

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 89249 / July 8, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19862**

**In the Matter of**

**YONG (MICHAEL) CHEN**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934,**  
**MAKING FINDINGS, AND IMPOSING**  
**REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Yong (Michael) Chen (“Chen”) (“Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions against Yong (Michael) Chen (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds that

1. Chen solicited investors for Luca International Group, LLC ("Luca"), through his wholly owned business, Entholpy EMC, Inc. ("Entholpy"). From April through December 2012, Chen served as Vice President of Marketing for Luca Oil, LLC and then as a consultant until December 2013. Chen previously held securities licenses and was associated with a registered broker-dealer from June 2010 until February 2011, but was not associated with a registered broker-dealer in connection with his solicitation of investors for Luca International Group, LLC. In 2012, Chen was fined \$5,000 by the Financial Industry Regulatory Authority ("FINRA") and suspended from associating with any FINRA member for two months for engaging in unauthorized outside business activity. Chen, 55 years old, is a resident of Cupertino, California.

2. On June 26, 2020, a final judgment was entered by consent against Chen, permanently enjoining him from future violations of Section 15(a) of the Exchange Act, in the civil action entitled Securities and Exchange Commission v. Yong (Michael) Chen, et al., Civil Action Number 3:15-cv-03101 CRB, in the United States District Court for the Northern District of California.

3. The Commission's complaint alleged that Chen acted as a securities broker with regard to securities issued by Luca affiliates through his wholly-owned business, Entholpy, without being associated, as required, with a registered broker-dealer. Chen conducted seminars at which he recommended investments with Luca and incorporated Luca-created materials into his presentations. Luca compensated Chen by paying him a percentage of the sales to investors.

### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Chen's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Chen be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Chen be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman  
Secretary