

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

Civil Action No. 17-cv-632

JOSEPH MELI,
MATTHEW HARRITON,
875 HOLDINGS, LLC,
127 HOLDINGS, LLC,
ADVANCE ENTERTAINMENT, LLC, and
ADVANCE ENTERTAINMENT II, LLC,

Defendants,

JESSICA INGBER MELI, and
127 PARTNERS, LLC,

Relief Defendants.

~~PROPOSED~~
ORDER TO SHOW CAUSE,
TEMPORARY RESTRAINING ORDER,
AND ORDER FREEZING ASSETS AND GRANTING OTHER RELIEF

Having considered the Application for an Order to Show Cause, Temporary Restraining Order, Order Freezing Assets, and Granting Other Relief filed by plaintiff Securities and Exchange Commission (the "Commission"), as well as the complaint, the Commission's memorandum of law in support of its motion and the Declaration of John McCann dated January 30, 2017 (with attached exhibits), the Court finds that the Commission has made a proper showing, as required by Section 20(b) and 20(d)(1) of the Securities Act of 1933 ("Securities Act") and Section 21(d) of the Securities Exchange Act of 1934 ("Exchange Act"), for the relief granted herein, for the following reasons:

1. It appears from the evidence presented that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC (the “Defendants”); violated Sections 17(a)(1), (2) and (3) of the Securities Act and Section 10(b) of the Exchange Act, and Exchange Act Rules 10b-5(a), (b) and (c), by engaging in a fraudulent securities offering scheme.

2. It appears that an order freezing the Defendants’ assets, including bank accounts and accounts at other financial institutions, is necessary to preserve the status quo and to protect this Court’s ability to award relief in the form of disgorgement, prejudgment interest, and civil penalties.

3. It appears that an order prohibiting Defendants from continuing to accept or deposit investor funds is appropriate.

4. It appears that an order requiring an accounting of Defendants’ assets is appropriate.

5. There is good cause to believe that expedited discovery and an alternative means of service are warranted.

6. It appears that an order prohibiting the Defendants from destroying, altering, or concealing records of any kind—including documents concerning the allegations in the complaint or the assets, finances, or business operations of the Defendant—is necessary to ensure compliance with the asset freeze imposed and to protect the integrity of this litigation.

7. It appears an order requiring that the Defendants repatriate and deposit into the registry of the Court in an interest bearing account, any and all funds or assets that presently may be located outside of the United States that were obtained directly or indirectly from investors is appropriate.

8. Good and sufficient reasons have been shown why the Court should issue a temporary restraining order without prior notice to the Defendants or their counsel. It is appropriate for the Court to issue this Order to Show Cause *ex parte* so that prompt service on appropriate financial institutions can be made, thus preventing the dissipation of assets.

9. This Court has jurisdiction over the subject matter of this action and over defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and venue properly lies in this District.

NOW THEREFORE,

I.

IT IS HEREBY ORDERED that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, show cause, if there be any, to this Court at 11 a.m. on the 10th day of February 2017, in Courtroom 21C of the United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY, why this Court should not enter an Order pursuant to Rule 65 of the Federal Rules of Civil Procedure, Section 20 of the Securities Act [15 U.S.C. § 77t], and Section 21 of the Exchange Act [15 U.S.C. §78u]:

- (a) Preliminarily enjoining the Defendants from violating Section 17(a)(1), (2) and (3) of the Securities Act [15 U.S.C. § 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. §§ 78i(a) and 78j(b)] and Exchange Act Rules 10b-5(a), (b) and (c) thereunder [17 C.F.R. § 240.10b-5(a), (b) and (c)];
- (b) Freezing the Defendants' assets held in the United States;
- (c) Prohibiting the Defendants from continuing to accept or deposit additional investor funds;

- (d) Requiring the Defendants to provide verified accountings of their assets;
- (e) Requiring repatriation of assets by the Defendants; and
- (f) Requiring the Defendants to preserve documents relevant to this case.

II.

IT IS FURTHER ORDERED that, in addition to the methods of service described in Rule 4(f) of the Federal Rules of Civil Procedure, the Commission may serve defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, with this Order and all documents filed in support thereof, by any of the following means:

- 1) Email to the Defendants.

III.

IT IS FURTHER ORDERED that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, shall deliver any opposing papers in response to this Order to Show Cause by no later than February 6, 2017, at 10 ^{a.m.} ~~p.m.~~. Service shall be made by delivering the papers, using the most expeditious means available, by that date and time, to the Boston Regional Office of the Commission at 33 Arch St., 24th Floor, Boston, MA 02110 Attn: Dahlia Rin, or such other place as counsel for the Commission may direct in writing. The Commission may have until February 8, 2017, at 10 ^{a.m.} ~~p.m.~~, to serve, by the most expeditious means available, any reply papers upon the Defendants or their counsel, if counsel shall have made an appearance in this action.

IV.

IT IS HEREBY FURTHER ORDERED that:

A. Defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and each of their officers, agents, servants, employees, attorneys, and other persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise (including by fax, email, or overnight delivery service) are restrained from taking any actions to withdraw, sell, pay, transfer, dissipate, assign, pledge, alienate, encumber, dispose of, or diminish the value of in any way (including, but not limited to, making charges on a credit card or drawing on another credit arrangement), any funds and other assets in their possession or held by any person or entity for their benefit, subject to their direct or indirect control, over which they exercise actual or apparent authority, or in which they have a beneficial interest, in whatever form such funds and other assets may presently exist and wherever located.

B. All banks, brokerage firms, and other financial institutions (including but not limited to Citibank, First Republic Bank, JP Morgan, Merrill Lynch, Signature Bank, TD Ameritrade and Wells Fargo) and other persons or entities that receive actual notice of this Order by personal service or otherwise (including by fax, email, or overnight delivery service) holding any funds or other assets in the name of any of the defendants, or in the name of any person or entity for their benefit, subject to their control, over which they exercise actual or apparent authority, or in which they have a direct or indirect beneficial interest, in whatever form such funds or other assets may presently exist and wherever located, shall continue to hold and retain such funds or other assets within their control and shall prohibit the withdrawal, removal, sale, payment, transfer, dissipation, assignment, pledge, alienation, encumbrance, diminution in value,

or other disposal of any such funds or other assets (including, but not limited to, charges on a credit card or draws on another credit arrangement); and all such funds or other assets are hereby frozen.

C. The above Paragraphs IV.A and IV.B shall immediately cease to apply to any asset located within the United States (including any account at any bank, brokerage firm, or other financial institution) which becomes subject to any later order entered by any federal court as a result of proceedings that may be filed by the United States or any department or agency thereof under any federal civil or criminal forfeiture statute, to the extent that such later order requires the transfer of any such asset to the United States government.

D. No person or entity, including the defendants or any creditor or claimant against any of the defendants, or any person acting on behalf of such creditor or claimant, shall take any action to interfere with the asset freeze, including, but not limited to, the filing of any lawsuits, liens, or encumbrances, or bankruptcy cases to impact the property and assets subject to this order; provided, however, that any party or non-party may seek leave from this order upon a proper showing.

V.

IT IS HEREBY ORDERED that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and each of their agents, servants, employees, attorneys, and other persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise (including by fax, email, or overnight delivery service) are temporarily restrained from violating Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5(a), (b) and (c) thereunder [17 C.F.R. §240.10b-5] by, directly or indirectly, through

the use of the means or instrumentalities of interstate commerce or of the mails or of any facility of any national securities exchange, in connection with the purchase or sale of any security: (a) employing any device, scheme or artifice to defraud; (b) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or, (c) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

VI.

IT IS FURTHER ORDERED that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and each of their agents, servants, employees, attorneys, and other persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise (including by fax, email, or overnight delivery service) are temporarily restrained from violating Section 17(a)(1), (2) and (3) of the Securities Act [15 U.S.C. §77q(a)] by, directly or indirectly, through the use of any means or instrumentalities of interstate commerce or the mails or of any facility of any national securities exchange, in the offer or sale of any security: (1) employing any device, scheme or artifice to defraud; (2) obtaining money or property by means of any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or, (3) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

VII.

IT IS FURTHER ORDERED that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and each of their agents, servants, employees, attorneys, and other persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise (including by fax, email, or overnight delivery service) are prohibited from accepting or depositing additional investor funds.

VIII.

IT IS HEREBY FURTHER ORDERED that each of Defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, shall submit in writing and serve upon the Commission, within five (5) business days following service of this Order by personal service or otherwise (including by fax, email, or overnight delivery service), an accounting identifying:

1. all transfers or payments of any funds or other assets to him, or to any person or entity for his direct or indirect benefit, subject to his direct or indirect control, over which he exercises actual or apparent authority, or in which he has a direct or indirect beneficial interest, from any investors in connection with the activities described in the Complaint—the identification shall include the date and amount of each transfer or payment, the name and address of the investor, and, if applicable, the name, address, and account number of any bank, brokerage firm, or other financial institution of the person or entity making and the person or entity receiving the transfer or payment;

2. in detail, the precise disposition of each transfer or payment identified in response to paragraph 1 above and all assets derived therefrom, including but not limited to:

- a. the nature and results of any investment in which the funds were used;
 - b. any subsequent transfer or payment of the funds (the identification shall include the amount of each such transfer or payment, the date of the transfer or payment, the name, address, account number and financial institution of the party making and receiving the transfer or payment, and the reason for the transfer or payment); and
 - c. any fees or expenses charged and a detailed statement of the nature and purpose of such fees and expenses.
3. the location of the funds or other assets involved in any transfer or payment identified in response to paragraph 1 above that are currently in any of the Defendants' possession or held by any person or entity for any of the Defendants' direct or indirect benefit, subject to any of the Defendants' direct or indirect control, over which Defendants exercise actual or apparent authority, or in which any of the Defendants have a direct or indirect beneficial interest—the identification shall include the name and address of each person or entity holding such funds or other assets, and, if applicable, the name, address, and account number of any bank, brokerage firm, or other financial institution where the funds or other assets are currently held;
4. assets of every type and description with a value of at least five hundred dollars (\$500) presently owned by or held for the direct or indirect benefit, or subject to the direct or indirect control, of any of the Defendants, whether in the United States or elsewhere; and
5. all accounts held at any bank, brokerage or other financial institution in the United States or elsewhere in the name, for the direct or indirect benefit, or under the direct or indirect control, of any of the Defendants, or in which any of the Defendants have or had any direct or indirect beneficial interest, at any time from January 1, 2015, to the present.

IX.

IT IS FURTHER ORDERED that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and all persons or entities acting at their direction or on their behalf are hereby enjoined and restrained from destroying, altering, concealing, transferring custody of, or otherwise interfering with the Commission's access to, any and all documents, books, and records in the possession, custody, or control of and of the Defendants, their agents, officers, employees, servants, accountants, financial or brokerage institutions, or attorneys relating to the assets of the Defendants, or to the allegations of the complaint.

X.

IT IS HEREBY FURTHER ORDERED that defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC and each of their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, including facsimile transmissions, electronic mail or overnight delivery service, and each of them, shall, within five (5) days of receiving actual notice of this Order, take such steps as are necessary to repatriate and deposit into the registry of the Court in an interest bearing account, any and all funds or assets that presently may be located outside of the United States that were obtained directly or indirectly from investors.

XI.

IT IS FURTHER ORDERED that the Commission's application for expedited discovery is granted and that, commencing with the time and date of this Order, discovery may

proceed without regard to the time periods, notice provisions, and other requirements of Rules 26, 30, 33, 34, 36, and 45 of the Federal Rules of Civil Procedure. In particular:

- A. Pursuant to Rule 30 of the Federal Rules of Civil Procedure, the Commission may take depositions upon oral examination, upon five days email, telecopy or overnight mail notice of any such deposition, or receipt of the notice by other service.
- B. Pursuant to Rule 33 of the Federal Rules of Civil Procedure, the Defendants shall answer all of the Commission's interrogatories in writing under oath within five days of email, telecopy or overnight mail service of such interrogatories, or receipt of the interrogatories by other service.
- C. A request for documents and tangible things pursuant to Rule 34 of the Federal Rules of Civil Procedure will be answerable, and production made, within five days of email, telecopy or overnight mail service of such request, or receipt of the request by other service.
- D. Pursuant to Rule 36 of the Federal Rules of Civil Procedure, the Defendants shall answer all of the Commission's requests for admissions within five days of email, telecopy or overnight mail service of such requests, or receipt of the requests by other service.
- E. The Commission may take more than ten depositions, and any depositions taken pursuant to this Paragraph shall not count towards the ten deposition limit set forth in Federal Rule of Civil Procedure 30(a)(2)(A), and pursuant to Federal Rule of Civil Procedure 30(a)(2)(A)(ii), the Court grants leave to re-depose any deponent who is deposed pursuant to this paragraph.
- F. All written responses to the Commission's requests for discovery under the Federal Rules of Civil Procedure shall be delivered by the most expeditious means possible, whether by hand delivery, email, facsimile transmission, or overnight courier, upon the Commission, directed to Dahlia Rin, United States Securities and Exchange Commission, 33 Arch Street., 24th Floor, Boston, MA 02110 (facsimile: (617) 573-4590).

XII.

IT IS FURTHER ORDERED that copies of this Order may be served by any means, including facsimile transmission and email, upon any entity or person that may have possession, custody, or control of any documents or assets of defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, or that may be subject to any provision of this Order, and that representatives of the Commission are specially appointed by the Court to effect service.

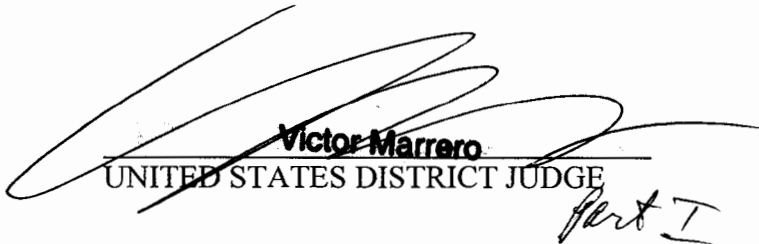
XIII.

IT IS FURTHER ORDERED that this Order shall be, and is, binding on defendants Joseph Meli, Matthew Harriton, 875 Holdings, LLC, 127 Holdings, LLC, Advance Entertainment LLC, and Advance Entertainment II, LLC, and any of their agents or representatives and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise.

XIV.

IT IS HEREBY FURTHER ORDERED that the Court shall retain jurisdiction of this matter for all purposes.

SO ORDERED, this 30th day of January, 2017, at 12:05 o'clock p.m.


Victor Marrero
UNITED STATES DISTRICT JUDGE
Part I