

0

1  
2  
3  
4  
5  
6  
7  
8 **UNITED STATES DISTRICT COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**

10  
11 SECURITIES AND EXCHANGE  
COMMISSION,

12 Plaintiff,

13 v.

14 BRIAN LAM; NINESQUARE CAPITAL  
15 PARTNERS LLC; NATHAN NHAN  
16 NGUYEN; and NGUYEN GROUP LLC,

17 Defendants,

18 and

19 YI PING LU; and THY STACY NGUYEN

20 Relief Defendants.  
21

Case No.: 2:22-cv-06831-MEMF-E

**JUDGMENT AS TO DEFENDANT BRIAN  
LAM [ECF NO. 30]**

22  
23  
24  
25  
26 ///  
27 ///

28

1 The Securities and Exchange Commission having filed a Complaint and Defendant Brian  
2 Lam having entered a general appearance; consented to the Court’s jurisdiction over Defendant and  
3 the subject matter of this action; consented to entry of this Judgment without admitting or denying  
4 the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein  
5 in paragraph VI); waived findings of fact and conclusions of law; and waived any right to appeal  
6 from this Judgment:

7 I.

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently  
9 restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities  
10 Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated  
11 thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce,  
12 or of the mails, or of any facility of any national securities exchange, in connection with the  
13 purchase or sale of any security:

- 14 (a) to employ any device, scheme, or artifice to defraud;  
15 (b) to make any untrue statement of a material fact or to omit to state a material fact  
16 necessary in order to make the statements made, in the light of the circumstances  
17 under which they were made, not misleading; or  
18 (c) to engage in any act, practice, or course of business which operates or would operate  
19 as a fraud or deceit upon any person.

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

25  
26 II.

27 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is  
28 permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the

1 “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or  
2 instruments of transportation or communication in interstate commerce or by use of the mails,  
3 directly or indirectly:

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

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

15 III.

16 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is  
17 permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. §  
18 77e] by, directly or indirectly, in the absence of any applicable exemption:

- 19 (a) Unless a registration statement is in effect as to a security, making use of any means  
20 or instruments of transportation or communication in interstate commerce or of the  
21 mails to sell such security through the use or medium of any prospectus or otherwise;
- 22 (b) Unless a registration statement is in effect as to a security, carrying or causing to be  
23 carried through the mails or in interstate commerce, by any means or instruments of  
24 transportation, any such security for the purpose of sale or for delivery after sale; or
- 25 (c) Making use of any means or instruments of transportation or communication in  
26 interstate commerce or of the mails to offer to sell or offer to buy through the use or  
27 medium of any prospectus or otherwise any security, unless a registration statement  
28 has been filed with the Commission as to such security, or while the registration

1 statement is the subject of a refusal order or stop order or (prior to the effective date  
2 of the registration statement) any public proceeding or examination under Section 8  
3 of the Securities Act [15 U.S.C. § 77h].

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

9 IV.

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is  
11 permanently restrained and enjoined from violating Section 206(4) of the Investment Advisers Act  
12 of 1940 (the “Advisers Act”) [15 U.S.C. § 80b-6(4) and Rule 206(4)-8 thereunder [17 C.F.R. §  
13 275.206(4)-8], by, directly or indirectly, by the use of any means or instrumentality of interstate  
14 commerce, while acting as an investment adviser to a pooled investment vehicle:

- 15 (a) making any true statement of a material fact or omitting to state a material fact  
16 necessary to make the statements made, in the light of the circumstances under  
17 which they were made, no misleading, to any investor or prospective investor in the  
18 pooled investment vehicle; or  
19 (b) otherwise engaging in any act, practice, or course of business that is fraudulent,  
20 deceptive, or manipulative with respect to any investor or prospective investor in the  
21 pooled investment vehicle.

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

27 ///

28 ///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant to Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)], Defendant is permanently restrained and enjoined from directly or indirectly, including but not limited to, through any entity owned or controlled by him, participating in the issuance, purchase, offer, or sale of any security in an unregistered offering.

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

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The Court shall determine the amounts of the disgorgement and civil penalty upon motion of the Commission. Prejudgment interest shall be calculated from March 1, 2020, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the Commission’s motion for disgorgement and/or civil penalties, and at any hearing held on such a motion: (a) Defendant will be precluded from arguing that he did not violate the federal securities laws as alleged in the Complaint; (b) Defendant may not challenge the validity of the Consent or this Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission’s motion for disgorgement and/or civil penalties, the parties may take discovery,

1 including discovery from appropriate non-parties.

2 ///

3 VII.

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

12 VIII.

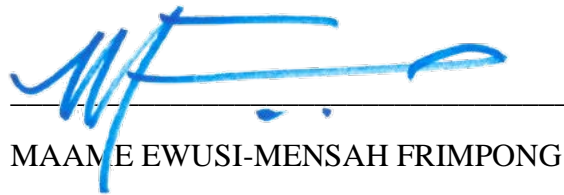
13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain  
14 jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.

15 IX.

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

18  
19 IT IS SO ORDERED.

20 Dated: March 21, 2023



21 MAAME EWUSI-MENSAH FRIMPONG

22 United States District Judge