

**UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA, WESTERN DIVISION**

Securities and Exchange Commission v. Brian Lam

Case No. 2:22-cv-06831-WLH-E (C.D. Cal. Mar. 10, 2025) · No. 2:22-cv-06831-WLH-E · Decided March 11,
2025

OPINION

Securities and Exchange Commission v. Brian Lam

PER CURIAM.

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8 UNITED STATES DISTRICT COURT

9 CENTRAL DISTRICT OF CALIFORNIA

10 Western Division 11 SECURITIES AND EXCHANGE Case No. 2:22-cv-06831-WLH-E

12 COMMISSION,

FINAL JUDGMENT AS TO

13 Plaintiff, DEFENDANT NATHAN NHAN

NGUYEN

14 v. 15

BRIAN LAM; NINESQUARE

16 CAPITAL PARTNERS LLC; NATHAN NHAN NGUYEN; and

17 NGUYEN GROUP LLC,

18 Defendants, 19 and 20 YI PING LU; and THY STACY

21 NGUYEN

22 Relief Defendants. 23 24 25 26 27 1 WHEREAS, on March 21, 2023 the Court entered a
bifurcated consent 2 judgment against Defendant Nathan Nhan Nguyen (“Defendant”) (Dkt No.
33), 3 ordering, among other relief which is replicated below, that upon motion of the 4 Securities
and Exchange Commission (“Commission”) Defendant shall pay 5 disgorgement of ill-gotten
gains and prejudgment interest thereon, and a civil penalty 6 pursuant to Section 20(d) of the
Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the
Securities Exchange Act of 1934 (the 8 “Exchange Act”) [15 U.S.C. § 78u(d)(3)], and the Court
having now considered the 9 SEC’s Partially Unopposed Motion for Monetary Relief Against
Defendants and 10 Relief Defendants, the supporting Memorandum of Points and Authorities, the
11 supporting declarations and exhibits, and the other evidence and argument presented 12 to the
Court, finds that: 13 I. 14 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that
Defendant is 15 permanently restrained and enjoined from violating Section 5 of the Securities
Act of 16 1933 (the “Securities Act”) [15 U.S.C. § 77e] by, directly or indirectly, in the absence 17
of any applicable exemption: 18 (a) Unless a registration statement is in effect as to a security,

making use of 19 any means or instruments of transportation or communication in 20 interstate commerce or of the mails to sell such security through the use 21 or medium of any prospectus or otherwise; 22 (b) Unless a registration statement is in effect as to a security, carrying or 23 causing to be carried through the mails or in interstate commerce, by any 24 means or instruments of transportation, any such security for the purpose 25 of sale or for delivery after sale; or 26 (c) Making use of any means or instruments of transportation or 27 communication in interstate commerce or of the mails to offer to sell or 1 any security, unless a registration statement has been filed with the 2 Commission as to such security, or while the registration statement is the 3 subject of a refusal order or stop order or (prior to the effective date of 4 the registration statement) any public proceeding or examination under

5 Section 8 of the Securities Act [15 U.S.C. § 77h].

6 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as

7 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also 8 binds the following who receive actual notice of this Final Judgment by personal 9 service or otherwise: (a) Defendant's officers, agents, servants, employees, and 10 attorneys; and (b) other persons in active concert or participation with Defendant or 11 with anyone described in (a). 12 II. 13 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is 14 permanently restrained and enjoined from violating, directly or indirectly, Section 15 15(a) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 16 78o(a)], by making use of the mails or any means or instrumentality of interstate 17 commerce to effect any transactions in, or to induce or attempt to induce the purchase 18 or sale of, any security (other than an exempted security or commercial paper, 19 bankers' acceptances, or commercial bills) without being associated with a broker or 20 dealer that is registered in accordance with Section 15(b) of the Exchange Act.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as

22 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also 23 binds the following who receive actual notice of this Final Judgment by personal 24 service or otherwise: (a) Defendant's officers, agents, servants, employees, and 25 attorneys; and (b) other persons in active concert or participation with Defendant or 26 with anyone described in (a). 27 1 III. 2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant to

3 Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)], Defendant is

4 permanently restrained and enjoined from directly or indirectly, including but not 5 limited to, through any entity owned or controlled by him, participating in the 6 issuance, purchase, offer, or sale of any security in an unregistered offering.

7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as

8 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also 9 binds the following who receive actual notice of this Final Judgment by personal 10 service or otherwise: (a) Defendant's officers, agents, servants, employees, and 11 attorneys; and (b) other persons in

active concert or participation with Defendant or 12 with anyone described in (a). 13 IV.

14 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that

15 Defendant is liable for \$0 in disgorgement, as determined by the Commission's 16 Motion, based on Defendant Nguyen's repayment of illicit funds. Defendant is 17 liable, however, for a civil penalty in the amount of \$1,000, with Defendant Nguyen 18 Group LLC liable for \$25,000 in civil penalties, pursuant to Section 21(d)(3) of the 19 Exchange Act [15 U.S.C. § 78u(d)(3)] and Section 20(d) of the Securities Act [15 20 U.S.C. § 77t(d)].¹ Defendant shall satisfy this obligation by paying \$1,000 to the 21 22 23 1 The SEC initially sought civil penalty amounts of \$11,524 from Defendant Nguyen 24 and \$115,231 from Defendant Nguyen Group LLC. (Mot. for Monetary Relief, Docket No. 52 at 12). Based, however, on Defendant Nguyen's uncontested 25 representation that he has spent upwards of \$200,000 towards making victims whole 26 in the last two years, the Court, in its discretion, reduced these amounts. See *S.E.C. v. RMR Asset Mgmt. Co.*, 553 F.Supp.3d 820, 828 (S.D. Cal. 2021) (exercising judicial 27 discretion to reduce civil penalties). The civil penalty amount, however, is not \$0, in 1 Securities and Exchange Commission within 30 days after entry of this Final 2 Judgment. 3 Defendant may transmit payment electronically to the Commission, which will 4 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also 5 be made directly from a bank account via Pay.gov through the SEC website at 6 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified 7 check, bank cashier's check, or United States postal money order payable to the 8 Securities and Exchange Commission, which shall be delivered or mailed to 9 Enterprise Services Center 10 Accounts Receivable Branch 11 6500 South MacArthur Boulevard 12 Oklahoma City, OK 73169 13 14 and shall be accompanied by a letter identifying the case title, civil action number, 15 and name of this Court; Brian Lam as a defendant in this action; and specifying that 16 payment is made pursuant to this Final Judgment. 17 Defendant shall simultaneously transmit photocopies of evidence of payment 18 and case identifying information to the Commission's counsel in this action. By 19 making this payment, Defendant relinquishes all legal and equitable right, title, and 20 interest in such funds and no part of the funds shall be returned to Defendant. 21 The Commission may enforce the Court's judgment for disgorgement and 22 prejudgment interest by using all collection procedures authorized by law, including, 23 but not limited to, moving for civil contempt at any time after 30 days following entry 24 of this Final Judgment. 25 The Commission may enforce the Court's judgment for penalties by the use of 26 all collection procedures authorized by law, including the Federal Debt Collection 27 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the 1 interest on any amounts due after 30 days of the entry of this Final Judgment pursuant 2 to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest 3 and income earned thereon (collectively, the "Fund"), pending further order of the 4 Court. 5 The Commission may propose a plan to distribute the Fund subject to the 6 Court's approval. Such a plan may provide that the Fund shall be distributed pursuant 7 to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The 8 Court shall

retain jurisdiction over the administration of any distribution of the Fund 9 and the Fund may only be disbursed pursuant to an Order of the Court. 10 Regardless of whether any such Fair Fund distribution is made, amounts 11 ordered to be paid as civil penalties pursuant to this Final Judgment shall be treated as 12 penalties paid to the government for all purposes, including all tax purposes. To 13 preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or 14 reduction of any award of compensatory damages in any Related Investor Action 15 based on Defendant's payment of disgorgement in this action, argue that he is entitled 16 to, nor shall he further benefit by, offset or reduction of such compensatory damages 17 award by the amount of any part of Defendant's payment of a civil penalty in this 18 action ("Penalty Offset"). If the court in any Related Investor Action grants such a 19 Penalty Offset, Defendant shall, within 30 days after entry of a final order granting 20 the Penalty Offset, notify the Commission's counsel in this action and pay the amount 21 of the Penalty Offset to the United States Treasury or to a Fair Fund, as the 22 Commission directs. Such a payment shall not be deemed an additional civil penalty 23 and shall not be deemed to change the amount of the civil penalty imposed in this 24 Final Judgment. For purposes of this paragraph, a "Related Investor Action" means a 25 private damages action brought against Defendant by or on behalf of one or more 26 investors based on substantially the same facts as alleged in the Complaint in this 27 action. 1 V. 2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for 3 || purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 4 || 11 U.S.C. § 523, the allegations in the complaint are true and admitted by Defendant, 5 further, any debt for disgorgement, prejudgment interest, civil penalty or other 6 amounts due by Defendant under this Final Judgment or any other judgment, order, 7 consent order, decree or settlement agreement entered in connection with this 8 || proceeding, is a debt for the violation by Defendant of the federal securities laws or 9 || any regulation or order issued under such laws, as set forth in Section 523(a) (19) of 10 Bankruptcy Code, 11 U.S.C. § 523(a)(19). 11 VI. 12 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court 13 retain jurisdiction of this matter for the purposes of enforcing the terms of this 14 || Final Judgment. 15 VII. 16 There being no just reason for delay, pursuant to Rule 54(b) of the Federal 17 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith 18 || and without further notice. 19 20 || Dated: March 10, 2025 21 tha

0 HON. WESLEY L. HSU

33 UNITED STATES DISTRICT JUDGE

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