

# **EXHIBIT H**

**IN SUPPORT OF  
PLAINTIFF'S MEMORANDUM IN SUPPORT OF ITS EMERGENCY MOTION FOR A  
TEMPORARY RESTRAINING ORDER TO PREVENT VIOLATIONS OF THE FEDERAL  
SECURITIESD LAWS, TO APPOINT A RECEIVER, AND PROVIDE FOR OTHER  
ANCILLARY RELIEF**



(“Securities Act”) [15 U.S.C. § 77e(a), e(c) and q(a)], Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder;

C. There is good cause to believe that Defendants will continue to engage in such transactions, acts, practices and courses of business and in such violations unless immediately restrained and enjoined by Order of this Court;

D. There is good cause to believe that, unless restrained and enjoined, Defendants will dissipate, conceal, or transfer from the jurisdiction of this Court, assets which could be subject to an order of disgorgement;

E. Therefore, the SEC’s TRO Motion should be, and is, granted, as set forth more fully below.

**IT IS THEREFORE ORDERED:**

**I. ORDER RESTRAINING DEFENDANTS FROM VIOLATING SECTIONS 5(a), 5(c), and 17(a) OF THE SECURITIES ACT, SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER.**

A. Defendants 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 mail, facsimile transmission, overnight delivery service, or electronic mail, are restrained from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e(a) and (c)] by, directly or indirectly,

- (1) Making use of means or instruments of transportation or communication in interstate commerce or of the mails to sell, through the use or medium of a prospectus or otherwise, securities as to which no registration statement was in effect; or

(2) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of a prospectus or otherwise, securities as to which no registration statement had been filed.

B. Defendants 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 mail, facsimile transmission, overnight delivery service, or electronic mail, are restrained from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] by, directly or indirectly, in connection with the offer or sale of any security, through the use of the means or instrumentalities of interstate commerce or of the mails or any facility of any national security exchange,

- (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 any omission to state a material fact necessary in order to make the statement made, in 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.

C. Defendants 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 transmission, mail, overnight delivery service, or electronic mail, are restrained from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78(j)(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5] by, directly or

indirectly, in connection with the purchase or sale of securities, through the use of the means or instrumentalities of interstate commerce or of the mails or any facility of any national security exchange,

- (1) employing any device, scheme or artifice to defraud;
- (2) 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
- (3) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

## **II. PROHIBITION AGAINST RAISING INVESTOR FUNDS**

Pending a final disposition of this action, Defendants, their agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order, by personal service or otherwise, and each of them, are enjoined from, directly or indirectly, soliciting any new investors or accepting additional funds from existing investors.

## **III. DOCUMENT PRESERVATION**

A. Until further order of this Court, Defendants 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 mail, facsimile transmission, electronic mail, or overnight delivery service, are hereby restrained from destroying, mutilating, concealing, altering, disposing, or transferring custody of any items, including but not limited to any books, records, documents, correspondence, contracts, agreements, assignments, obligations, tape recordings, computer media or other property (1)

relating to the conduct described in the Complaint, or any amendment thereto, filed by the SEC in this action; or (2) pertaining in any way to investments in Equitybuild, Inc., Equitybuild Finance, LLC or any other investment offered for sale by Defendants (these documents and data are collectively referred to here as “Evidence”).

B. Such Evidence includes both “hard copy” versions and electronically-stored information in Defendants’ possession, custody or control, including text files, data compilations, word processing documents, spreadsheets, e-mail, voicemail, data bases, calendars and scheduling information, log, file fragments and backup files, letters, instant messages, memoranda, notes, drawings, designs, correspondence or communication of any kind. Evidence that is stored electronically may be maintained on shared network files, computer hard drives, servers, DVDs, CD-ROMs, flash drives, thumb drives, laptops, digital recorders, netbooks, PDA, or other handheld/ smartphone devices.

C. The obligations set forth in Section III herein include an obligation by Defendants to provide notice to all their employees, custodians, agents, or contractors who may be in possession of Evidence. This duty also extends to the preservation and retention of Evidence in the possession or custody of third-parties, such as an internet service provider or a cloud computing provider, if such Evidence is within Defendants’ control.

D. Defendants are ordered to act affirmatively to prevent the destruction of Evidence. This duty may necessitate: (1) quarantining certain Evidence to avoid its destruction or alteration; or (2) discontinuing the recycling of backup tapes or other storage media, and the deletion of emails, “trash,” “recycling,” “drafts,” “sent,” or “archived” folders.

#### IV. ACCOUNTING

Pending a hearing on the SEC's motion for preliminary injunction, each Defendant shall serve upon the SEC's counsel, within ten (10) calendar days of the date of this Order, or within such extension of time as the SEC staff agrees to in writing or is otherwise granted by the Court, a verified written accounting, signed under penalty of perjury by the individual Defendant or, in the case of an entity Defendant, by the officer or employee of the entity most knowledgeable about the entity's financial condition, if any, providing the following information:

- (1) A list of all accounts at all banks, brokerage firms or financial institutions (including the name of the financial institution and name and last four digits of the account number), tax identification numbers, telephone or facsimile transmission numbers (including numbers of pagers and mobile telephones), electronic mail addresses, World Wide Web sites or Universal Records Locators, Internet bulletin board sites, online interactive conversational spaces or chat rooms, Internet or electronic mail service providers, street addresses, postal box numbers, safety deposit boxes, and storage facilities used or maintained by any one or more of the Defendants, or under their direct or indirect control, at any time from January 1, 2014 to the present.
- (2) All assets, liabilities and property currently held directly or indirectly by or for the benefit of Defendants, including, but not limited to, bank accounts, brokerage accounts, investments, business interests, loans, lines of credit, and real and personal property wherever situated, describing each asset and liability, its current location and amount;
- (3) All money, property, assets, and other income received by Defendants, or for the direct or indirect benefit of one or more of them, in or at any time from January 1,

2014, to the date of the accounting, describing the source, amount, disposition, and current location of each of the items listed;

- (4) All assets, funds, securities, and real or personal property of Defendants transferred to or for the benefit of any other person or entity from January 1, 2014, to the date of the accounting, including a description of each transferred asset, the name of the recipient, and the date of the transfer; and
- (5) The names and last known addresses of all bailees, debtors, and other persons and entities that are currently holding the assets, funds, or property of any one or more of the Defendants.

**V. EXPEDITED DISCOVERY**

A. Immediately upon entry of this Order, the parties may take depositions upon oral examination of parties and non-parties subject to seven calendar days' notice. All parties shall comply with the provisions of Rule 45 of the Federal Rules of Civil Procedure regarding issuance and service of subpoenas and documents sought from nonparties, and such nonparties shall be subject to at least seven calendar days' notice. Parties failing to appear for a properly noticed deposition shall be prohibited from introducing evidence at a hearing on the SEC's request for a preliminary injunction.

B. Immediately upon entry of this Order, the parties shall be entitled to serve requests for the production of documents, requests for admissions, and interrogatories. Absent agreement of the parties or an order of this Court, the parties shall respond to such discovery requests and produce responsive documents by August 31.

C. Service of discovery requests shall be sufficient if made upon counsel of record or, if there is no counsel of record, upon the party itself, by both email and overnight courier

delivery. All responses to the SEC's discovery, all discovery and pleadings, and all information to which the SEC is entitled pursuant to the terms of this Order shall be delivered to Ariella O. Guardi, Securities and Exchange Commission, Chicago Regional Office, by email at guardia@sec.gov or by overnight or messenger courier delivery (175 W. Jackson Blvd., Suite 1450, Chicago, Illinois 60604, (312) 353-7390).

D. Defendants shall serve an answer or otherwise respond to the SEC's Complaint within 10 calendar days from the date of this Order. Should Defendant fail to serve an answer or otherwise respond within such time, the Court shall deem the SEC's allegations admitted for purposes of the SEC's request for a preliminary injunction.

E. Depositions may be taken by telephone or other remote electronic means.

F. Depositions taken pursuant to this Order shall not impact the number of depositions the SEC may take in regular, non-expedited discovery.

## **VI. ORDER FOR PRELIMINARY INJUNCTION HEARING**

A. Defendants wishing to be heard on this matter shall appear in this Court, on the SEC's motion for preliminary injunction, before the Honorable Judge John Z. Lee at 10 a.m., on the 17th day of September, 2018 in Courtroom 1225 of the United States District Court for the Northern District of Illinois, or as soon thereafter as the matter can be heard, to show cause, if there be any, why this Court should not enter a preliminary injunction and order preliminary relief against Defendants, pursuant to Rule 65 of the Federal Rules of Civil Procedure, or extending the temporary relief granted in this Order pending a final adjudication on the merits. .

## **VII. OTHER RELIEF**

A. Notice of this Order, or any other Orders of the Court or Notices required to be issued by Plaintiff, may be accomplished by delivery of a copy of the Order or Notice by first class

mail, overnight delivery, international express mail, facsimile, electronic mail, or personally, by agents or employees of Plaintiff, (i) upon the Defendants or their attorneys; and (ii) upon any bank, saving and loan institution, credit union, financial institution, transfer agent, broker-dealer, investment company, title company, commodity trading company, storage company, or any other person, partnership, corporation, or legal entity that may be subject to any provision of this Order.

B. This Court shall retain jurisdiction of this matter for all purposes.

C. Pursuant to Federal Rule of Civil Procedure 65(c), no security is required of the SEC.

D. This Order shall be operative until further order of this Court.

#### **VIII. PRESERVATION OF RIGHTS AND PRIVILEGES**

Nothing in this Order shall be construed to require that Defendants abandon or waive any constitutional or other legal privilege which they may have available to them including any Fifth Amendment privilege against self-incrimination. In turn, nothing in this Order shall prevent the SEC from opposing or challenging any assertion by a Defendant of any Fifth Amendment privilege against self-incrimination, or any other constitutional or other legal privilege.

#### **IX. ASSET FREEZE**

Pending a hearing on and determination of the SEC's motion for a preliminary injunction, Defendants and each of their financial and brokerage institutions, officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of such Order by personal service, facsimile service, telephonic notice, email, or otherwise, and each of them, shall hold and retain within their control, and otherwise prevent, any withdrawal, transfer, pledge, encumbrance, assignment, dissipation, concealment, or

other disposal (including money, real or personal property, securities, commodities, choses in action or other property of any kind whatsoever) of, held by, or under the direct or indirect control of the Defendants, whether held in any of their names or for any of their direct or indirect beneficial interest wherever situated, in whatever form such assets may presently exist and wherever located within the territorial jurisdiction of the United States courts, and directing each of the financial or brokerage institutions, debtors and bailees, or any other person or entity holding such assets, funds or other property of the Defendants to hold or retain within its or his or her control and prohibit the withdrawal, removal, transfer or other disposal of any such assets, funds or other properties, including, but not limited to, the following accounts:

<b>Account Title</b>	<b>Institution Name</b>	<b>Account Number</b>
3400 Newkirk	Wells Fargo	*****3770
3400 Newkirk	Wells Fargo	*****4514
Hard Money Company LLC/Shawn Cohen	Wells Fargo	*****2858
Hard Money Company LLC/EquityBuild Finance (Escrow)	Wells Fargo	*****3077
Hard Money Company LLC/EquityBuild Finance (Fee Income)	Wells Fargo	*****3226
Hard Money Company LLC/Equitybuild Finance	Wells Fargo	*****3239
Hard Money Company LLC/Equitybuild Finance	Wells Fargo	*****5561
Hard Money Company LLC/EquityBuild Finance (Checking)	Wells Fargo	*****8783
Hard Money Company LLC/EquityBuild Finance (Checking)	Wells Fargo	*****3721
Hard Money Company LLC/EquityBuild Finance (Checking)	Wells Fargo	*****5451
Hard Money Company	Wells Fargo	*****9081

LLC/EquityBuild Finance (Savings)		
Tikkun Holdings LLC	Wells Fargo	*****5298
Cohen, Jerry and Schroyer-Cohen, Patricia	Wells Fargo	*****3641
Cohen, Jerry	Wells Fargo	*****6502
Cohen, Bernard and Cohen, Jerry H	Wells Fargo	*****4869
Cohen, Robert D and Cohen, Jerry	Wells Fargo	*****6260
Cohen, Robert D and Cohen, Jerry	Wells Fargo	*****9729
Schroyer-Cohen, Patricia and Cohen, Jerry	Wells Fargo	*****3641
Cohen, Shaun	Wells Fargo	*****3299
Cohen, Shaun and Cohen, Eldebran	Wells Fargo	*****5078
Cohen, Shaun	Wells Fargo	*****9075
Cohen, Shaun	Wells Fargo	*****1671
Cohen, Shaun	Wells Fargo	*****4395
Cohen, Shaun	Wells Fargo	*****2626
Cohen, Shaun	Wells Fargo	*****4781
Cohen, Shaun	Wells Fargo	*****7034
Cohen, Shaun and Cohen, Eldebran	Wells Fargo	*****1671
Cohen, Eldebran and Cohen, Shaun	Wells Fargo	*****7856
EquityBuild	Wells Fargo	*****7110
EquityBuild	Wells Fargo	*****1708
EquityBuild	Wells Fargo	*****6992
EquityBuild	Wells Fargo	*****4649
EquityBuild	Wells Fargo	*****6976
EquityBuild	Wells Fargo	*****8478
EquityBuild (BusinessLine Mastercard)	Wells Fargo	*****3082
EquityBuild DBA 6759 S. Indiana Associates	Wells Fargo	*****3274
11117 S Longwood LLC	Wells Fargo	
11318 S Church St Associates	Wells Fargo	*****8703
1632 Shirley LLC	Wells Fargo	
1700 Juneway LLC	Wells Fargo	

2136 W 83 <sup>RD</sup> LLC	Wells Fargo	*****6117
2136 W 83 <sup>RD</sup> LLC	Wells Fargo	*****6262
2537 N McVicker LLC	Wells Fargo	*****6125
4520 S Drexel LLC	Wells Fargo	
4533-37 S Calumet LLC	Wells Fargo	
4528 Michigan LLC	Wells Fargo	*****6133
4528 Michigan LLC	Wells Fargo	*****6254
4750 Indiana LLC	Wells Fargo	*****2039
4755 S Saint Lawrence Associates	Wells Fargo	*****2021
4755 S Saint Lawrence Associates	Wells Fargo	*****8913
5001 S Drexel LLC	Wells Fargo	
5411 W Wrightwood LLC	Wells Fargo	*****6273
6951 S Merrill LLC	Wells Fargo	****3316
7107-29 S Bennett LLC	Wells Fargo	*****8711
7109 S Calumet LLC	Wells Fargo	****6236
7922 S Luella LLC	Wells Fargo	*****5242
7927-49 S Essex LLC	Wells Fargo	
7933 S Kingston LLC	Wells Fargo	*****5234
7945 S Kenwood LLC	Wells Fargo	*****2575
8104 S Kingston LLC	Wells Fargo	*****8157
8104 S Kingston LLC	Wells Fargo	*****8905
8153 S Avalon LLC	Wells Fargo	*****0334
8153 S Avalon LLC	Wells Fargo	*****2153
8217 Dorchester LLC	Wells Fargo	
8311 S Green LLC	Wells Fargo	*****8058
8432 S Throop Associates	Wells Fargo	*****1530
8432 S Throop Associates	Wells Fargo	*****3945
8725 S Ada LLC	Wells Fargo	*****4004
8745 S Sangamon LLC	Wells Fargo	*****0409
8745 S Sangamon LLC	Wells Fargo	*****7918

8801 S Bishop St Associates	Wells Fargo	*****2088
8801 S Bishop St Associates	Wells Fargo	*****6304
8801 S Bishop St Associates	Wells Fargo	*****4498
8801 S Bishop St Associates	Wells Fargo	*****9873
9158 S Dobson LLC	Wells Fargo	*****4061
Chicago Capital Fund I LLC	Wells Fargo	**** 5116
Chicago Capital Fund II LLC	Wells Fargo	****5264
EB South Chicago 1 LLC	Wells Fargo	
EB South Chicago 2 LLC	Wells Fargo	
EB South Chicago 3 LLC	Wells Fargo	****2851
Hybrid Capital Fund LLC	Wells Fargo	****1783
South Shore Property Holdings LLC	Wells Fargo	
South Side Development Fund 1 LLC	Wells Fargo	
South Side Development Fund 2 LLC	Wells Fargo	
South Side Development Fund 3 LLC	Wells Fargo	
South Side Development Fund 4 LLC	Wells Fargo	
South Side Development Fund 5 LLC	Wells Fargo	
South Side Development Fund 6 LLC	Wells Fargo	
South Side Development Fund 7 LLC	Wells Fargo	
South Side Development Fund 8 LLC	Wells Fargo	

**SO ORDERED at 6:10 p.m. CST this 17th day of August, 2018 by**

Entered:  
8/17/18



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John Z. Lee  
United States District Judge



other equitable relief, including an accounting, is necessary to preserve the status quo. In consideration of the foregoing, the Court being fully advised in the premises, and pending determination of the Commission's motion for a preliminary injunction:

**I. ORDER RESTRAINING DEFENDANTS FROM VIOLATING THE FEDERAL SECURITIES LAWS**

IT IS HEREBY ORDERED that defendants and each of their officers agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, including facsimile transmission or overnight delivery service, are restrained 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 securities 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 HEREBY FURTHER ORDERED that defendants and each of their officers agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, including facsimile transmission or overnight delivery service, are restrained from violating 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], directly or indirectly, by the use of 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 HEREBY FURTHER ORDERED that defendants Matthew D. Haab and Veros Partners, Inc. and each of their officers agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, including facsimile transmission or overnight delivery service, are restrained from violating Section 206(1) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1)] by, as an investment adviser, use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to employ any device, scheme, or artifice to defraud any client or prospective client.

IT IS HEREBY FURTHER ORDERED that defendants Matthew D. Haab and Veros Partners, Inc. and each of their officers agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, including facsimile transmission or overnight delivery service, are restrained from violating Section 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(2)], by, as an investment adviser, use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.

## **II. ORDER PROHIBITING DEFENDANTS FROM SOLICITING INVESTORS**

IT IS HEREBY FURTHER ORDERED that defendants Matthew D. Haab, Jeffery B. Risinger, Tobin J. Senefeld, Veros Farm Loan Holding LLC, FarmGrowCap LLC, PinCap LLC, and each of their 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 transmission, electronic mail, or overnight delivery service, are hereby prohibited from soliciting, accepting, or depositing any monies from actual or prospective investors pending the resolution of this action.

IT IS HEREBY FURTHER ORDERED that defendant Veros Partners, Inc. and each of its 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 transmission, electronic mail, or overnight delivery service, are hereby prohibited from soliciting, accepting, or depositing any monies from actual or prospective investors in connection with any private offering of securities pending the resolution of this action.

## **III. ORDER FREEZING ASSETS**

IT IS HEREBY FURTHER ORDERED that:

A. Defendants 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 transmission, electronic mail, or overnight delivery service, shall hold and retain funds and other assets of defendants and presently held by them, for their direct or indirect benefit, under their direct or indirect control or over which they exercise actual or apparent investment or other authority (including assets held in the name of or for the benefit of defendants), in whatever form such assets may presently exist and wherever located, and shall prevent any withdrawal, sale, payment (including, but not limited to, any charges

on any credit card or draws on any other credit arrangement), transfer, dissipation, assignment, pledge, alienation, encumbrance, disposal, or diminution in value of any such funds or other assets, which are hereby frozen, including, but not limited to, such funds held in the following accounts:

Institution	Account Number	Account Name
MainSource Bank	xxx4682	Veros Partners Inc.
MainSource Bank	xxx7557	Veros Partners Inc.
MainSource Bank	xxx7816	Pincap LLC
MainSource Bank	xxx6505	Veros Partners Inc.
MainSource Bank	xxx6518	Veros Partners Inc.
MainSource Bank	xxx6521	Veros Partners Inc.
MainSource Bank	xxx6806	Veros Partners Inc.
MainSource Bank	xxx7290	Veros Partners Inc.
MainSource Bank	xxx6456	Veros Partners Inc.
MainSource Bank	xxx6163	Veros Partners Inc.
MainSource Bank	xxx7010	Veros Partners Inc.
MainSource Bank	xxx8190	Veros Partners Inc.
MainSource Bank	xxx9018	Veros Partners Inc.
MainSource Bank	xxx0616	Veros Partners Inc.
MainSource Bank	xxx0878	Veros Investments LLC
Citibank	xxx4850	Pin Financial LLC
Huntington National Bank	xxx7974	Haab Checking Account
BMO Harris	xxx9768	Haab Checking Account
JP Morgan Chase	xxx9709	Haab Checking Account
TD Ameritrade	xxx2550	Haab Brokerage Account
Equity Trust Company	xxx0491	Risinger Custodian IRA Account
Forum Credit Union	xxx5683	Senefeld Checking Account
Forum Credit Union	xxx5718	Senefeld Money Market Account
Chase Bank	xxx8507	Risinger Checking Account
TD Ameritrade	xxx8445	Haab Veros Partners 401k
TD Ameritrade	xxx9630	Haab Veros Partners Simple

		IRA
TD Ameritrade	xxx9640	Haab Roth IRA
Chase Bank	xxx1050	Risinger Savings Account
Chase Bank	xxx1022	Risinger Traditional IRA
Chase Bank	xxx0084	Risinger Savings Account
Chase Bank	xxx0308	Risinger Savings Account
Fifth/Third Bank	xxx4727	Senefeld Checking Account
Fifth/Third Bank	xxx5852	Risinger- SunPie LLC- Business Checking Account
Fifth/Third Bank	xxx6561	Risinger Business Checking
Fifth/Third Bank	xxx9623	Senefeld Money Market
Huntington National Bank	xxx9290	Tobin and Mary Senefeld

B. All banks, brokerage and other financial institutions and other persons or entities which receive actual notice of this Order by personal service or otherwise, including facsimile transmissions, electronic mail, or overnight delivery service, holding any funds or other assets in the name, for the direct or indirect benefit, or under the direct or indirect control of defendants or over which defendants exercise actual or apparent investment or other authority (including assets in the name of defendants), in whatever form such assets may presently exist and wherever located, including but not limited to all such funds held in the accounts listed in Paragraph A above, shall hold and retain within their control and prohibit the withdrawal, removal, sale, payment (including, but not limited to, any charges on any credit card or draws on any other credit arrangement), transfer, dissipation, assignment, pledge, alienation, encumbrance, diminution in value, or other disposal of any such funds or other assets; and that such funds and assets are hereby frozen.

IT IS HEREBY FURTHER ORDERED that relief defendant Pin Financial LLC and all other persons who hold or possess the direct or indirect proceeds of the misconduct described in the Complaint in whatever form such funds or other assets may presently exist, who receive actual notice of this Order, by personal service or otherwise, including facsimile transmission, electronic mail, or overnight delivery service, shall hold and retain such funds and assets and

shall prevent any withdrawal, sale, payment (including, but not limited to, any charges on any credit card or draws on any other credit arrangement), transfer, dissipation, assignment, pledge, alienation, encumbrance, disposal, or diminution in value of any such funds or other assets, which are hereby frozen.

#### **IV. ORDER REQUIRING DEFENDANTS TO SUBMIT AN ACCOUNTING**

IT IS HEREBY FURTHER ORDERED that defendants shall submit in writing and serve upon the Commission, within **seven (7) business days** following service of this Order upon them, an accounting identifying:

A. All transfers or payments of funds to them or any other entity controlled by them from investors or clients in connection with the misconduct described in the Complaint (the identification shall include the amount of each such transfer or payment, the date of the transfer or payment, and the name, address, account number and financial institution of the party making and the party receiving the transfer or payment);

B. In detail, the precise disposition of each transfer or payment identified in response to paragraph A above and all assets derived therefrom, including but not limited to (i) the nature and results of any investment in which the funds were used; (ii) 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); (iii) any fees or expenses charged and a detailed statement of the nature and purpose of such fees and expenses, (iv) by name and address, all persons, entities and accounts currently holding funds or assets derived from the transfers or payments described in paragraph A above and the reason each received the funds or assets (the identification shall include the amount each received, the date received, the reason received, the institution and account number or location in which the funds or

other assets are held and the name, address, account number and financial institution of the person or entity who provided each with the funds or other assets);

C. Assets of every type and description with a value of at least one thousand dollars (\$1,000) presently owned by or held for the direct or indirect benefit, or subject to the direct or indirect control, of defendants, whether in the United States or elsewhere; and

D. 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 defendants, or in which defendants have or had any direct or indirect beneficial interest, at any time from January 1, 2012 to the present.

#### **V. ORDER REQUIRING DEFENDANS TO PRESERVE DOCUMENTS**

IT IS HEREBY FURTHER ORDERED that defendants 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 transmission, electronic mail, or overnight delivery service, are hereby restrained from destroying, mutilating, concealing, altering, disposing, or transferring custody of any items, including but not limited to any books, records, documents, correspondence, contracts, agreements, assignments, obligations, tape recordings, computer media or other property relating to defendants or the misconduct described in the Complaint.

#### **VI. ORDER APPOINTING A RECEIVER**

IT IS HEREBY FURTHER ORDERED that a Receiver be appointed in this matter. Within **five (5) business days** of this Order, the SEC shall nominate for the Court's consideration a candidate to serve as Receiver, or the Court may also appoint a Receiver of its own selection.

## VII. ORDER FOR PRELIMINARY INJUNCTION HEARING

IT IS HEREBY FURTHER ORDERED that defendants wishing to be heard on this matter shall appear in this Court, on the Commission's motion for preliminary injunction, before the Honorable Judge Jane Magnus-Stinson, at **1:00 p.m., on the 1st day of May, 2015** in Courtroom 307 of the United States District Court for the Southern District of Indiana, Indianapolis Division, located at 46 East Ohio Street, Indianapolis, Indiana 46204, as soon thereafter as the matter can be heard, to show cause, if there be any, why this Court should not enter a preliminary injunction and order preliminary relief against defendants, pursuant to Rule 65 of the Federal Rules of Civil Procedure, or extending the temporary relief granted in this Order pending a final adjudication on the merits.

IT IS HEREBY FURTHER ORDERED that, alternatively, at the time of the hearing set forth above, this Court may extend this Order pending a hearing on the Commission's motion for a preliminary injunction.

IT IS HEREBY FURTHER ORDERED that the Court will consider all materials filed by the Commission in connection with its ex parte motion for a temporary restraining order and ancillary relief to have also been filed in connection with the Commission's request for a preliminary injunction hearing. The Commission shall be permitted, but is not required, to file a supplemental brief and supporting exhibits in advance of any preliminary injunction hearing.

IT IS HEREBY FURTHER ORDERED that Defendants, no later than ninety-six hours before any scheduled hearing on the motion for preliminary injunction, shall file and serve their response to the Commission's motion for a preliminary injunction and for other relief.

**VIII. OTHER RELIEF**

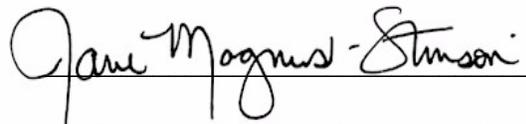
IT IS HEREBY FURTHER ORDERED that the United States Marshal in any district in which any defendant resides, transacts business or may be found is authorized and directed to make service of process upon any defendant at the request of the Commission.

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

IT IS HEREBY FURTHER ORDERED that, pursuant to Federal Rule of Civil Procedure 65(c), no security is required of the Commission.

IT IS HEREBY FURTHER ORDERED that this Order shall expire at 11:59 P.M. fourteen days following the entry of this order, unless otherwise ordered by this Court.

**SO ORDERED at 2:57 p.m. EDT this 23rd day of April, 2015**



Hon. Jane Magnus-Stinson, Judge  
United States District Court  
Southern District of Indiana

**JUDGE CASTEL**  
**UNITED STATES DISTRICT COURT FOR THE**  
**SOUTHERN DISTRICT OF NEW YORK**

**UNITED STATES SECURITIES**  
**AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**BRENT BORLAND, BORLAND CAPITAL**  
**GROUP, LLC, and BELIZE**  
**INFRASTRUCTURE FUND I, LLC**

**Defendants, and**

**CANYON ACQUISITIONS, LLC, and**  
**ALANA LaTORRA BORLAND,**

**Relief Defendants.**

**18 CV 4352**

**CASE NO. 18-cv-**

USDC SDNY  
DOCUMENT  
ELECTRONICALLY FILED  
DOC #:  
DATE FILED: 5/16/18

*RKC*

**[PROPOSED]**  
**ORDER TO SHOW CAUSE,**  
**TEMPORARY RESTRAINING ORDER,**  
**AND ORDER FREEZING ASSETS AND GRANTING OTHER RELIEF**

This matter comes before the Court on the Emergency Application of Plaintiff Securities and Exchange Commission (the "SEC" or "Commission") for an Order:

(1) directing Defendants Brent Borland ("Borland"), Borland Capital Group, LLC ("BCG"), and Belize Infrastructure Fund I, LLC ("Belize Fund") (collectively, "Defendants") to show cause why an order should not be entered, pending a final disposition of this action:

(a) preliminarily enjoining Borland, BCG, and Belize Fund from violating Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a),

Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5, 17 C.F.R. § 240.10b-5;

- (b) preliminarily enjoining Defendants from soliciting investors or accepting additional investor funds;
  - (c) freezing Defendants’ assets; and
  - (d) prohibiting the destruction, alteration or concealment of documents;
- (2) pending adjudication of the foregoing, an Order:
- (a) temporarily restraining Defendants from violating Section 17(a) of the Securities Act, and Section 10(b) and Rule 10b-5 of the Exchange Act;
  - (b) temporarily prohibiting Defendants from soliciting investors or accepting additional investor funds;
  - (c) freezing Defendants’ assets;
  - (d) directing each Defendant to repatriate assets that presently may be located outside of the United States that were obtained directly or indirectly from investors;
  - (e) prohibiting the destruction, alteration or concealment of documents;
  - (f) directing each of the Defendants to quickly provide verified accountings; and
  - (g) providing that the SEC may take expedited discovery in preparation for a hearing on the Order to Show Cause;
- (3) Directing Relief Defendants Alana LaTorra Borland and Canyon Acquisitions, LLC (collectively, “Relief Defendants”) to show cause why an order should not be entered, pending a final disposition of this action:

- (a) freezing Relief Defendants' assets; and
- (b) prohibiting the destruction, alteration or concealment of documents; and
- (4) pending adjudication of the foregoing, an Order:
  - (a) freezing Relief Defendants' assets;
  - (b) directing each Relief Defendant to repatriate assets that presently may be located outside of the United States that were obtained directly or indirectly from investors;
  - (c) prohibiting the destruction, alteration or concealment of documents;
  - (d) directing each Relief Defendant to quickly provide verified accountings; and
  - (e) providing that the SEC may take expedited discovery relating to the Relief Defendants in preparation for a hearing on the Order to Show Cause.

The Court has considered: (1) the Complaint filed by the SEC in the above-captioned matter; (2) the Declaration of Donald Ryba in Support of Plaintiff's Emergency Application and the exhibits thereto; (3) the Declaration of Andrew O'Brien in Support of Plaintiff's Emergency Application and the exhibits thereto; (4) the Declaration of certain investors, attached to O'Brien's declaration; (5) the Declaration of Charles Kerstetter Pursuant to Local Civil Rule 6.1; and (6) the memorandum of law in support of the SEC's Emergency Application. Based upon the foregoing documents, the Court finds that a proper showing, as required by Section 20(b) of the Securities Act and Section 21(d) of the Exchange Act, has been made for the relief granted herein, for the following reasons:

It appears from the evidence presented that, as charged in the Complaint: (a) Defendants have violated and, unless temporarily restrained, will continue to violate Section 17(a) of the

Securities Act, and Section 10(b) and Rule 10b-5 of the Exchange Act; and (b) Defendants have solicited and accepted investor funds, and unless temporarily restrained, will continue to solicit and accept investor funds.

It appears from the evidence presented that the Defendants and Relief Defendants have received ill-gotten gains derived from Defendants' unlawful conduct, and that at least some of these funds have been deposited into accounts controlled by one or more of the Defendants and Relief Defendants.

It appears that Defendants and Relief Defendants may attempt to dissipate, deplete, or transfer from the jurisdiction of this Court, funds, property and other assets that could be subject to an order of disgorgement or an order imposing civil penalties. It appears that an order freezing Defendants' and Relief Defendants' assets, as specified herein, is necessary to preserve the *status quo*, to protect this Court's ability to award equitable relief in the form of disgorgement of illegal profits from fraud, and civil penalties, and to preserve the Court's ability to approve a fair distribution for victims of the fraud.

It appears that an order requiring Defendants and Relief Defendants to provide a verified accounting of all assets, money, and property held directly or indirectly by each of them, or by others for Defendants' or Relief Defendants' direct and indirect beneficial interest, is necessary to effectuate and ensure compliance with the freeze imposed on the Defendants' and Relief Defendants' assets.

It appears that the Defendants may attempt to destroy, alter or conceal documents.

Good and sufficient reasons have been shown why procedure other than by notice of motion is necessary.

This Court has jurisdiction over the subject matter of this action and over Defendants and Relief Defendants, and venue properly lies in this District.

**NOW, THEREFORE:**

**I.**

**IT IS HEREBY ORDERED** that Defendants show cause, if there be any, to this Court at 11:30 a.m. on the 24<sup>th</sup> day of May, 2018, in Room 11D of the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, 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, and Section 21 of the Exchange Act, preliminarily enjoining Defendants from violating Section 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; and preliminarily enjoining Defendants from soliciting additional investors or accepting additional investments from existing investors. PFC

**II.**

**IT IS FURTHER ORDERED** that Defendants and Relief Defendants show cause at that time why this Court should not also enter an Order directing that, pending a final disposition of this action, Defendants, Relief Defendants, and each of their financial and brokerage institutions, officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of such Order by personal service, facsimile service, telephonic notice, notice by email, or otherwise, and each of them, hold and retain within their control, and otherwise prevent, any withdrawal, transfer, pledge, encumbrance, assignment, dissipation, concealment, or other disposal (including money, real or personal property, securities, commodities, choses in action or other property of any kind whatsoever) of, held by, or under the direct or indirect control of the Defendants or Relief Defendants, whether held in

any of their names or for any of their direct or indirect beneficial interest wherever situated, in whatever form such assets may presently exist and wherever located within the territorial jurisdiction of the United States courts, and directing each of the financial or brokerage institutions, debtors and bailees, or any other person or entity holding such assets, funds or other property of the Defendants or Relief Defendants to hold or retain within its or his or her control and prohibit the withdrawal, removal, transfer or other disposal of any such assets, funds or other properties, including, but not limited to, the following accounts:

<b>Institution Name</b>	<b>Account Title</b>	<b>Account Number</b>
JPMorgan Chase Bank, N.A.	Brent David Borland or Alana M LaTorra Borland	*****6550
JPMorgan Chase Bank, N.A.	Borland Capital Group, LLC	*****5205
JPMorgan Chase Bank, N.A.	Belize Infrastructure Fund I, LLC	*****0255
JPMorgan Chase Bank, N.A.	The Placencia Group LLC	*****2039
JPMorgan Chase Bank, N.A.	Catalyst565, Inc.	*****6913
JPMorgan Chase Bank, N.A.	BCG Ritz Trump, LLC	*****0055
JPMorgan Chase Bank, N.A.	BCG Riva Pointe, LLC	*****5160
JPMorgan Chase Bank, N.A.	Osprey Partners LLC	*****2193
JPMorgan Chase Bank, N.A.	BCG Bronxville LLC	*****6895
JPMorgan Chase Bank, N.A.	Blueprint Strategic Mgmt. GP LLC	*****7002
JPMorgan Chase Bank, N.A.	Blueprint SPV II, LLC	*****2833
JPMorgan Chase Bank, N.A.	Blueprint SPV I, LLC	*****3268
JPMorgan Chase Bank, N.A.	B3 Labs LLC	*****5331
JPMorgan Chase Bank, N.A.	AvaMadison LLC	*****5489
JPMorgan Chase Bank, N.A.	Canyon Acquisitions LLC	*****3775
JPMorgan Chase Bank, N.A.	Canyon Acquisitions LLC	*****3783
Bank of America, N.A.	Placencia Land & Development, Ltd.	*****6058

### III.

**IT IS FURTHER ORDERED** that Defendants and Relief Defendants show cause at that time why this Court should not also enter an Order enjoining and restraining them, and any person or entity acting at their direction or on their behalf, from destroying, altering, concealing, or otherwise interfering with the access of the Commission to any and all documents, books, and records that are in the possession, custody or control of the Defendants or Relief Defendants, their respective officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them, that concern, refer, reflect, or relate to the allegations in the Complaint, including, without limitation, documents, books, and records concerning, referring, reflecting, or relating to Defendants' or Relief Defendants' finances or business operations, or the offer, purchase or sale of investment contracts or any other securities offered or sold by or through the Defendants and the use of proceeds therefrom.

### IV.

**IT IS FURTHER ORDERED** that Defendants and Relief Defendants show cause at that time why this Court should not also enter an Order enjoining the Defendants and Relief Defendants, and each of their creditors, principals, officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service, facsimile service, or otherwise, from filing a voluntary or involuntary petition in bankruptcy on behalf of or against Defendants or Relief Defendants, without first seeking leave from this Court, with at least three (3) days' notice to the Commission, which leave shall be granted only after a hearing before this Court and upon such conditions as necessary to protect this Court's jurisdiction over the subject matter of this action.

V.

**IT IS FURTHER ORDERED** that, pending a hearing and determination of the Commission's Application for Preliminary Injunction, Defendants Borland, BCG, and Belize Fund, and each of them, their agents, servants, employees, and attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of this Order by personal service, email service, facsimile service or otherwise, are temporarily restrained and enjoined from, directly or indirectly, singly or in concert, violating Section 17(a) of 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.

VI.

**IT IS FURTHER ORDERED**, that, pending a hearing and determination of the Commission's Application for Preliminary Injunction, Defendants Borland, BCG, and Belize Fund, and each of them, their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service, email service, facsimile service or otherwise, are temporarily restrained and enjoined from

violating, directly or indirectly, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 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.

#### VII.

**IT IS FURTHER ORDERED**, that, pending a hearing and determination of the Commission's Application for Preliminary Injunction, Defendants Borland, BCG, and Belize Fund, and each of them, their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service, email service, facsimile service or otherwise, are temporarily restrained and enjoined from, directly or indirectly, soliciting additional investors or accepting additional investments from existing investors.

#### VIII.

**IT IS FURTHER ORDERED** that, pending a hearing and determination of the Commission's Application for a Preliminary Injunction, Defendants and Relief Defendants and each of their financial and brokerage institutions, officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual

notice of such Order by personal service, facsimile service, telephonic notice, notice by email, or otherwise, and each of them, hold and retain within their control, and otherwise prevent, any withdrawal, transfer, pledge, encumbrance, assignment, dissipation, concealment, or other disposal (including money, real or personal property, securities, commodities, choses in action or other property of any kind whatsoever) of, held by, or under the direct or indirect control of the Defendants or Relief Defendants, whether held in any of their names or for any of their direct or indirect beneficial interest wherever situated, in whatever form such assets may presently exist and wherever located within the territorial jurisdiction of the United States courts, and directing each of the financial or brokerage institutions, debtors and bailees, or any other person or entity holding such assets, funds or other property of the Defendants or Relief Defendants to hold or retain within its or his or her control and prohibit the withdrawal, removal, transfer or other disposal of any such assets, funds or other properties, including, but not limited to, the following accounts:

<b>Institution Name</b>	<b>Account Title</b>	<b>Account Number</b>
JPMorgan Chase Bank, N.A.	Brent David Borland or Alana M LaTorra Borland	*****6550
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JPMorgan Chase Bank, N.A.	Blueprint SPV I, LLC	*****3268

JPMorgan Chase Bank, N.A.	B3 Labs LLC	*****5331
JPMorgan Chase Bank, N.A.	AvaMadison LLC	*****5489
JPMorgan Chase Bank, N.A.	Canyon Acquisitions LLC	*****3775
JPMorgan Chase Bank, N.A.	Canyon Acquisitions LLC	*****3783
Bank of America, N.A.	Placencia Land & Development, Ltd.	*****6058

**IX.**

**IT IS FURTHER ORDERED** that, pending a hearing and determination of the Commission’s Application for a Preliminary Injunction, Defendants and Relief Defendants, 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.

**X.**

**IT IS FURTHER ORDERED** that, pending a hearing and determination of the Commission’s Application for a Preliminary Injunction, each Defendant and Relief Defendant shall file with this Court and serve upon Plaintiff Commission, *on ECF within seven business days* ~~within three (3) business days of~~ the date of this Order, or within such extension of time as the Commission staff agrees to in writing or is otherwise granted by the Court, a verified written accounting, signed under penalty of perjury by the individual Defendant or Relief Defendant or, in the case of an entity Defendant

*PKC*







- (3) Obtain other discovery, including interrogatories, requests for admissions, and requests to inspect the premises and files of Defendants, within three (3) calendar days from the date of service by facsimile, email or otherwise of such other discovery requests, interrogatories, requests for admissions or requests for inspection; and
- (4) Serve any discovery requests, notices, or subpoenas, including subpoenas to non-parties, by personal service, facsimile, overnight courier, email, or first-class mail on an individual, entity, or the individual's or entity's attorney.

PKC

This order expediting discovery will remain in place beyond any hearing on the Commission's application for preliminary injunction.

XV.

IT IS FURTHER ORDERED that a copy of this Order and the papers supporting the Commission's Application be served upon each of the Defendants and Relief Defendants, or any attorney who agrees to accept service on their behalf, on or before May 16, 2018 at 5 PM, 2018, by personal delivery, facsimile, email, overnight courier, or first-class mail.

PKC

with courtesy copy for Chandra

XVI.

(file on ECF)

IT IS FURTHER ORDERED that Defendants shall deliver any opposing papers in response to the Order to Show Cause above no later than May 21, 2018, at 5:00 p.m. Service shall be made by ECF filing delivering the papers, using the most expeditious means available, by that date and time, to the Chicago Regional Office of the Commission at 175 West Jackson, Suite 1450, Chicago, Illinois, 60604, Attn: Benjamin Hanauer (hanauerb@sec.gov), or to such other place as counsel for the Commission may direct in writing. The Commission shall have until May 23, 2018, at 5:00 p.m., to serve, by the most expeditious means

PKC

available (which may include any form of service authorized in the above paragraph for service of a copy of this Order), any reply papers upon the Defendants, or upon their respective counsel. *with creating copy to Clubs*

*JLC*

**XVII.**

**IT IS FURTHER ORDERED** that this Order shall be, and is, binding upon each of the Defendants and Relief Defendants, and each of their respective 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, facsimile, email, overnight courier, or otherwise.



UNITED STATES DISTRICT JUDGE

Issued at : 9:41 a.m.  
May 16, 2018  
New York, New York



Securities and Exchange Commission v. Liu, Not Reported in F.Supp.3d (2016)

2016 WL 3679389

2016 WL 3679389

Only the Westlaw citation is currently available.  
United States District Court,  
C.D. California, Southern Division.

Securities and Exchange Commission, Plaintiff,  
v.

Charles C. Liu; Xin Wang a/k/a Lisa Wang; Pacific  
Proton Therapy Regional Center, LLC; Pacific  
Proton EB-5 Fund, LLC; and Beverly Proton  
Center, LLC f/k/a Los Angeles County Proton  
Therapy, LLC, Defendants.

Case No. SACV16-00974-CJC (AGRx)

|  
Signed 07/11/2016

**Attorneys and Law Firms**

[Jacob A. Regenstreif](#), [John W. Berry](#), US Securities and  
Exchange Commission, Los Angeles, CA, for Plaintiff.

[Edward Gartenberg](#), [Milena Dolukhanyan](#), Gartenberg  
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Lynch](#), [Herve Gouraige](#), [William R. Stuart, III](#), Sills  
Cummis and Gross PC, Newark, NJ, [Nicolas Morgan](#),  
Paul Hastings LLP, [Stanley C. Morris](#), Corrigan and  
Morris LLP, Los Angeles, CA, [Brian Thomas Corrigan](#),  
Corrigan and Morris LLP, Santa Monica, CA, for  
Defendants.

**PRELIMINARY INJUNCTION AGAINST ALL  
DEFENDANTS**

**CORMAC J. CARNEY**, UNITED STATES DISTRICT  
JUDGE

\*1 This matter came before the Court upon the  
Application of Plaintiff Securities and Exchange  
Commission (“SEC”) for a Temporary Restraining Order,  
Order to Show Cause Why a Preliminary Injunction  
Should Not Be Granted, and Orders (1) Freezing Assets;  
(2) Repatriating Assets; (3) Requiring Accountings; and  
(4) Prohibiting the Destruction of Documents (Dkt. No. 4,  
the “TRO Application”), and upon the SEC’s Motion for

Orders Requiring the Repatriation of Assets and  
Accountings (Dkt. No. 15, the “Motion for Repatriation  
and Accountings”)

The Court, having considered the SEC’s Complaint, the  
TRO Application, the supporting Memorandum of Points  
and Authorities, the supporting declarations and exhibits,  
and the other evidence and argument presented to the  
Court, entered a Temporary Restraining Order, Order to  
Show Cause Why a Preliminary Injunction Should Not Be  
Granted, and Orders (1) Freezing Assets; and (2)  
Prohibiting the Destruction of Documents (Dkt. No. 14,  
the “TRO”);

The Court, having considered the Defendants’ oppositions  
to the TRO and the Preliminary Injunction, the  
Defendants’ opposition to the SEC’s Motion for  
Repatriation and Accountings, and the SEC’s papers  
replying thereto, finds that:

A. This Court has jurisdiction over the parties to, and  
the subject matter of, this action.

B. The SEC has made a sufficient and proper  
showing in support of the relief granted herein, as  
required by Section 20(b) of the Securities Act of  
1933 (“Securities Act”) (15 U.S.C. s 77t(b)) and  
Section 21(d) of the Securities Exchange Act of 1934  
(“Exchange Act”) (15 U.S.C. § 78u(b)) by evidence  
establishing a *prima facie* case and reasonable  
likelihood that the Defendants have engaged in, are  
engaging in, are about to engage in, and will  
continue to engage in, unless restrained, transactions,  
acts, practices and courses of business that constitute  
violations of Section 17(a) of the Securities Act, 15  
U.S.C. § 77q(a), and Section 10(b) of the Exchange  
Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder,  
17 C.F.R. § 240.10b-5.

C. Good cause exists to believe that, unless  
restrained and enjoined by order of this Court,  
Defendants will dissipate, conceal, or transfer assets  
which could be the subject to an order directing  
disgorgement or the payment of civil money  
penalties in this action. It is appropriate for the Court  
to issue this Preliminary Injunction to prevent the  
dissipation of assets.

D. Good cause exists to believe that the repatriation  
of assets held in foreign locations is necessary.

E. Good cause exists to believe that an accounting of  
assets is necessary.

Securities and Exchange Commission v. Liu, Not Reported in F.Supp.3d (2016)

2016 WL 3679389

F. Good cause exists to believe that, unless restrained and enjoined by order of this Court, Defendants may alter or destroy documents relevant to this action.

I.

IT IS HEREBY ORDERED that the SEC's a Preliminary Injunction shall issue and the SEC's Motion for Repatriation and Accountings is GRANTED.

II.

IT IS FURTHER ORDERED that Defendants Charles C. Liu ("Liu"); Xin Wang a/k/a Lisa Wang ("Wang"); Pacific Proton Therapy Regional Center, LLC ("Pacific Proton"); Pacific Proton EB-5 Fund, LLC ("PPEB5 Fund"); and Beverly Proton Center, LLC f/k/a Los Angeles County Proton Therapy, LLC ("Beverly Proton"), and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily restrained and enjoined from, directly or indirectly, in the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:

\*2 A. employing any device, scheme or artifice to defraud;

B. obtaining money or property by means of any untrue statement of a material fact or any omission to state 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. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser;

in violation of Section 17(a) of the Securities Act, [15 U.S.C. § 77q\(a\)](#).

III.

IT IS FURTHER ORDERED that Defendants Liu, Wang, Pacific Proton, PPEB5 Fund and Beverly Proton, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

A. employing any device, scheme or artifice to defraud; or

B. engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person;

in violation of Section 10(b) of the Exchange Act, [15 U.S.C. § 78j\(b\)](#), and Rules 10b-5(a) and (c) thereunder, [17 C.F.R. §§ 240.10b-5\(a\) & \(c\)](#).

IV.

IT IS FURTHER ORDERED that Defendants Liu, Pacific Proton, PPEB5 Fund and Beverly Proton, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, 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; in violation of Section 10(b) of the Exchange Act, [15 U.S.C. § 78j\(b\)](#), and Rule 10b-5(b) thereunder, [17 C.F.R. § 240.10b-5\(b\)](#).

## Securities and Exchange Commission v. Liu, Not Reported in F.Supp.3d (2016)

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## V.

IT IS FURTHER ORDERED that Defendants Liu, Wang, Pacific Proton, PPEB5 Fund and Beverly Proton, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily restrained and enjoined from, directly or indirectly, participating in the offer or sale of any security which constitutes an investment in a “commercial enterprise” under the United States Government EB-5 visa program administered by the United States Citizenship and Immigration Service (“USCIS”), including engaging in activities with a broker, dealer, or issuer, or a Regional Center designated by the USCIS, for purposes of issuing, offering, trading, or inducing or attempting to induce the purchase or sale of any such EB-5 investment.

## VI.

\*3 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, Defendants Liu, Wang, Pacific Proton, PPEB5 Fund and Beverly Proton, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert with them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily restrained and enjoined from, directly or indirectly, transferring, assigning,

BANK NAME	ACCOUNT NAME	ACCOUNT NO.
Bank of America, N.A.	Charles Liu	unknown
J.P. Morgan Chase Bank, N.A.	Charles Liu	xxxxx3076
J.P. Morgan Chase Bank, N.A.	Charles Liu	xxxxx1055

selling, hypothecating, changing, wasting, dissipating, converting, concealing, encumbering, or otherwise disposing of, in any manner, any funds, assets, securities, claims or other real or personal property, including any notes or deeds of trust or other interest in real property, wherever located, of any one of the Defendants, or their subsidiaries or affiliates, owned by, controlled by, managed by or in the possession or custody of any of them and from transferring, encumbering dissipating, incurring charges or cash advances on any debit or credit card of the credit arrangement of any one of the Defendants, or their subsidiaries and affiliates.

## VII.

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, the freeze, previously ordered by the TRO, shall remain in place on all monies and assets (with an allowance for necessary and reasonable living expenses to be granted only upon good cause shown by application to the Court with notice to and an opportunity for the SEC to be heard) in all accounts at any bank, financial institution or brokerage firm, or third-payment payment processor, all certificates of deposit, and other funds or assets, held in the name of, for the benefit of, or over which account authority is held by Defendants Liu, Wang, Pacific Proton, PPEB5 Fund and Beverly Proton, or by United Damei Group, United Damei Investment Company, Ltd. and/or Beijing Pacific Damei Consulting Co. Ltd. (collectively, “UDG”), including but not limited to the accounts listed below:

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J.P. Morgan Chase Bank, N.A.	Xin Wang	xxxxx3983
J.P. Morgan Chase Bank, N.A.	Pacific Proton Therapy Regional Center, LLC	xxxxx6428
J.P. Morgan Chase Bank, N.A.	Pacific Proton EB-5 Fund, LLC	xxxxx1028
J.P. Morgan Chase Bank, N.A.	Los Angeles County Proton Therapy, LLC	xxxxx5152
J.P. Morgan Chase Bank, N.A.	United MPH Ventures, LLC	xxxxx7035
J.P. Morgan Chase Bank, N.A.	MP Medical Hotel, Inc.	xxxxx9018
J.P. Morgan Chase Bank, N.A.	SC MPH Fund, LP	xxxxx2522
J.P. Morgan Chase Bank, N.A.	SC MPH Management, LLC	xxxxx2978
Citibank, N.A.	Charles Liu	xxxxxxx0486
East West Bank	Pacific Proton Regional Center LLC by Atlantic Escrow Corporation as escrow agent	xxxx9509
Industrial and Commercial Bank of China	United Damei Group	unknown
Industrial and Commercial Bank of China	Beijing Pacific Damei Consulting Co., Ltd.	unknown
Wells Fargo Bank, N.A.	Xin Wang	xxxxxx9793

China Merchants Bank Co. Ltd., Hong Kong	unknown	unknown
Bank of America N.A. /0959 A/C: Grenada Co-operative Bank Limited, St. Georges, Grenada	unknown	unknown

Any bank, financial institution or brokerage firm, or third-party payment processor holding such monies and assets described above shall hold and retain within their control and prohibit the withdrawal, removal, transfer or other disposal of any such funds or other assets except as otherwise ordered by this Court.

branch address and account number. The accounting shall include a description of the sources of all such assets. Such accounting shall be filed with the Court-appointed Monitor and a copy shall be delivered to the SEC to the attention of John Berry, counsel for the SEC. After completion of the accounting, each of the Defendants shall produce to the SEC, at a time agreeable to the SEC, all books, records and other documents supporting or underlying their accounting.

#### VIII.

IT IS FURTHER ORDERED that, within ten days from the date of this Order, Defendants Liu and Wang, any bank, financial institution or brokerage firm, and each of them, shall transfer to the accounts of the Court-appointed Monitor, funds and other property held in foreign locations in the name of any Defendant or UDG, or for the benefit or under the direct or indirect control of any of them, or over which any of them exercises control or signatory authority, that is equal to the value of all funds transferred by investors, whether by wire transfer, third-party payment processor or otherwise, at the direction of Defendants Liu or Wang, or any of their agents, representatives or accredited advisors.

#### IX.

\*4 IT IS FURTHER ORDERED that Defendants, within five days of the issuance of this Order, shall prepare and deliver to the SEC a detailed and complete schedule of all of their respective assets, including all real and personal property exceeding \$5,000 in value, and all bank, securities, and other accounts identified by institution,

#### X.

IT IS FURTHER ORDERED that any person who receives actual notice of this Order by personal service or otherwise, and who holds, possesses or controls assets exceeding \$5,000 for the account or benefit of any one of the Defendants, shall within five days of receiving actual notice of this Order provide the Court-appointed Monitor and counsel for the SEC with a written statement identifying all such assets, the value of such assets, or best approximation thereof, and any account numbers or account names in which the assets are held.

#### XI.

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, each of the Defendants Liu, Wang, Pacific Proton, PPEB5 Fund and Beverly Proton, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive

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actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily restrained and enjoined from, directly or indirectly: destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, any documents, which includes all books, records, computer programs, computer files, computer printouts, contracts, emails, correspondence, memoranda, brochures, or any other documents of any kind in their possession, custody or control, however created, produced, or stored (manually, mechanically, electronically, or otherwise), pertaining in any manner to Defendants Liu, Wang, Pacific Proton, PPEB5 Fund and Beverly Proton.

**XII.**

IT IS FURTHER ORDERED that copies of this Order may be served by facsimile, email, hand-delivery, personal or overnight delivery, or U.S. Mail, by agents and employees of the SEC or any state or federal law enforcement agency or by private process server, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or

assets of any Defendant, or that may otherwise be subject to any provision of this Order. Service upon any branch or office of any financial institution shall effect service upon the entire Financial Institution.

**XIII.**

IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this action for the purpose of implementing and carrying out the terms of all orders and decrees which may be entered herein and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

IT IS SO ORDERED, this date of July 11, 2016 at 11:00 a.m, Pacific Standard Time.

**All Citations**

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