *In re Michael C. Pattison, CPA*, No. 3-14323, 2012 WL 4320146, at \*8 (Commission Op. Sept. 20, 2012); *In re ZPR Investment Management, Inc.*, No. 3-15263, 2015 WL 6575683, at \*27 (Commission Op. Oct. 30, 2015) (inquiry into the public interest is “flexible”).

The record before the Commission demonstrates that Respondent's conduct was egregious, recurrent, and involved a high degree of scienter. Respondent's conduct was egregious because the injunctions pertain to antifraud violations. The Commission has held that “[v]iolations involving the antifraud provisions of the federal securities laws are especially serious and merit the severest of sanctions.” *Vinay Kumar Nevatia*, Init. Dec. Rel. No. 1021, 2016 WL 3162186, at \*5 (June 7, 2016), citing *Peter Siris*, Exchange Act Release No. 71068, 2013 SEC LEXIS 3924, at \*23 (Dec. 12, 2013), *pet. denied*, 773 F.3d 89 (D.C. Cir. 2014); *accord Eichler*, 2016 WL 4035559, at \*6 (“The Commission considers an antifraud injunction to be especially serious and to subject a respondent to the severest of sanctions...Indeed, from 1995 to the present, there have been over thirty-five litigated follow-on proceedings based on antifraud injunctions in which the Commission issued opinions, and all of the respondents were barred...”), internal citations omitted.

Moreover, Respondent's conduct was recurrent—it lasted over a year and lured in

approximately 80 different investors. *See, e.g., Gordon Brent Pierce*, Securities Act Release No. 9555, 2014 SEC LEXIS 839, at \*84 (Mar. 7, 2014) (describing misconduct that occurred over an eight month period as “recurrent and long-lasting”).

Next, the Commission should find Respondent acted with a high degree of scienter because he knowingly lied to investors, claiming he could guarantee they would suffer no losses investing in highly risky options and claiming he had previously worked as a fund manager at Goldman Sachs. To make matters worse, Respondent misappropriated approximately \$600,000 from investors after luring them into his scheme, spending a large portion of the money on himself and his girlfriend. All of this supports a finding that Respondent acted with a high degree of scienter. *See SEC v. Universal Express, Inc.*, 475 F. Supp. 2d 412, 424 (S.D.N.Y. 2007) (“Representing information as true while knowing it is not, recklessly misstating information, or asserting an opinion on grounds so flimsy as to belie any genuine belief in its truth, are all circumstances sufficient to support a conclusion of scienter”); *In the Matter of Lawrence Allen DeShetler*, Investment Advisers Act Release No. 5411, Commission Opinion at 4 (Admin. Proc. File No. 3-18854 Nov. 21, 2019) (finding analogous conduct of deceiving investors and misappropriating funds to be egregious and recurrent conduct that warranted permanent bar).

Finally, Respondent has not offered the Commission any assurances against future violations or recognized the wrongfulness of his conduct, and there is likelihood he will engage in similar violations in the future. Respondent’s conduct in this proceeding – failing to respond in any respect to an order of the Commission, as well as a show cause directive to explain himself – demonstrates that there is no assurance against future violations. *Id.* at 5. And although Respondent consented to the judgment entered against him, it was a bifurcated consent so that Respondent could still dispute the amount of money he should be required to pay the

victims and dispute whether he should have a conduct-based injunction imposed against him. Taken together, and the fact that Respondent engaged in such egregious conduct in the first place, the Commission should find there is a strong inference Respondent will engage in similar acts in the future. *See Tzernach David Netzer Korem*, Exchange Act Release No. 70044, 2013 SEC LEXIS 2155, at \*23 n.50 (July 26, 2013) (“the existence of a violation raises an inference that” the acts in question will recur) (quoting *Geiger v. SEC*, 363 F.3d 481, 489 (D.C. Cir. 2004)). Accordingly, it is in the public’s interest under the relevant factors for the Commission to bar Respondent from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization pursuant to Section 203(f) of the Advisers Act.

#### IV. CONCLUSION

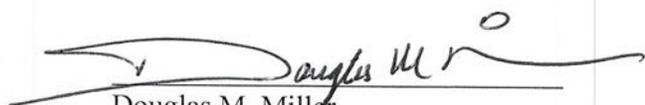
For the foregoing reasons, the Division of Enforcement respectfully requests that the Commission make findings and impose remedial actions, by default, against Nguyen.

Dates: June 10, 2022

Respectfully submitted,

DIVISION OF ENFORCEMENT

By its Attorneys:



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**In the Matter of Richard Vu Nguyen**  
Administrative Proceeding File No. 3-20616  
**SERVICE LIST**

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

**DIVISION OF ENFORCEMENT'S MOTION FOR THE ENTRY OF FINDINGS AND  
IMPOSITION OF REMEDIAL SANCTIONS BY DEFAULT AGAINST RESPONDENT  
RICHARD VU NGUYEN**

was served on June 10, 2022, upon the following parties as follows:

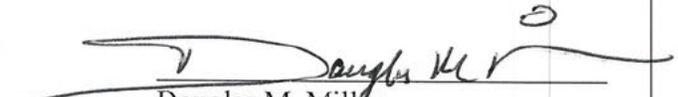
Vanessa Countryman, Secretary  
Securities and Exchange Commission  
100 F. Street, N.E., Mail Stop 1090  
Washington, DC 20549-1090

(By eFAP only)

Richard Vu Nguyen  
[REDACTED]  
[REDACTED]  
[REDACTED]

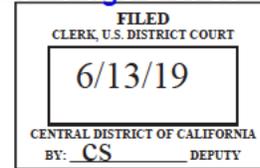
(By electronic and U.S. mail)

Dated: June 10, 2022

  
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# **EXHIBIT A**

I/S 21 Days



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8  
 9 **UNITED STATES DISTRICT COURT**  
 10 **CENTRAL DISTRICT OF CALIFORNIA**

11  
 12  
 13 SECURITIES AND EXCHANGE  
 COMMISSION,

14 Plaintiff,

15 vs.

16  
 17 RICHARD VU NGUYEN, A/K/A  
 NGUYEN THANH VU, and NTV  
 18 FINANCIAL GROUP, INC.,

19 Defendants,

20 and

21 MAI DO,

22 Relief Defendant.  
 23  
 24

Case No. SACV19-1174-AG (KESx)

**COMPLAINT**

(FILED UNDER SEAL)

25  
 26 Plaintiff Securities and Exchange Commission (“SEC”) alleges:

27 **JURISDICTION AND VENUE**

28 1. The Court has jurisdiction over this action pursuant to Sections 20(b),

1 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§  
2 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27(a) of the  
3 Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),  
4 78u(d)(3)(A), 78u(e) & 78aa(a), and Sections 209(d), 209(e)(1) and 214 of the  
5 Investment Advisers Act of 1940 (“Advisers Act”), 15 U.S.C. §§ 80b-9(d), 80b-  
6 9(e)(1) & 90b-14.

7 2. Defendants have, directly or indirectly, made use of the means or  
8 instrumentalities of interstate commerce, of the mails, or of the facilities of a national  
9 securities exchange in connection with the transactions, acts, practices and courses of  
10 business alleged in this complaint.

11 3. Venue is proper in this district pursuant to Section 22(a) of the Securities  
12 Act, 15 U.S.C. § 77v(a), and Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a)  
13 because certain of the transactions, acts, practices and courses of conduct constituting  
14 violations of the federal securities laws occurred within this district. In addition,  
15 venue is proper in this district because defendant Richard Vu Nguyen a/k/a Nguyen  
16 Thanh Vu (“Nguyen”) resides in this district and defendant NTV Financial Group,  
17 Inc. (“NTV Financial”) (collectively with Nguyen, “Defendants”) has its principal  
18 place of business in this district.

19 **SUMMARY**

20 4. This action is to halt an ongoing fraud being perpetrated by defendant  
21 NTV Financial and its founder, executive director and president, defendant Richard  
22 Nguyen, a/k/a Nguyen Thanh Vu. Defendants target primarily Vietnamese speaking  
23 individuals living in California and elsewhere, to lure them into investing into, among  
24 other things, two fraudulent investments: a purported fund that traded stocks and  
25 options, and the chance to have Nguyen personally manage a client’s brokerage  
26 accounts.

27 5. Between February 2018 and March 2019, Defendants have raised about  
28 \$2.4 million from at least 80 investors in the fund investment. Nguyen has also

1 convinced at least 30 clients to give him password access to their brokerage accounts  
2 so that he can trade in them.

3         6. Defendants are luring investors into these investment scams using  
4 websites, brochures, and radio and television advertisements on Vietnamese language  
5 stations. Defendants claim, among other things, that they can guarantee investors “no  
6 loss” of their principal investment and that investors can fully redeem their principal  
7 investment at any time. Defendants further claim that Nguyen has extensive  
8 experience managing investments, including having worked at Goldman Sachs  
9 (“Goldman”) as a fund manager, and that his accounts have never suffered any losses.  
10 According to Nguyen, his trading regime is so effective that other investment firms  
11 want to use it, including Goldman, which he says has a contract to use his trading  
12 formulas.

13         7. Nguyen even talked to an undercover agent for the Federal Bureau of  
14 Investigation (“FBI”), whom he thought was a prospective investor, and in that  
15 recorded conversation told the agent that he had a track record of earning 1,000%  
16 annual returns.

17         8. As for the fund, it is pure fiction. Though Defendants call it the  
18 “Nguyen Tran Le Fund” (“NTLF Fund” or the “Fund”), there is no entity with that  
19 name. In fact, there is no entity at all. Instead, the investor money Defendants raised  
20 to invest in that so-called fund is held in accounts in the name of NTV Financial,  
21 Nguyen, and/or his girlfriend, relief defendant Mai Do (“Relief Defendant” or “Do”).

22         9. Since inception, the Fund’s performance has suffered significantly due  
23 to realized and unrealized trading losses. Every quarter since its formation, the net  
24 amount invested in the Fund has exceeded the market value of the fund’s holdings.  
25 As of March 2019, the assets of the NTLF Fund and of NTV Financial, including  
26 their known bank accounts and brokerage accounts, totaled about \$1.6 million—far  
27 below the over \$2 million invested by the investors.

28         10. Those losses have made it impossible for the Fund to make good on the

1 Defendants' guaranteed right of redemption. Defendants also continued to pay some  
2 investors dividends and distributed quarterly statements suggesting that the Fund was  
3 paying positive returns, all of which gave the false impression that the Fund was  
4 performing well when, in fact, its performance had caused the Fund to be  
5 undercapitalized, sometimes by as much as 69%.

6 11. The brokerage accounts managed by Nguyen have fared no better. As of  
7 March 2019, 17 of the 30 clients who gave him access to trade in their accounts had  
8 suffered trading losses totaling almost \$570,000.

9 12. To make matters worse, Nguyen is also an imposter, and not the  
10 experienced investment adviser he makes himself out to be. Nguyen has never  
11 worked at Goldman and Goldman has never contracted with Nguyen to use his  
12 trading formulas.

13 13. In reality, Nguyen has racked up an extensive criminal history that he  
14 has never disclosed to the Fund investors or brokerage account clients. In 2009, he  
15 pleaded guilty to wire fraud and admitted that he participated in a scheme to use the  
16 internet to intentionally mislead his victims into giving him money for an investment  
17 fund. In 2012, Nguyen was convicted of felony dependent adult abuse in California  
18 State Court. Nguyen has also been sanctioned twice by the California Department of  
19 Corporations for securities related misconduct.

20 14. Defendants have also used investor money to pay NTV Financial's  
21 unrelated business expenses or to pay Nguyen's and Do's personal expenses. Given  
22 the Fund's market losses that have made it impossible to honor Defendants'  
23 redemption guarantee, and the Fund's poor performance, the Defendants should not  
24 have been able to take the profits from the Fund for themselves.

25 15. Defendants misappropriated about \$600,000 of investor money invested  
26 in the Fund. Defendants operate several other unrelated businesses (such as a  
27 restaurant and a restaurant supply company), and have commingled investor money  
28 and non-investor money from these other businesses in the same accounts. They then

1 used those accounts to pay their own expenses. For example, \$335,000 this  
2 commingled money was used to purchase jewelry, a car and a motorcycle, to make  
3 payments to the Defendant's children, make mortgage payments and used to make  
4 approximately \$354,000 in payments towards the purchase of a \$1 million home in  
5 the name of Relief Defendant Mai Do.

6 16. Defendants' fraudulent conduct is ongoing and continues to threaten  
7 investors. Indeed, as recently as May 11, 2019, Defendants were continuing to solicit  
8 new investors.

9 17. By committing these and other acts alleged in this Complaint,  
10 Defendants have directly and indirectly engaged in, and unless restrained and  
11 enjoined by the Court will continue to violate the anti-fraud provisions of the federal  
12 securities laws, specifically Section 17(a) of the Securities Act [15 U.S.C. § 17q(a)]  
13 and Section 10(b) of the Securities Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-  
14 5 thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1), 206(2), and 206(4) of the  
15 Advisers Act [15 U.S.C. §§ 80b-6(1), (2) & (4) and Rule 206(4)-8 thereunder [17  
16 C.F.R. § 275.206(4)-8].

17 18. In light of Defendants' ongoing conduct, the SEC seeks a temporary  
18 restraining order and preliminary and permanent injunctions prohibiting future such  
19 violations. Specifically, the SEC seeks orders prohibiting Defendants from directly  
20 or indirectly, including through any entity they own or control, accessing any  
21 securities brokerage account of any third-party, including doing so with the consent  
22 of the account holder; freezing Defendants' and the Relief Defendant's assets;  
23 providing expedited discovery from the Defendants and Relief Defendant; requiring  
24 preservation of documents by the Defendants and the Relief Defendant; ordering an  
25 accounting of Defendants' and the Relief Defendant's assets; appointing a receiver  
26 over defendant NTV Financial and over the bank and brokerage accounts through  
27 which investor and client funds have flowed; disgorging Defendants' ill-gotten gains  
28 with prejudgment interest and disgorging funds held by the Relief Defendant; and

1 imposing civil penalties against Defendants.

2 **THE DEFENDANTS**

3 19. **NTV Financial Group, Inc.** is an active California corporation that  
4 Nguyen incorporated in 2018, which has its principal place of business in Garden  
5 Grove, California. NTV Financial is not registered with the SEC in any capacity.

6 20. **Richard Vu Nguyen, a/k/a Nguyen Thanh Vu** is a resident of Santa  
7 Ana, California and the founder, executive director, and president of NTV Financial.  
8 Nguyen has two felony convictions, two securities-related administrative sanctions,  
9 and is not currently registered with the SEC in any capacity.

10 **THE RELIEF DEFENDANT**

11 21. **Mai Do** is a resident of Garden Grove, California, the girlfriend of  
12 Nguyen, and someone Nguyen has held out as the chief financial officer of NTV  
13 Financial. Do is not registered with the Commission in any capacity.

14 **THE FRAUD**

15 **A. NTV Financial and Richard Nguyen**

16 22. Defendant NTV Financial is a company that claims to provide  
17 companies with a whole range of services designed to improve their profitability,  
18 including capital, operational improvements, revenue growth, procurement,  
19 leadership, lean process, IT optimization, energy sustainability, and employee health  
20 care. It further claims that it had worked with companies on merger and acquisition  
21 projects and on industry reorganization.

22 23. Defendant Richard Nguyen is the founder, executive director, and  
23 president of NTV Financial.

24 24. Relief defendant Mai Do is Nguyen's girlfriend and is portrayed as the  
25 chief financial officer of NTV Financial.

26 25. Defendants also operate several other businesses. For example, they  
27 operate a restaurant, a restaurant supply company and a home remodeling business.

28 26. Nguyen has a criminal past and several run-ins with regulatory

1 authorities that he has concealed from investors.

2 27. In 1999, the California Department of Corporations (“CDC”) named  
3 Nguyen in a Desist and Refrain Order for securities related misconduct. In 2007, the  
4 CDC named Nguyen in a second Desist and Refrain Order for acting as an  
5 unregistered broker-dealer.

6 28. On or about August 24, 2009, Nguyen entered a guilty plea to wire fraud  
7 charges in the matter of *United States v. Richard Nguyen*, Case No. CR 08-796(A)-  
8 ABC (C.D. Cal.), a criminal case filed in this district. As part of his guilty plea,  
9 Nguyen admitted that he created a scheme to use the internet to intentionally mislead  
10 his victims into giving him their money by claiming he would invest that money in  
11 genuine investment funds. In furtherance of the scheme, Nguyen created and  
12 controlled the website [www.bhshfunds.com](http://www.bhshfunds.com), where he purportedly offered for sale  
13 shares in investment funds and promised investors they could redeem their  
14 investment upon request. Nguyen also created electronic mail and webpages that led  
15 his victims to believe they had purchased shares in the funds, when, in fact, he had  
16 not invested their money in the funds.

17 29. On November 24, 2009, a Judgment and Commitment Order was  
18 entered against Nguyen in connection with the wire fraud charges. Nguyen was  
19 ordered to pay a \$100 special assessment, restitution in the total amount of \$104,981,  
20 and imprisoned in federal prison for a term of 15 months, followed by a three-year  
21 period of supervised release.

22 30. On June 4, 2012, while still on supervised release, a jury in the matter of  
23 *People v. Nguyen*, Super. Ct. No. 11WF0913, Superior Court of Orange County  
24 California, found Nguyen guilty of felony infliction of injury on a dependent adult, in  
25 violation of California Penal Code Section 368(b)(1).

26 31. On August 17, 2012, an Orange County Superior Court Judge sentenced  
27 Nguyen to two years in prison for the dependent adult abuse and assessed restitution  
28 and parole revocation fines against Nguyen totaling \$240. On October 29, 2013, the

1 California Fourth Appellate District, Division Three, affirmed Nguyen’s state  
2 conviction and sentence.

3 32. In addition to lying to investors about his background, Nguyen has taken  
4 other steps to conceal this criminal past. For example, when he filed articles of  
5 incorporation on behalf of NTV Financial with the State of California in May 2019,  
6 he filed them under the name “Vu Thanh Nguyen” instead of the name Richard  
7 Nguyen, which was the name listed in the two criminal convictions and two  
8 administrative sanctions.

9 33. Nguyen also listed his name as “Nguyen Thanh Vu” on NTV Financial’s  
10 website.

11 **B. Defendants’ Fraudulent Investment Opportunities**

12 34. NTV Financial and Nguyen use the internet, radio and television, as well  
13 as in-person meetings and brochures, to lure investors into two fraudulent investment  
14 schemes. One is the NTLF Fund, which they claimed trades in stocks and options.  
15 The other is the chance to have Nguyen manage individual clients’ brokerage  
16 accounts.

17 35. In addition to its website, NTV Financial paid to air weekly video  
18 broadcasts and posted several videos about NTV Financial on YouTube and  
19 Facebook. The video broadcasts were structured as a talk show called “Kim Tien Sat  
20 Phat,” or translated, “Golden Money – Winning at All Costs.” These shows air  
21 several times a week on a nationwide Vietnamese-language station on DirecTV and a  
22 local station in Southern California.

23 36. In these videos, Defendants often touted Nguyen’s investment  
24 experience and offered investors several investments. Although these online videos  
25 varied over time, several claimed that Nguyen was an investment banker, the  
26 executive director of NTV Financial, someone with more than 20 years of investment  
27 experience at Goldman, and, in one or more of those videos, Nguyen personally  
28 claimed to have been a fund manager at Goldman and to have managed a “few

1 dozen” funds in the past.

2 **1. The NTLF Fund**

3 37. Defendants have raised about \$2.4 million from at least 80 investors in  
4 the NTLF Fund.

5 38. Although described as a “fund,” the NTLF Fund is not an entity. The  
6 Fund’s money is instead held in bank accounts in the name of NTV Financial,  
7 Nguyen and/or Do. As described below, that money is then commingled with money  
8 coming from Defendants’ other businesses.

9 39. When investors invest in the Fund, they receive an “interest” in the so-  
10 called “fund” at a price of \$10 per share. The investor money was pooled together to  
11 trade in options as part of a common enterprise, and investors expected to make  
12 money on that investment based on the trading and efforts of Defendants.

13 40. The NTV Financial website at one time described Nguyen as a “Fund  
14 Manager” of the NTLF Fund, with “extensive experience in the areas of investment,  
15 start up, and corporate governance.”

16 41. The website offered investors the opportunity to invest in the NTLF  
17 Fund and identified four “Key Offerings” of the Fund: (1) a target return on  
18 investment (“ROI”) of 35%, (2) quarterly dividends, (3) a minimum investment of  
19 \$5,000, and (4) no lock-in period, meaning investors could redeem their principal  
20 investment at any time.

21 42. The website described the NTLF Fund as having a “No Net Loss Policy”  
22 and stated that NTV Financial would maintain a net capital reserve equal to 35% of  
23 the NTLF Fund. The 35% reserve was purportedly kept in a “segregated account” to  
24 guarantee that all investor capital was protected.

25 43. In a video aired on or about February 12, 2018, Nguyen offered  
26 investors the opportunity to invest in what he described as the NTLF Fund. Nguyen  
27 claimed to be launching the NTLF Fund so that it could one day be listed on Wall  
28 Street and become the only fund with all Vietnamese fund managers.

1 44. Nguyen told investors that the NTLF Fund needed at least 130 investors  
2 and portfolio with a minimum value of \$1.3 million in order to be registered with the  
3 SEC. Nguyen claimed to already have 30 investors and said only 100 spots were left.  
4 Nguyen said he was not certain whether he would close the NTLF Fund once it  
5 reached its goal of 130 investors, but investors “better hurry” if they wanted to join  
6 the NTLF Fund.

7 45. Nguyen told investors that the NTLF Fund had a minimum investment  
8 amount of \$5,000 and promised that he would “bundle” their money into one  
9 account, which Nguyen would personally manage. Nguyen promised to pay  
10 investors a dividend each quarter and to hire an accountant to file and pay the taxes  
11 on those dividends, so they were tax free by the time the investors received them.

12 46. In a video aired on or about June 4, 2018, Nguyen’s co-host told  
13 investors they would not be charged any fees in connection with the NTLF Fund,  
14 their initial investment was guaranteed to be protected from loss, and they could  
15 redeem their initial investment at any time. During this same video, Nguyen told  
16 investors he utilized a “10-day” trading rule when investing, which he said had a  
17 patent pending because several investment companies wanted to use it in their trading  
18 software.

19 47. In a video aired on or about August 13, 2018, Nguyen told investors he  
20 was launching a new version of the NTLF Fund with a fixed return of 16% annually  
21 (or 4% quarterly). Nguyen said he was offering a fixed return based on the demands  
22 of his clients, whom he claimed did not like fluctuations in their ROI and wanted a  
23 fixed ROI. The NTLF Fund still required a minimum investment of \$5,000, still  
24 guaranteed investors 100% of their initial investment, and still had no lock-in period,  
25 meaning investors could redeem their investments at any time.

26 48. In a video aired on or about October 15, 2018, Nguyen re-emphasized  
27 his 10-day trading rule, claiming that he had a contract with Goldman Sachs to use  
28 the 10-day trading rule in Goldman Sachs’ trading formulas. Nguyen told investors

1 that the greatest honor of NTV Financial was that its accounts “never, never” failed to  
2 make money.

3 49. In a radio show posted on YouTube on or about April 19, 2019,  
4 Nguyen’s co-host introduced Nguyen as “an investment banker and an underwriter  
5 with two decades of experience working in securities investments with one of the  
6 leading financial giants, Goldman Sachs.”

7 50. In that same video, Nguyen told investors that “from here on out, you  
8 [will] never hear the word ‘guarantee’ and ‘guarantee investment’ from us,” but said  
9 that he knew “for a fact” and “for sure” he would “protect” investors’ assets. Nguyen  
10 also told investors that NTV Financial had ended its 16% interest program and was  
11 now offering a 12% interest program. Nguyen still offered investors 12% interest  
12 every year, and promised to send investors a check reflecting 3% of the invested  
13 amount every quarter. Nguyen told investors they could still withdraw their principal  
14 anytime, but the initial minimum investment was raised to \$10,000. After that,  
15 investors could contribute as much as they wished, so long as it was at least \$5,000.

## 16 **2. Individually Managed Brokerage Accounts**

17 51. At least 30 people have given Nguyen access to their brokerage accounts  
18 so that he can trade in them. These clients give him, for example, their passwords  
19 and usernames, which enables him to access the accounts online and trade stock or  
20 options in the accounts at his discretion.

21 52. Nguyen has been managing brokerage accounts for at least 30 clients  
22 between August 2018 and May 2019. Those clients have deposited a total of at least  
23 \$1.9 million into those accounts.

24 53. In a video aired on or about July 23, 2018, Nguyen offered to personally  
25 manage the individual brokerage accounts of investors in addition to managing the  
26 NTLF Fund. Nguyen told investors they just had to open an investment account at a  
27 brokerage firm, deposit a minimum amount of \$50,000 into the investment account,  
28 and, once the investment account was opened, Nguyen would use the investors’

1 passwords and usernames to execute trades on the investors' behalf.

2 54. Nguyen told investors that NTV Financial would charge investors a 50%  
3 performance fee on any profits Nguyen earned in these personally managed accounts  
4 and would distribute those profits to the investors once they reached 15% to 20% of  
5 the investors' initial investments.

6 55. In a video aired on or about October 15, 2018, Nguyen claimed to be  
7 very successful at trading on behalf of investors in their personally managed  
8 accounts. In that same video, Nguyen told investors that the greatest honor of NTV  
9 Financial was that its accounts "never, never" failed to make money.

10 56. In a radio show posted on YouTube on or about April 19, 2019, Nguyen  
11 told investors they could still have Nguyen personally manage their investment  
12 accounts, regardless of whether the investment accounts were at TD Ameritrade,  
13 Fidelity, Merrill Lynch or anywhere else. However, Nguyen told investors that the  
14 investment accounts now had to have a minimum of \$100,000 for Nguyen to  
15 personally management them and told investors they had to liquidate all the stocks in  
16 those accounts to cash. Investors were told they still had to give Nguyen their  
17 username and password, so he could personally login and trade on their behalf, and  
18 they still had to split the profits from Nguyen's trading "50/50."

19 **3. Defendants Are Acting As Investment Advisers**

20 57. During all relevant times, NTV Financial and Nguyen acted as  
21 investment advisers to the NTLF Fund and to the clients who gave Nguyen access to  
22 their individual brokerage accounts.

23 58. NTV Financial and Nguyen advised the Fund about investing in stocks  
24 and options. They received compensation when they took trading profits in excess of  
25 promised returns and when they used investor money for their own benefit.  
26 Defendants also held out the NTLF Fund as a fund engaged in the business of trading  
27 securities.

28 59. Likewise, they advised the clients with the separately managed

1 brokerage accounts about stock and options trading, and also received compensation  
2 in the form of trading profits.

3 **C. Defendants' Statements to Fund Investors and Separately Managed**  
4 **Clients**

5 60. In addition to its website and its weekly video broadcasts, NTV  
6 Financial solicited investors through telephonic and face-to-face meetings. The  
7 following are some examples of the representations Defendants made to investors and  
8 prospective investors regarding NTV Financial during those telephonic and face-to-  
9 face meetings:

10 **1. Investor A**

11 61. In or about February 2018, Nguyen spoke with "Investor A" over the  
12 telephone after Investor A had watched one or more videos about NTV Financial on a  
13 Vietnamese television station and after Investor A had visited the NTV Financial  
14 website. Investor A was attracted to NTV Financial by its claim that investors would  
15 earn up to a 30% return on their investment through options trading.

16 62. Nguyen told Investor A that his name was "Vu Nguyen" and claimed to  
17 have received his Masters in Business Administration from California State  
18 Polytechnic University, Pomona ("Cal Poly") before working on Wall Street.

19 63. Nguyen promised Investor A a 16% fixed annual return on investment.  
20 Nguyen said he would generate these returns through buying and selling options.  
21 Nguyen did not disclose how he would go about buying and selling options, but told  
22 Investor A that he would use investor funds to keep investing in more and more  
23 options. All of this led Investor A to believe that Nguyen would be pooling Investor  
24 A's money with other investor money so as to increase the overall volume of options  
25 trading in the NTLF Fund.

26 64. Nguyen also led Investor A to believe that investor funds would be kept  
27 in a separate account in order to protect those funds, so that if Investor A ever  
28 requested to redeem the principal, Nguyen could withdraw that money from the

1 separate account and return it to Investor A.

2 65. Nguyen never identified himself as “Richard Nguyen” to Investor A and  
3 never disclosed to Investor A that he had sustained two felony convictions and two  
4 adverse administrative rulings under the name Richard Nguyen.

5 66. After speaking with Nguyen over the telephone, Investor A invested  
6 \$5,000 in the NTLF Fund and soon began receiving quarterly payments between 3%  
7 and 4%. Nguyen sent Investor A statement-like updates via email that showed  
8 Investor A’s initial investment and the dividend amount for that quarter.

9 **2. Investor B**

10 67. In or about April 2018, Nguyen met face-to-face with Investor B at a  
11 restaurant in Orange County, California. Investor B arranged to meet with Nguyen  
12 after watching one or more videos about NTV Financial on a Vietnamese-language  
13 television station.

14 68. Nguyen told Investor B that if Investor B invested in the NTLF Fund,  
15 Nguyen would guarantee a minimum return of 16% annually and no loss of principal.  
16 Nguyen told Investor B that he had worked with Goldman Sachs for 15-20 years and  
17 would generate the returns through buying and selling stocks. Nguyen led Investor B  
18 to believe that other investors were investing in the NTLF Fund and that everyone  
19 would share in the profits of the Fund.

20 69. Nguyen told Investor B that he also went by the name “Richard  
21 Nguyen,” but never told Investor B he had suffered two felony convictions and two  
22 administrative sanctions under that name.

23 70. Investor B invested \$50,000 in the NTLF Fund on the same day Investor  
24 B met face-to-face with Nguyen. Nguyen did not have Investor B sign any  
25 investment adviser agreements or similar paperwork, but told Investor B the  
26 investment could be redeemed at any time.

27 71. After investing \$50,000 in the NTLF Fund, Investor B soon began  
28 receiving quarterly dividend payments. In the beginning, the quarterly payments

1 were occasionally higher than 4%. Later, Nguyen told Investor B that all future  
2 payments would be fixed at 4% quarterly and 16% annually.

3 72. Nguyen sent Investor B statement-like updates via email that showed  
4 Investor B's initial investment and the dividend for that quarter. Investor B later  
5 invested more than \$50,000 in the NTLF Fund and ultimately invested a total of  
6 approximately \$300,000 in the NTLF Fund.

7 **3. Client C**

8 73. In or about August 2018, Client C allowed Nguyen to begin managing  
9 her investment account at TD Ameritrade.

10 74. Client C has never met Nguyen and only knows what he looks like  
11 through watching the videos she has watched through her television network. Client  
12 C did, however, speak with one of Nguyen's employees over the telephone, who  
13 explained to Client C how to open a TD Ameritrade account, told Client C they  
14 would manage the account, and that any profits would be split in half (along with the  
15 taxes) between Client C and Nguyen.

16 75. Client C recalls seeing videos of Nguyen claiming to have an MBA and  
17 to have worked at Goldman Sachs and as an investment banker. Client C viewed  
18 these qualifications as very important in deciding to allow Nguyen to manager the  
19 investment account at TD Ameritrade because it led Client C to believe he knew  
20 more about what he was doing and had a higher chance of success.

21 76. Client C's investment account has not made any money through  
22 allowing Nguyen to manage it but Client C can see that Nguyen has been trading in  
23 the account.

24 77. Client C never heard Nguyen referred to as "Richard Vu Nguyen" and  
25 was not aware that Nguyen had been convicted any crimes, including dependent adult  
26 abuse. Client C would have wanted to know about Nguyen's convictions before  
27 allowing him to manager the investment account and would not have given Nguyen  
28 money if Client C knew about his conviction for dependent adult abuse.

1           **4. Undercover FBI Agent**

2           78. On or about April 8, 2019, Nguyen met face-to-face with a prospective  
3 investor at the offices of NTV Financial. Unbeknownst to Nguyen, the prospective  
4 investor was actually an undercover agent (“UC”) for the FBI, who secretly recorded  
5 his/her face-to-face meeting with Nguyen.

6           79. Nguyen told UC he could guarantee UC a fixed return of 16% annually,  
7 if UC invested a minimum of \$10,000 in the NTLF Fund. Nguyen told UC he was  
8 the fund’s manager and would generate the 16% return by trading stocks and options.

9           80. Nguyen told UC he would receive quarterly payments (or dividends) of  
10 4% and quarterly statements via email reflecting those payments. Nguyen told UC  
11 that the statements would be prepared by a certified public accountant and described  
12 the investment as 100% safe and fully redeemable at any time. When UC asked  
13 Nguyen about his track record in the last five years, Nguyen told UC he made a  
14 1,000% return annually.

15           81. Nguyen also offered to personally manage an investment account on  
16 behalf of UC. Nguyen told UC he would need to open the investment account in  
17 UC’s name and deposit a minimum of \$100,000 into the account. UC would also  
18 have to give Nguyen the username and password for the investment account, so  
19 Nguyen could start trading on behalf of UC. Nguyen told UC that if trading in the  
20 investment account was profitable, UC would have to take those profits out of the  
21 investment account, deposit them into UC’s checking account, and write Nguyen a  
22 check for half the amount of the profits.

23           **D. The Poor Performance of the NTLF Fund and the Managed Accounts**

24           82. The NTLF Fund has had negative performance since its inception in  
25 February 2018.

26           83. In managing the Fund, Nguyen engages in a significant amount of  
27 trading in the brokerage accounts holding the investors’ money, principally in  
28 margined option trading. This trading has resulted in large losses and some large

1 gains.

2 84. As a result of these and other losses, in every quarter since the inception  
3 of the NTLF Fund, the overall market value of the Fund's assets has been less than  
4 the net principal invested in the Fund, sometimes by as much as 69% less, as  
5 illustrated in the table below:

6 7 8	Quarter/Year	Total Bank & Brokerage Balance/Value	Net Investor Deposits (Accumulated)	Under- Capitalized	% Under- Capitalized
8	Q 1 2018	\$ 31,722.85	\$ 45,000.00	\$ (13,277.15)	-29.5%
9	Q 2 2018	\$ 163,959.73	\$ 296,000.00	\$ (132,040.27)	-44.6%
10	Q 3 2018	\$ 589,073.66	\$ 897,000.00	\$ (307,926.34)	-34.3%
11	Q 4 2018	\$ 569,555.22	\$ 1,848,500.00	\$ (1,278,944.78)	-69.2%
12	Q 1 2019	\$ 1,653,230.86	\$ 2,209,500.00	\$ (556,269.14)	-25.2%

13 85. The brokerage accounts managed by Nguyen on behalf of at least 30  
14 clients have also not performed well.

15 86. As of March 2019, 17 clients, who deposited a total of about \$1.19  
16 million into their accounts, have suffered trading losses totaling almost \$570,000.

## 17 **E. Defendants' Fraud**

18 87. Defendants misled clients and potential clients to believe that Nguyen  
19 was an experienced financial trader with an impeccable track record trading and that  
20 they would not lose any of their principal if they invested with Defendants. Yet,  
21 Nguyen concealed and lied about his real past, and both the NTLF Fund and the  
22 individually managed brokerage accounts suffered significant losses, including losses  
23 in investor principal.

### 24 **1. Nguyen's History of Criminal and Regulatory Sanctions**

25 88. As described *infra*, Defendants misled investors about Nguyen's  
26 background by failing to disclose that several years before Nguyen became the  
27 executive director of NTV Financial, he had been convicted of two felonies in federal  
28 and state courts and had been sanctioned twice by the CDC for securities related  
misconduct.

1 89. Defendants' misrepresentations and omissions regarding Nguyen's  
2 background, particularly his prior criminal history for investment fraud, pertained to  
3 material facts that reasonable investors would have found important in making their  
4 investment decisions.

5 90. The misrepresentations and omissions regarding Nguyen's background  
6 were made by Defendants and each of them received money in the form of investors'  
7 funds, by means of those misrepresentations and omissions.

8 91. Defendants knew, or were reckless in not knowing, that failing to  
9 disclose Nguyen's two felony convictions and the fact that he had been sanctioned  
10 twice by the CDC misled investors as to Nguyen's background and fitness to manage  
11 their investments.

12 92. At a minimum, Defendants did not exercise reasonable care in failing to  
13 disclose Nguyen's two felony convictions and the fact that he had been sanctioned  
14 twice by the CDC to investors, and thus were negligent.

## 15 **2. Nguyen's Credentials and Employment History**

16 93. As described *infra*, Defendants made materially false and misleading  
17 statements to clients and potential clients about Nguyen's credentials and  
18 employment history as an investment adviser. Contrary to Defendants' statements to  
19 investors, not only had Nguyen never received an MBA from Cal Poly, he never  
20 worked for or had any kind of contractual relationship with Goldman.

21 94. Goldman has no record of Nguyen ever being employed there.

22 95. Nor did Goldman ever have any contract with Nguyen for his so-called  
23 "10-day trading rule," or for anything else.

24 96. Defendants' misrepresentations regarding Nguyen's business  
25 relationship with Goldman and his prior employment at that company pertained to  
26 material facts that reasonable investors would have found important in making their  
27 investment decisions.

28 97. The misrepresentations regarding Nguyen's business relationship with

1 Goldman and his prior employment at that company were made by Defendants and  
2 each of them received money in the form of investors' funds, by means of those  
3 misrepresentations.

4 98. Defendants knew, or were reckless in not knowing, that claiming  
5 Nguyen had a business relationship with Goldman and had previously been employed  
6 there misled investors as to Nguyen's background and fitness to manage their  
7 investments.

8 99. At a minimum, Defendants did not exercise reasonable care in their  
9 representations to investors regarding Nguyen's business relationship with Goldman  
10 and prior employment there, and thus were negligent.

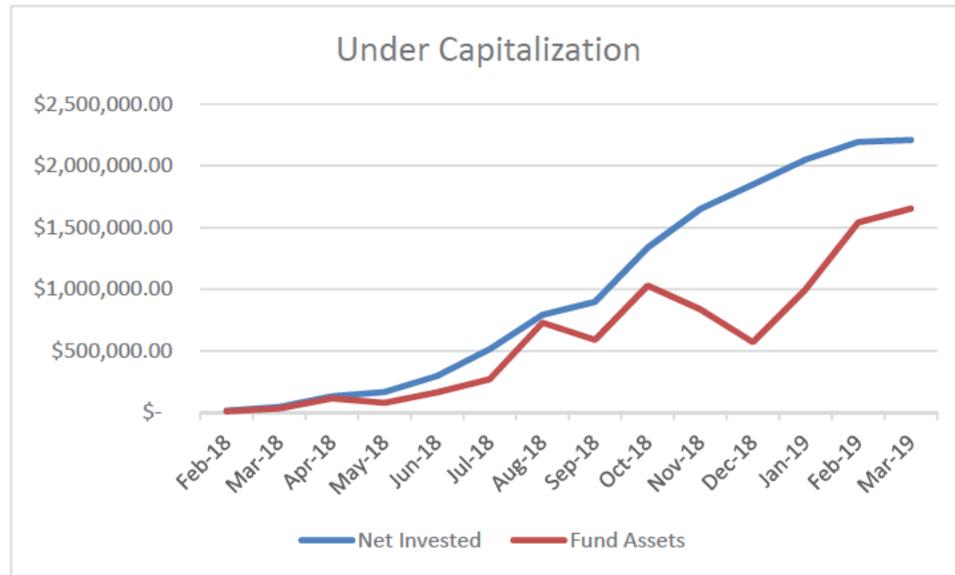
11 **3. The Fund's Guaranteed "100%" Redemption Right**

12 100. As described *infra*, Defendants misled Fund investors as to their ability  
13 to withdraw their monies at any time.

14 101. On the NTV Financial website, Defendants told investors a "Net  
15 Capital" reserve equal to 35% would be created and kept in a "segregated account" as  
16 part of a "No Net Loss" policy. However, none of the investor funds were placed  
17 into a segregated account and used to create a net capital reserve equal to 35% of the  
18 NTLF Fund.

19 102. Defendants misled investors and potential investors to believe that  
20 investing with NTV Financial would be 100% safe, the accounts would "never,  
21 never" fail to make money, Nguyen had a track record of earning as high as a 1,000  
22 percent return annually, and investors could redeem their principal investment at any  
23 time. In reality, Nguyen suffered significant realized and unrealized losses of  
24 investors funds despite his so-called 10-day trading rule and despite continuing to pay  
25 some investors their guaranteed returns.

1           103. This undercapitalization of the Fund relative to the investors' right of  
 2 redemption between February 2018 and March 2019 is further illustrated in the chart  
 3 below:



14           104. Reasonable investors would have considered it important in their  
 15 investment decision to know that Defendants could not honor the right of redemption  
 16 due to the NTLF Fund being undercapitalized at the time they invested.

17           105. The misrepresentations and omissions regarding the ability of investors  
 18 to withdraw their money from the Fund were all made by Defendants and each of  
 19 them received money in the form of investors' funds, by means of those  
 20 misrepresentations and omissions.

21           106. Defendants knew, or were reckless in not knowing, that statements  
 22 regarding investors' ability to withdraw their money from the Fund on demand  
 23 misled investors.

24           107. At a minimum, defendants failed to exercise reasonable care when  
 25 making representations to investors about their ability to withdraw money on demand  
 26 from the Fund.

1           **4. The Poor Performance of the NTLF Fund**

2           108. As described *infra*, Defendants misled investors in the NTLF Fund with  
3 respect to the Fund’s positive performance.

4           109. Defendants represented that the Fund was achieving double digit returns  
5 while concealing that the Fund had significant losses.

6           110. Defendants falsely represented to the UC that returns of 1,000% had  
7 been achieved.

8           111. Reasonable investors would have considered it important in their  
9 investment decision to know that the Fund was experiencing losses.

10           112. The misrepresentations regarding the Fund’s performance were made by  
11 Defendants, and each of them received money in the form of investors’ funds, by  
12 means of those misrepresentations and omissions.

13           113. Defendants knew, or were reckless in not knowing, that statements  
14 regarding the NTLF Fund’s performance misled investors as to how Defendants’  
15 investments were faring.

16           114. At a minimum, defendants failed to exercise reasonable care when  
17 making representations to investors about the NTLF Fund’s performance.

18           **5. Defendants’ Misuse of Investor Funds**

19           115. As described *infra*, Defendants misled investors in the NTLF Fund with  
20 respect to how investor funds would be handled and spent.

21           116. During a video aired in February 2018 Nguyen told investors their  
22 money would be “bundled into one account or one fund.” Instead, there was no  
23 actual “fund”; rather, investor money was moved around between bank and brokerage  
24 accounts held in the name of Nguyen, NTV Financial, and Relief Defendant Mai Do.

25           117. Defendants were also misappropriating, and allowing others to  
26 misappropriate, large sums of money from bank accounts commingled with investor  
27 funds. While some of the deposits into those bank accounts also came from non-  
28 investor funds, including Defendants’ other businesses, the undisclosed and

1 unauthorized expenditures exceeded those non-investor funds that were deposited by  
2 approximately \$600,000.

3 118. The following are examples of some of the undisclosed and authorized  
4 expenditures Defendants made between February 1, 2018 and March 31, 2019, while  
5 NTV Financial was undercapitalized:

Expenditure	Amount
Payments toward the purchase of a \$1 million home in the name of Relief Defendant Mai Do	\$354,000
Cash Withdrawals	\$224,000
Payments to jewelry and watch stores	\$148,000
Purchase of Car and a Motorcycle (Harley Davidson)	\$109,000
<b>TOTAL</b>	<b>\$835,000</b>

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14 119. Investors were not aware that their funds were being deposited into these  
15 bank accounts and commingled with non-investor money, including Defendants'  
16 other businesses, or that a portion of investor funds was being used for these and  
17 other undisclosed and unauthorized purposes.

18 120. Reasonable investors would have considered it important in their  
19 investment decision to know that investor funds were being used for purposes other  
20 than what Defendants disclosed to them at the time they invested.

21 121. The misrepresentations and misleading statements regarding how  
22 investor funds would be handled and spent were all made by Defendants and each of  
23 them received money in the form of investors' funds by means of those  
24 misrepresentations and omissions.

25 122. Defendants knew, or were reckless in not knowing, that investor funds  
26 were being mishandled and misappropriated and that their statements regarding how  
27 investor funds would be handled and spent misled investors.

28 123. At a minimum, defendants failed to exercise reasonable care when

1 handling and spending investors' funds, and in making representations to investors  
2 about how investor funds would be handled and spent.

3 **F. Relief Defendant Do's Unjust Enrichment**

4 124. Relief Defendant Mai Do, whom Nguyen held out as the CFO of NTV  
5 Financial, received investor funds from Defendants.

6 125. During the relevant time period, Do received investor funds from  
7 Defendants into several bank and brokerage accounts held in her name.

8 126. Additionally, Do received approximately \$354,000 in the form of  
9 payments towards the purchase of a \$1 million home in her name.

10 127. Do had no legitimate claim to these monies, since they were derived  
11 from the fraudulent scheme outlined above and constituted ill-gotten gains.

12 **FIRST CLAIM FOR RELIEF**

13 **Fraud in the Connection with the Purchase and Sale of Securities**

14 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5**

15 **(against all Defendants)**

16 128. The SEC realleges and incorporates by reference paragraphs 1 through  
17 128 above.

18 129. NTV Financial and Nguyen each defrauded prospective and actual  
19 investors and clients by making false and misleading statements about Nguyen's  
20 background and employment history. NTV Financial and Nguyen misled Fund  
21 investors about the NTLF Fund's very existence, its performance, the ability of  
22 investors to withdraw their money from the Fund, how investor money would be  
23 spent, and the overall nature of the investment. In soliciting clients for the separately  
24 managed accounts, NTV Financial and Nguyen misrepresented past trading  
25 performance. Further, NTV Financial and Nguyen also misappropriated investor  
26 funds.

27 130. By engaging in the conduct described above, NTV Financial and  
28 Nguyen, and each of them, directly or indirectly, in connection with the purchase or

1 sale of a security, by the use of means or instrumentalities of interstate commerce, of  
2 the mails, or of the facilities of a national securities exchange: (a) employed devices,  
3 schemes, or artifices to defraud; (b) made untrue statements of a material fact or  
4 omitted to state a material fact necessary in order to make the statements made, in the  
5 light of the circumstances under which they were made, not misleading; and (c)  
6 engaged in acts, practices, or courses of business which operated or would operate as  
7 a fraud or deceit upon other persons.

8 131. NTV Financial and Nguyen knew, or were reckless in not knowing, that  
9 they employed devices, schemes and artifices to defraud; made untrue statements of a  
10 material fact or omitted to state a material fact necessary in order to make the  
11 statements made, in the light of the circumstances under which they were made, not  
12 misleading; and engaged in acts, practices or courses of conduct that operated as a  
13 fraud on the investing public by the conduct described in detail above.

14 132. By engaging in the conduct described above, NTV Financial and  
15 Nguyen violated, and unless restrained and enjoined will continue to violate, Section  
16 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rules 10b-5(a), 10b-5(b), and  
17 10b-5(c) thereunder, 17 C.F.R. §§ 240.10b-5(a), 240.10b-5(b) & 240.10b-5(c).

18 **SECOND CLAIM FOR RELIEF**

19 **Fraud in the Offer or Sale of Securities**

20 **Violations of Section 17(a) of the Securities Act**

21 **(against all Defendants)**

22 133. The SEC realleges and incorporates by reference paragraphs 1 through  
23 128 above.

24 134. NTV Financial and Nguyen each defrauded prospective and actual  
25 investors and clients by making and obtaining money via false and misleading  
26 statements about Nguyen's background and employment history. NTV Financial and  
27 Nguyen misled Fund investors about the NTLF Fund's very existence, its  
28 performance, the ability of investors to withdraw their money from the Fund, how

1 investor money would be spent, and the overall nature of the investment. In soliciting  
2 clients for the separately managed accounts, NTV Financial and Nguyen  
3 misrepresented past trading performance. Further, NTV Financial and Nguyen also  
4 misappropriated investor funds.

5 135. By engaging in the conduct described above, NTV Financial and  
6 Nguyen, and each of them, directly or indirectly, in the offer or sale of securities, and  
7 by the use of means or instruments of transportation or communication in interstate  
8 commerce or by use of the mails directly or indirectly: (a) employed devices,  
9 schemes, or artifices to defraud; (b) obtained money or property by means of untrue  
10 statements of a material fact or by omitting to state a material fact necessary in order  
11 to make the statements made, in light of the circumstances under which they were  
12 made, not misleading; and (c) engaged in transactions, practices, or courses of  
13 business which operated or would operate as a fraud or deceit upon the purchaser.

14 136. Defendants NTV Financial and Nguyen, with scienter, employed  
15 devices, schemes and artifices to defraud; with scienter or negligence, obtained  
16 money or property by means of untrue statements of a material fact or by omitting to  
17 state a material fact necessary in order to make the statements made, in light of the  
18 circumstances under which they were made, not misleading; and, with scienter or  
19 negligence, engaged in transactions, practices, or courses of business which operated  
20 or would operate as a fraud or deceit upon the purchaser.

21 137. By engaging in the conduct described above, Defendants NTV Financial  
22 and Nguyen violated, and unless restrained and enjoined will continue to violate,  
23 Sections 17(a)(1), 17(a)(2), and 17(a)(3) of the Securities Act, 15 U.S.C. §§  
24 77q(a)(1), 77q(a)(2), & 77q(a)(3).

**THIRD CLAIM FOR RELIEF**

**Fraud by an Investment Adviser**

**Violations of Sections 206(1) and 206(2) of the Advisers Act**

**(against all Defendants)**

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5 138. The SEC realleges and incorporates by reference paragraphs 1 through  
6 128 above.

7 139. Defendants NTV Financial and Nguyen each defrauded actual and  
8 potential separately managed account clients by making false and misleading  
9 statements and omissions to investors about Nguyen's background and employment  
10 history and Defendants' trading results.

11 140. By engaging in the conduct described above, NTV Financial and  
12 Nguyen, and each of them, directly or indirectly, by use of the mails or means and  
13 instrumentalities of interstate commerce employed or are employing devices,  
14 schemes or artifices to defraud clients or prospective clients, and engaged in or are  
15 engaging in transactions, practices, or courses of business which operated as a fraud  
16 or deceit upon clients or prospective clients.

17 141. NTV Financial and Nguyen, with scienter, employed devices, schemes  
18 or artifices to defraud clients or prospective clients; and with scienter or negligence,  
19 engaged in transactions, practices, or course of business which operated as a fraud or  
20 deceit upon clients or prospective clients.

21 142. By engaging in the conduct described above, NTV Financial and  
22 Nguyen have violated, and unless restrained and enjoined, are reasonably likely to  
23 continue to violate, Sections 206(1) and (2) of the Advisers Act, 15 U.S.C. §§ 80b-  
24 6(1) & 80b-6(2).

1 **FOURTH CLAIM FOR RELIEF**

2 **Fraud Involving a Pooled Investment Vehicle**

3 **Violations of Section 206(4) of the Advisers Act and**

4 **Rule 206(4)-8(a)(1) and (a)(2)**

5 **(against all Defendants)**

6 143. The SEC realleges and incorporates by reference paragraphs 1 through  
7 128 above.

8 144. Defendants held the NTLF Fund out as a pooled investment vehicle.  
9 NTV Financial and Nguyen each defrauded prospective and actual investors by  
10 making false and misleading statements about Nguyen's background and  
11 employment history. NTV Financial and Nguyen misled Fund investors about the  
12 NTLF Fund's very existence, its performance, the ability of investors to withdraw  
13 their money from the Fund, how investor money would be spent, and the overall  
14 nature of the investment. Further, NTV Financial and Nguyen also misappropriated  
15 investor funds.

16 145. By engaging in the conduct described above, Defendants NTV Financial  
17 and Nguyen, and each of them, directly or indirectly, by engaging in the conduct  
18 described above, while acting as an investment adviser to a pooled investment  
19 vehicle, directly or indirectly, by use of the mails or means or instrumentalities of  
20 interstate commerce: (a) made untrue statements of a material fact or omitted to state  
21 a material fact necessary in order to make the statements made, in the light of the  
22 circumstances under which there were made, not misleading, to any investor or  
23 prospective investor in the pooled investment vehicle; or (b) engaged in acts,  
24 practices, or courses of business that were fraudulent, deceptive, or manipulative with  
25 respect to any investor or prospective investor in the pooled investment vehicle.

26 146. Defendants NTV Financial and Nguyen knew, or were reckless or  
27 negligent in not knowing, that they (a) made untrue statements of a material fact or  
28 omitted to state a material fact necessary in order to make the statements made, in the

1 light of the circumstances under which there were made, not misleading, to any  
2 investor or prospective investor in the pooled investment vehicle; and (b) engaged in  
3 acts, practices, or courses of business that were fraudulent, deceptive, or manipulative  
4 with respect to any investor or prospective investor in the pooled investment vehicle.

5 147. By engaging in the conduct described above, Defendants NTV Financial  
6 and Nguyen have violated, and unless restrained and enjoined, are reasonably likely  
7 to continue to violate, Section 206(4) of the Advisers Act, 15 U.S.C. § 80b-6(4), and  
8 Rule 206(4)-8(a)(1) and 8(a)(2) thereunder, 17 C.F.R. § 275.206(4)-8.

9 **FIFTH CLAIM FOR RELIEF**

10 **Unjust Enrichment**

11 **(against Relief Defendant Mai Do)**

12 148. The SEC realleges and incorporates by reference paragraphs 1 through  
13 128 above.

14 149. Relief Defendant Mai Do received and then retained investor funds from  
15 Defendants NTV Financial and Nguyen in bank and brokerage accounts held in her  
16 name, and received another approximately \$354,000 in proceeds. She has no  
17 legitimate claim to these monies.

18 150. Relief Mai Do obtained the ill-gotten gains described above as part of  
19 the securities law violations alleged above, under circumstances in which it is not  
20 just, equitable, or conscionable for her to retain the funds.

21 151. By engaging in the foregoing conduct, Relief Defendant Mai Do has  
22 been unjustly enriched and must disgorge her ill-gotten gains.

23 **PRAYER FOR RELIEF**

24 WHEREFORE, the SEC respectfully requests that the Court:

25 **I.**

26 Issue findings of fact and conclusions of law that Defendants committed the  
27 alleged violations.  
28

1 **II.**

2 152. Issue judgments, in forms consistent with Rule 65(d) of the Federal  
3 Rules of Civil Procedure, preliminarily and permanently enjoining Defendants NTV  
4 Financial and Nguyen, and their officers, agents, servants, employees and attorneys,  
5 and those persons in active concert or participation with any of them, who receive  
6 actual notice of the judgment by personal service or otherwise, and each of them,  
7 from violating the Securities Act [15 U.S.C. § 17q(a)] and the Exchange [15 U.S.C. §  
8 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1),  
9 206(2), and 206(4) of the Advisers [15 U.S.C. §§ 80b-6(1), (2) & (4) and Rule  
10 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

11 **III.**

12 153. Issue, in a form consistent with Fed. R. Civ. P. 65, an order prohibiting  
13 Defendants from directly or indirectly, including through any entity they own or  
14 control, accessing any securities brokerage account of any third-party, including  
15 doing so with the consent of the account holder; freezing Defendants' and the Relief  
16 Defendant's assets, as well as providing other ancillary relief, including expedited  
17 discovery, preservation of documents, an accounting of Defendants' and the Relief  
18 Defendant's assets; and appointing a receiver over defendant NTV Financial and  
19 bank or brokerage accounts into which the funds of Defendants' investors and/or  
20 clients have flowed.

21 **IV.**

22 154. Order Defendants to disgorge, jointly and severally, all funds received  
23 from their illegal conduct, together with prejudgment interest thereon.

24 **V.**

25 155. Order the Relief Defendant to disgorge the approximately \$354,000 in  
26 funds she received from Defendants' illegal conduct, together with prejudgment  
27 interest thereon.

28 **VI.**



# **EXHIBIT B**

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

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

RICHARD VU NGUYEN, A/K/A  
NGUYEN THANH VU, and NTV  
FINANCIAL GROUP, INC.,

Defendants,

and

MAI DO,

Relief Defendant.

Case No. 8:19-cv-01174-SVW-KES

**JUDGMENT AS TO DEFENDANT  
RICHARD VU NGUYEN**



1 and (b) other persons in active concert or participation with Defendant or with  
2 anyone described in (a).

3 II.

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

- 10 (a) to employ any device, scheme, or artifice to defraud;  
11 (b) to obtain money or property by means of any untrue statement of a  
12 material fact or any omission of a material fact necessary in order to  
13 make the statements made, in light of the circumstances under which  
14 they were made, not misleading; or  
15 (c) to engage in any transaction, practice, or course of business which  
16 operates or would operate as a fraud or deceit upon the purchaser.

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

23 III.

24 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant  
25 is permanently restrained and enjoined from violating, directly or indirectly, while  
26 acting as an investment adviser, Sections 206(1) and (2) of the Investment  
27 Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1) and (2)] by using  
28

1 the mails or any means or instrumentality of interstate commerce:

2 (a) to employ any device, scheme, or artifice to defraud any client or  
3 prospective client; or

4 (b) to engage in any transaction, practice, or course of business which  
5 operates as a fraud or deceit upon any client or prospective client.

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

12 IV.

13 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant  
14 is permanently restrained and enjoined from violating, directly or indirectly, while  
15 acting as an investment adviser to a pooled investment vehicle, directly or  
16 indirectly, Section 206(4) of the Adviser Act [15 U.S.C. § 80b-6(4)] and Rule  
17 206(4)-8 promulgated thereunder [17 C.F.R. § 275.206(4)-8], by using the mails or  
18 means or instrumentalities of interstate commerce:

19 (a) to make untrue statements of material fact or omit to state a  
20 material fact necessary in order to make the statements made, in the light of  
21 the circumstances under which there were made, not misleading, to any  
22 investor or prospective investor in the pooled investment vehicle; or

23 (b) to engage in acts, practices, or courses of business that are  
24 fraudulent, deceptive, or manipulative with respect to any investor or  
25 prospective investor in the pooled investment vehicle.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as  
27 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also  
28

1 binds the following who receive actual notice of this Final Judgment by personal  
2 service or otherwise: (a) Defendant’s officers, agents, servants, employees, and  
3 attorneys; and (b) other persons in active concert or participation with Defendant  
4 or with anyone described in (a).

5 V.

6 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
7 that upon motion of the Commission, the Court shall determine whether it is  
8 appropriate to: (1) permanently restrain and enjoin Defendant from directly or  
9 indirectly, including through any entity he owns or controls, accessing any  
10 securities brokerage account of any third-party, including doing so with the  
11 consent of the account holder (the “conduct-based injunction”), and (2) order  
12 Defendant to pay disgorgement of ill-gotten gains, prejudgment interest thereon,  
13 and a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C.  
14 § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and  
15 Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)]. If disgorgement is  
16 ordered, Defendant shall pay prejudgment interest thereon, calculated from  
17 February 2018, based on the rate of interest used by the Internal Revenue Service  
18 for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2).  
19 In connection with the Commission’s motion for disgorgement and/or civil  
20 penalties, and at any hearing held on such a motion: (a) Defendant will be  
21 precluded from arguing that he did not violate the federal securities laws as alleged  
22 in the Complaint; (b) Defendant may not challenge the validity of the Consent or  
23 this Judgment; (c) solely for the purposes of such motion, the allegations of the  
24 Complaint shall be accepted as and deemed true by the Court; and (d) the Court  
25 may determine the issues raised in the motion on the basis of affidavits,  
26 declarations, excerpts of sworn deposition or investigative testimony, and  
27 documentary evidence, without regard to the standards for summary judgment  
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1 contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection  
2 with the Commission's motion for disgorgement and/or civil penalties, the parties  
3 may take discovery, including discovery from appropriate non-parties. Section VI  
4 of the amended preliminary injunction issued on August 15, 2019 (Dkt. No. 58 at  
5 5) shall remain in full force and effect pending the resolution of the Commission's  
6 motion.

7 VI.

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the  
9 Consent is incorporated herein with the same force and effect as if fully set forth  
10 herein, and that Defendant shall comply with all of the undertakings and  
11 agreements set forth therein.

12 VII.

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

22 VIII.

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

26  
27 Dated: February 13, 2020



28  
STEPHEN V. WILSON,  
UNITED STATES DISTRICT JUDGE