

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

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

Defendants, and

JESSICA INGBER MELI,
127 PARTNERS, LLC,
127 ICONIC HOLDINGS, LLC,
ANNA MELI,
NINETEEN TWO PRODUCTIONS, LLC,
MXCU HOLDINGS, LLC, and
MASH TRANSACTIONS, LLC,

Relief Defendants.

Civil Action No. 17-cv-632-LLS

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**FINAL JUDGMENT AS TO DEFENDANTS JOSEPH MELI, 127 HOLDINGS, LLC,
ADVANCE ENTERTAINMENT, LLC, AND ADVANCE ENTERTAINMENT II, LLC
AND RELIEF DEFENDANTS 127 PARTNERS, LLC, 127 ICONIC HOLDINGS, LLC,
AND NINETEEN TWO PRODUCTIONS, LLC**

The Securities and Exchange Commission having filed a complaint and amended complaint (together, the "Complaint") and Defendants Joseph Meli ("Meli"), 127 Holdings, LLC, Advance Entertainment, LLC, and Advance Entertainment II, LLC (collectively, "Defendants") and relief defendants 127 Partners, LLC, 127 Iconic Holdings, LLC, and Nineteen Two Productions, LLC (collectively, "Relief Defendants") having entered a general appearance;

consented to the Court's jurisdiction over Defendants and Relief Defendants and the subject matter of this action; consented to entry of this Final Judgment; waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants Joseph Meli, 127 Holdings, LLC, Advance Entertainment, LLC, and Advance Entertainment II, LLC are each permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality 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) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit 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) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

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 Final Judgment by personal service or otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendants or with anyone described in (a).

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Joseph Meli, 127 Holdings, LLC, Advance Entertainment, LLC, and Advance Entertainment II, LLC are each permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

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

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 Final Judgment by personal service or otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendants or with anyone described in (a).

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Joseph Meli is liable for disgorgement of \$51,217,158.97, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the

amount of \$4,010,899.25, for a total of \$55,228,058.22. Disgorgement and prejudgment interest are deemed satisfied by the Order of Restitution entered against Meli on June 21, 2018 in the related criminal case, *United States v. Joseph Meli*, Crim. No. 1:2017-cr-00127-KMW (S.D.N.Y.) [ECF No. 171].

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant 127 Holdings, LLC is liable for disgorgement of \$2,919,100.00, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$228,599.47, for a total of \$3,147,699.47. Disgorgement and prejudgment interest are deemed satisfied by the Order of Restitution entered against Meli on June 21, 2018 in the related criminal case, *United States v. Joseph Meli*, Crim. No. 1:2017-cr-00127-KMW (S.D.N.Y.) [ECF No. 171].

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Advance Entertainment, LLC is liable for disgorgement of \$33,516,604.00, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$2,624,739.92, for a total of \$36,141,343.92. Disgorgement and prejudgment interest are deemed satisfied by the Order of Restitution entered against Meli on June 21, 2018 in the related criminal case, *United States v. Joseph Meli*, Crim. No. 1:2017-cr-00127-KMW (S.D.N.Y.) [ECF No. 171].

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Advance Entertainment II, LLC is liable for disgorgement of \$10,117,849.21, representing

profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$792,345.27, for a total of \$10,910,194.48. Disgorgement and prejudgment interest are deemed satisfied by the Order of Restitution entered against Meli on June 21, 2018 in the related criminal case, *United States v. Joseph Meli*, Crim. No. 1:2017-cr-00127-KMW (S.D.N.Y.) [ECF No. 171].

VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant 127 Partners, LLC is liable for disgorgement of \$32,000.00, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$2,505.97, for a total of \$34,505.97. Disgorgement and prejudgment interest are deemed satisfied by the Order of Restitution entered against Meli on June 21, 2018 in the related criminal case, *United States v. Joseph Meli*, Crim. No. 1:2017-cr-00127-KMW (S.D.N.Y.) [ECF No. 171].

VIII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant 127 Iconic Holdings, LLC is liable for disgorgement of \$384,000.00, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$30,071.66, for a total of \$414,071.66. Disgorgement and prejudgment interest are deemed satisfied by the Order of Restitution entered against Meli on June 21, 2018 in the related criminal case, *United States v. Joseph Meli*, Crim. No. 1:2017-cr-00127-KMW (S.D.N.Y.) [ECF No. 171].

IX.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant Nineteen Two Productions, LLC is liable for disgorgement of \$260,000.00, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$20,361.03, for a total of \$280,361.03.

Disgorgement and prejudgment interest are deemed satisfied by the Order of Restitution entered against Meli on June 21, 2018 in the related criminal case, *United States v. Joseph Meli*, Crim. No. 1:2017-cr-00127-KMW (S.D.N.Y.) [ECF No. 171].

X.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that within 3 days after this Final Judgment is filed with the Clerk of the Court, the entire balance of the account created pursuant to the Court's Order dated June 5, 2017 (ECF No. 133) in this case shall be transferred to:

Clerk of Court
United States District Court for the Southern District of New York
500 Pearl Street
New York, New York 10007

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; and specifying that payment is made both pursuant to this Final Judgment and in connection with the Order of Restitution entered against Joseph Meli on June 21, 2018 in the related criminal case, *United States v. Joseph Meli*, Crim. No. 1:2017-cr-00127-KMW (S.D.N.Y.) [ECF No. 171].

XI.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that within 3 days after being served with a copy of this Final Judgment, **Merrill Lynch, Pierce, Fenner & Smith, Inc.**

and **Merrill Lynch & Co. Inc.** (together, “**Merrill Lynch**”) shall transfer the entire balance of the following **Merrill Lynch** account(s) which were frozen pursuant to an Order of this Court to the Clerk of Court, United States District Court for the Southern District of New York:

Account Owner	Acct. Ending in:
Joseph Meli	*5372
Joseph Meli	*0866
Advance Entertainment, LLC	*3098
Advance Entertainment, LLC	*3491

Merrill Lynch shall transmit payment by check made payable to the Clerk of Court, United States District Court for the Southern District of New York, which shall be delivered to:

Clerk of Court
 United States District Court for the Southern District of New York
 500 Pearl Street
 New York, New York 10007

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; and specifying that payment is made both pursuant to this Final Judgment and in connection with the Order of Restitution entered against Joseph Meli on June 21, 2018 in the related criminal case, *United States v. Joseph Meli*, 1:2017-cr-00127-KMW (S.D.N.Y.) [ECF No. 171].

XII.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that within 3 days after being served with a copy of this Final Judgment, **J.P. Morgan Chase Bank, N.A.** and **J.P. Morgan Securities, LLC** (together, “**J.P. Morgan**”) shall transfer the entire balance of the following **J.P. Morgan** account(s) which were frozen pursuant to an Order of this Court to the Clerk of Court, United States District Court for the Southern District of New York:

Account Owner	Acct. Ending in:
Joseph G. Meli	*9419
Joseph G. Meli	*4901
Joseph G. Meli	*4902
Joseph G. Meli	*1681
127 Holdings, LLC	*7799
127 Holdings, LLC	*0097
127 Partners, LLC	*0352
127 Partners, LLC	*8469
127 Iconic Holdings, LLC	*2166

J.P. Morgan shall transmit payment by check made payable to the Clerk of Court, United States District Court for the Southern District of New York, which shall be delivered to:

Clerk of Court
United States District Court for the Southern District of New York
500 Pearl Street
New York, New York 10007

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; and specifying that payment is made both pursuant to this Final Judgment and in connection with the Order of Restitution entered against Joseph Meli on June 21, 2018 in the related criminal case, *United States v. Joseph Meli*, 1:2017-cr-00127-KMW (S.D.N.Y.) [ECF No. 171].

XIII.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that within 3 days after being served with a copy of this Final Judgment, **Signature Bank** (“**Signature Bank**”) shall transfer the entire balance of the following **Signature Bank** account(s) which were frozen pursuant to an Order of this Court to the Clerk of Court, United States District Court for the Southern District of New York:

Account Owner	Acct. Ending in:
Advance Entertainment II, LLC	*2528
Advance Entertainment II, LLC	*5327
Advance Entertainment II, LLC	*1655
Advance Entertainment II, LLC	*5146

Signature Bank shall transmit payment by check made payable to the Clerk of Court, United States District Court for the Southern District of New York, which shall be delivered to:

Clerk of Court
United States District Court for the Southern District of New York
500 Pearl Street
New York, New York 10007

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; and specifying that payment is made both pursuant to this Final Judgment and in connection with the Order of Restitution entered against Joseph Meli on June 21, 2018 in the related criminal case, *United States v. Joseph Meli*, 1:2017-cr-00127-KMW (S.D.N.Y.) [ECF No. 171].

XIV.

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

XV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the allegations in the Complaint are true and admitted by Defendants and Relief Defendants, and further, any debt for disgorgement, prejudgment interest, or other amounts due by Defendants

and Relief Defendants under this Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendants of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

XVI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that paragraphs III through IX, above, reflect that as to the disgorgement ordered herein, the Final Judgment entered by the Court has been fully satisfied as to Defendants and Relief Defendants.

XVII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Preliminary Injunction Order entered by this Court on April 26, 2017, shall cease to be in effect as of ten days from the entry of this Final Judgment.

XVIII.

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

XIX.

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

Dated: April 11, 2019

Louis L. Stanton
HONORABLE LOUIS L. STANTON
UNITED STATES DISTRICT JUDGE