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9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **SOUTHERN DIVISION**

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 TG CAPITAL LLC, a Nevada limited
liability company, THANH VIET
17 "JEREMY" CAO, an individual, and
LODAVINA GROSNICKLE, an individual,

18 Defendants.
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Case No. SACV07-579 CJC (ANx)

**[PROPOSED] JUDGMENT OF
PERMANENT INJUNCTION,
DISGORGEMENT AND CIVIL
PENALTIES BY DEFAULT
AGAINST DEFENDANT THANH
VIET "JEREMY" CAO**

1 This matter came on for hearing on the Motion by Plaintiff Securities and
2 Exchange Commission (“Commission”) for Entry of a Default Judgment against
3 Defendant Thanh Viet “Jeremy” Cao (“Cao” or “Defendant”), made pursuant to
4 Fed. R. Civ. P. 55(b)(2). The Commission filed its motion following entry by the
5 Clerk on July 13, 2007, of a Default against Cao pursuant to Fed. R. Civ. P. 55(a),
6 based on his failure to plead or otherwise defend this action. Although served with
7 the Commission’s motion papers, Cao has not opposed or otherwise responded to
8 the motion.

9 Accordingly:

10 **I.**

11 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
12 and Defendant’s agents, servants, employees, attorneys, and all persons in active
13 concert or participation with them who receive actual notice of this Judgment by
14 personal service or otherwise are permanently restrained and enjoined from
15 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of
16 1934 (the “Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
17 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of
18 interstate commerce, or of the mails, or of any facility of any national securities
19 exchange, in connection with the purchase or sale of any security:

- 20 (a) to employ any device, scheme, or artifice to defraud;
- 21 (b) to make any untrue statement of a material fact or to omit to state a
22 material fact necessary in order to make the statements made, in the
23 light of the circumstances under which they were made, not
24 misleading; or
- 25 (c) to engage in any act, practice, or course of business which operates or
26 would operate as a fraud or deceit upon any person.

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II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant’s agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are 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.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that paragraphs V through IX of the Preliminary Injunction, which impose an asset freeze, require the preservation of evidence, require the repatriation of funds, and impose certain other requirements, shall continue to apply to Defendant and remain in full force and effect until further order of this Court, and the entirety of the Preliminary Injunction shall remain in full force and effect with respect to other defendants until further order of this Court.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay disgorgement of \$15,263,804.22, representing profits gained as a result of the conduct alleged in the Complaint, together with

1 prejudgment interest thereon in the amount of \$3,663,999.69, for a total of
2 \$18,927,803.91. Defendant shall make this payment within 14 days after entry of
3 this Final Judgment by certified check, bank cashier's check, or United States
4 postal money order payable to the Securities and Exchange Commission. The
5 payment shall be delivered or mailed to the Office of Financial Management,
6 Securities and Exchange Commission, Operations Center, 6432 General Green
7 Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a
8 letter identifying Thanh Viet "Jeremy" Cao as a defendant in this action; setting
9 forth the title and civil action number of this action and the name of this Court; and
10 specifying that payment is made pursuant to this Final Judgment. Defendant shall
11 pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.
12 The Commission shall remit the funds paid pursuant to this paragraph to the United
13 States Treasury. Defendant's disgorgement obligation shall be deemed satisfied to
14 the extent that he pays sums due and payable under any Order of Restitution
15 entered against him in the matter of United States v. Cao, Criminal Case No. 3:10-
16 cr-02217-LAB. The Commission may enforce the Court's judgment for
17 disgorgement and prejudgment interest by moving for civil contempt (and/or
18 through other collection procedures authorized by law) at any time after 14 days
19 following entry of this Final Judgment. In response to any such civil contempt
20 motion by the Commission, the defendant may assert any legally permissible
21 defense.

22 **V.**

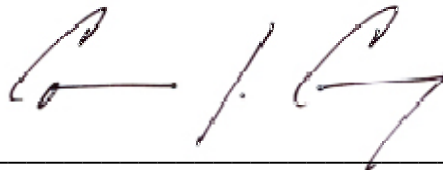
23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
24 Defendant shall pay a civil penalty in the amount of \$260,000.00 pursuant to
25 Section 20(d)(1) of the Securities Act, 15 U.S.C. § 77t(d)(1), and Section
26 21(d)(3)(A) of the Exchange Act, 15 U.S.C. § 78u(d)(3)(A). Defendant shall make
27 this payment within 14 days after entry of this Final Judgment by certified check,
28 bank cashier's check, or United States postal money order payable to the Securities

1 and Exchange Commission. The payment shall be delivered or mailed to the
2 Office of Financial Management, Securities and Exchange Commission,
3 Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia
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6 action and the name of this Court; and specifying that payment is made pursuant to
7 this Final Judgment. Defendant shall pay post-judgment interest on any delinquent
8 amounts pursuant to 28 USC § 1961. The Commission shall remit the funds paid
9 pursuant to this paragraph to the United States Treasury.

10 **VI.**

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this
12 Court shall retain jurisdiction of this matter and over this Defendant for the
13 purposes of enforcing the terms of this Judgment.

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17 Dated: May 9, 2011



18 HONORABLE CORMAC J. CARNEY
19 UNITED STATES DISTRICT JUDGE
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