UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA

Securities and Exchange Comission v. Eng Taing and Touzi Capital, LLC

SEC v. Eng Taing · No. 3:24-cv-02179-CAB-VET · Decided April 17, 2025

SUMMARY

The United States District Court for the Southern District of California denied Vince Faridani's motion to intervene as of right in the Securities and Exchange Commission's enforcement action against Eng Taing and Touzi Capital, LLC. The court held that although Faridani had a significantly protectable investment interest, he failed to show that the SEC inadequately represented his interests.

CASE DETAILS

COURT	United States District Court for the Southern District of California
WRITING FOR THE COURT	Cathy Ann Bencivengo
JURISDICTION	United States District Court for the Southern District of California
DECIDED	April 17, 2025
DOCKET	3:24-cv-02179-CAB-VET
DISPOSITION	other
PROCEDURAL POSTURE	Proposed intervenor Vince Faridani moved to intervene as a matter of right under Federal Rule of Civil Procedure 24(a) in the SEC's enforcement action against Eng Taing and Touzi Capital, LLC.
STANDARD OF REVIEW	A proposed intervenor bears the burden of satisfying all four requirements for intervention as of right under Rule 24(a): timeliness, a significantly protectable interest, potential impairment of the interest, and inadequate representation. Failure to satisfy any one requirement is fatal.
PRECEDENTIAL VALUE	unpublished district court order
PARTIES	Securities and Exchange Commission

TOPICS

intervention · civil procedure · commercial litigation · remedies

PRACTICE AREAS

civil procedure · securities enforcement · commercial litigation · remedies

QUESTIONS PRESENTED

1. Whether Faridani satisfied the requirements for intervention as of right under Federal Rule of Civil Procedure 24(a).
2. Whether Faridani showed that the SEC inadequately represented his interest when he and the SEC shared the ultimate objective of maximizing distributions to defrauded investors and deterring future fraud.

HOLDINGS

1. Faridani demonstrated a significantly protectable interest because his claimed investment was a legally protected property interest directly related to the SEC's claims concerning allegedly ill-gotten gains.
2. Faridani failed to establish inadequate representation because he shared the SEC's ultimate objective and made only conclusory assertions that the SEC would not adequately protect his interests.
3. The motion to intervene was denied because Faridani failed to satisfy the inadequate-representation requirement of Rule 24(a).

KEY QUOTATIONS

> *"An applicant's failure to satisfy any one of the requirements is fatal to the application, and [the court] need not reach the remaining elements if one of the elements is not satisfied."* (2)

> *"The "most important factor . . . is how the [proposed intervenor's] interest compares with the interests of existing parties.""* (2)

> *"As Faridani shares the same ultimate objective as the SEC, he must show that the SEC's representation will be inadequate."* (3)

FACTUAL BACKGROUND

The SEC brought an enforcement action alleging fraud by Eng Taing and Touzi Capital, LLC, including false representations to investors about the use of investor funds and the company's investment business. Touzi Capital allegedly collapsed, and investors were unable to communicate with the company or Taing. Faridani claimed a personal financial interest arising from his investments and sought intervention to protect his investment, preserve Defendants' assets, and obtain an equitable recovery.

PROCEDURAL HISTORY

The SEC filed an enforcement complaint alleging that Defendants made false representations to investors concerning the use of investor funds and their investment business. Faridani, an investor, moved to intervene to protect his claimed financial interest. The district court denied the motion, concluding that although Faridani established a significantly protectable interest, he failed to show that the SEC inadequately represented that interest.

DISPOSITION

other

CASES CITED

- Callahan v. Brookdale Senior Living Cmtys., Inc., 42 F.4th 1013, 1020 (9th Cir. 2022)
- W. Watersheds Project v. Haaland, 22 F.4th 828, 835 (9th Cir. 2022)
- Perry v. Schwarzenegger, 630 F.3d 898, 903 (9th Cir. 2011)
- Citizens for Balanced Use v. Montana Wilderness Ass’n, 647 F.3d 893, 897 (9th Cir. 2011)
- Northwest Forest Resource Council v. Glickman, 82 F.3d 825, 837 (9th Cir. 1996)
- Dickman v. Comm’r, 465 U.S. 330, 336 (1984)
- Dilks v. Aloha Airlines, 642 F.2d 1155, 1157 (9th Cir. 1981)
- Shinault v. Hawks, 782 F.3d 1053, 1057 (9th Cir. 2015)
- Arakaki v. Cayetano, 324 F.3d 1078, 1086 (9th Cir. 2003)
- Sec. & Exch. Comm’n v. Callahan, 193 F. Supp. 3d 177, 206 (E.D.N.Y. 2016)
- S.E.C. v. ABS Manager, LLC, No. 13-CV-319-GPC-JMA, 2013 WL 3752119, at *4 (S.D. Cal. July 15, 2013)
- SEC v. TLC Invest. & Trade Co., 147 F. Supp. 2d 1031, 1041 (C.D. Cal. 2001)
- U.S. Commodity Futures Trading Comm’n v. Efrosman, No. 05 CIV 8422 KMW, 2012 WL 2510338, at *4 (S.D.N.Y. June 26, 2012)
- S.E.C. v. Navin, 166 F.R.D. 435, 441 (N.D. Cal. 1995)

INSTRUCTIONS FOR AN AI ASSISTANT