

1 ERIN E. SCHNEIDER (CA Bar No. 216114)  
schneidere@sec.gov  
2 JOHN S. YUN (CA Bar No. 112260)  
yunj@sec.gov  
3 SHEILA E. O'CALLAGHAN (CA Bar No. 131032)  
ocallaghans@sec.gov  
4 ALICE L. JENSEN (CA Bar No. 203327)  
jensena@sec.gov

5 Attorneys for Plaintiff  
6 SECURITIES AND EXCHANGE COMMISSION  
44 Montgomery Street, Suite 2800  
7 San Francisco, California 94104  
Telephone: (415) 705-2500  
8 Facsimile: (415) 705-2501

9 UNITED STATES DISTRICT COURT  
10 NORTHERN DISTRICT OF CALIFORNIA  
11 SAN FRANCISCO DIVISION  
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14 SECURITIES AND EXCHANGE COMMISSION,  
15 Plaintiff,  
16 v.  
17 ENTHOLPY EMC, INC.; BINGQING  
YANG; LEI (LILY) LEI; and YONG  
18 (MICHAEL) CHEN,  
19 Defendants.

Case No. 3:15-cv-03101 CRB

**FINAL JUDGMENT AS TO DEFENDANTS  
YONG (MICHAEL) CHEN AND  
ENTHOLPY EMC, INC.**

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1 The Securities and Exchange Commission having filed a Complaint and Defendants Yong  
2 (Michael) Chen (“Chen”) and Entholpy EMC, Inc. d/b/a Mastermind College Funding  
3 (“Entholpy”) (collectively, “Defendants”) having entered general appearances; consented to the  
4 Court’s jurisdiction over Defendants and the subject matter of this action; consented to entry of  
5 this Final Judgment without admitting or denying the allegations of the Complaint (except as to  
6 jurisdiction, and except as otherwise provided herein in paragraph V); waived findings of fact and  
7 conclusions of law; and waived any right to appeal from this Final Judgment:

8 I.

9 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants  
10 are permanently restrained and enjoined from violating Section 15(a)(1) of the Exchange Act [15  
11 U.S.C. § 78p(a)] by, through use of the mails or means or instrumentalities of interstate commerce,  
12 effecting transactions in, or inducing or attempting to induce the purchase or sale of, securities  
13 (other than an exempted security or commercial paper, bankers’ acceptances, or commercial bills)  
14 as a broker or dealer without being registered with the Commission in accordance with Section  
15 15(b) of the Exchange Act [15 U.S.C. § 78o(b)].

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

21 II.

22 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants  
23 are jointly and severally liable for disgorgement of \$457,100 representing profits gained as a result  
24 of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount  
25 of \$27,775 for a total of \$484,875. Defendants shall pay the total of disgorgement and prejudgment  
26 interest to the Commission according to the following schedule: (1) \$150,000 within 14 days of  
27 entry of this Final Judgment; (2) the remainder of \$334,875 plus post judgment interest within 360  
28 days of entry of this Final Judgment. Defendant Chen is liable for a civil penalty in the amount of

1 \$35,000 pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act.  
2 Chen shall pay the civil penalty plus post judgment interest to the Commission within 360 days of  
3 entry of this Final Judgment.

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

10  
11 Enterprise Services Center  
12 Accounts Receivable Branch  
13 6500 South MacArthur Boulevard  
14 Oklahoma City, OK 73169

15 and shall be accompanied by a letter identifying the case title, civil action number, and name of  
16 this Court; Yong (Michael) Chen and Entholpy EMC, Inc. as defendants in this action; and  
17 specifying that payment is made pursuant to this Final Judgment.

18 Defendants shall simultaneously transmit photocopies of evidence of payment and case  
19 identifying information to the Commission's counsel in this action. By making this payment,  
20 Defendants relinquish all legal and equitable right, title, and interest in such funds and no part of  
21 the funds shall be returned to Defendants.

22 The Commission may enforce the Court's judgment for disgorgement and prejudgment  
23 interest by moving for civil contempt (and/or through other collection procedures authorized by  
24 law) at any time after Defendants becomes delinquent pursuant to the payment terms set forth  
25 herein. Defendants shall pay post judgment interest on any delinquent amounts pursuant to 28  
26 U.S.C. § 1961. The Commission shall hold the funds, together with any interest and income  
27 earned thereon (collectively, the "Fund"), pending further order of the Court.

28 The Commission may propose a plan to distribute the Fund subject to the Court's approval.  
Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of  
Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall retain jurisdiction over the



1 due and payable immediately at the discretion of the staff of the Commission without further  
2 application to the Court.

3 IV.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is  
5 incorporated herein with the same force and effect as if fully set forth herein, and that Defendants  
6 shall comply with all of the undertakings and agreements set forth therein.

7 V.

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

16 VI.

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

19 VII.

20 There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil  
21 Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

22 Dated: June 26, 2020

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25 UNITED STATES DISTRICT JUDGE  
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