

JS-6

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

IMRAN HUSAIN and GREGG EVAN
JACLIN,

Defendants.

Case No. 2:16-cv-03250-ODW-E

**FINAL JUDGMENT AS TO
DEFENDANT IMRAN HUSAIN**

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1 This matter came before the Court upon Plaintiff Securities and Exchange
2 Commission's (the "SEC's" or the "Commission's") Motion for Summary Judgment
3 against Defendant Imran Husain ("Defendant" or "Husain"), made under Fed. R. Civ.
4 P. 56 (Dkt. No. 97).

5 On March 25, 2021, the Court entered its Order Granting in Part and Denying
6 in Part Plaintiff's Motion for Summary judgment; and Denying Defendant's Motion
7 for Partial Summary Judgment (Dkt. No. 122) (the "Summary Judgment Order").
8 Having considered the memoranda and evidence filed by the parties, and all other
9 argument and evidence presented to it, pursuant to the Court's Summary Judgment
10 Order, and good cause appearing therefor:

11 **I.**

12 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
13 permanently restrained and enjoined from violating, directly or indirectly,
14 Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15
15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by
16 using any means or instrumentality of interstate commerce, or of the mails, or of any
17 facility of any national securities exchange, in connection with the purchase or sale of
18 any security:

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

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
26 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
27 binds the following who receive actual notice of this Judgment by personal service or
28 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and

1 (b) other persons in active concert or participation with Defendant or with anyone
2 described in (a).

3 **II.**

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
5 Defendant is permanently restrained and enjoined from violating Section 17(a) of the
6 Securities Act of 1933 (the "Securities Act") [[15 U.S.C. § 77q\(a\)](#)] in the offer or sale
7 of any security by the use of any means or instruments of transportation or
8 communication in interstate commerce or by use of the mails, directly or indirectly:

9 (a) to employ any device, scheme, or artifice to defraud;

10 (b) to obtain money or property by means of any untrue statement of a
11 material fact or any omission of a material fact necessary in order to make the
12 statements made, in light of the circumstances under which they were made,
13 not misleading; or

14 (c) to engage in any transaction, practice, or course of business which
15 operates or would operate as a fraud or deceit upon the purchaser.

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
17 provided in [Federal Rule of Civil Procedure 65\(d\)\(2\)](#), the foregoing paragraph also
18 binds the following who receive actual notice of this Judgment by personal service or
19 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and
20 (b) other persons in active concert or participation with Defendant or with anyone
21 described in (a).

22 **III.**

23 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
24 Defendant is permanently restrained and enjoined from violating Section 5 of the
25 Securities Act [[15 U.S.C. § 77e](#)] by, directly or indirectly, in the absence of any
26 applicable exemption:

27 (a) Unless a registration statement is in effect as to a security, making use of
28 any means or instruments of transportation or communication in

1 interstate commerce or of the mails to sell such security through the use
2 or medium of any prospectus or otherwise;

3 (b) Unless a registration statement is in effect as to a security, carrying or
4 causing to be carried through the mails or in interstate commerce, by any
5 means or instruments of transportation, any such security for the purpose
6 of sale or for delivery after sale; or

7 (c) Making use of any means or instruments of transportation or
8 communication in interstate commerce or of the mails to offer to sell or
9 offer to buy through the use or medium of any prospectus or otherwise
10 any security, unless a registration statement has been filed with the
11 Commission as to such security, or while the registration statement is the
12 subject of a refusal order or stop order or (prior to the effective date of
13 the registration statement) any public proceeding or examination under
14 Section 8 of the Securities Act [[15 U.S.C. § 77h](#)].

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
16 provided in [Federal Rule of Civil Procedure 65\(d\)\(2\)](#), the foregoing paragraph also
17 binds the following who receive actual notice of this Judgment by personal service or
18 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and
19 (b) other persons in active concert or participation with Defendant or with anyone
20 described in (a).

21 **IV.**

22 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
23 Defendant is prohibited, for seven (7) years following the date of entry of this Final
24 Judgment, from participating in an offering of penny stock, including engaging in
25 activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing
26 or attempting to induce the purchase or sale of any penny stock. A penny stock is any
27 equity security that has a price of less than five dollars, except as provided in Rule
28 3a51-1 under the Exchange Act [[17 C.F.R. 240.3a51-1](#)].

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V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited, for seven (7) years following the date of entry of this Final Judgment, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant shall pay a civil penalty in the amount of \$1,757,000, pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant shall make the required payment within 14 days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Husain as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. A copy of the letter and payment shall be simultaneously served on counsel for the Commission in this action. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,

1 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant,
2 and further, any debt for disgorgement, prejudgment interest or other amounts due by
3 Defendant under this Judgment or any other judgment, order, consent order, decree or
4 settlement agreement entered in connection with this proceeding, is a debt for the
5 violation by Defendant of the federal securities laws or any regulation or order issued
6 under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C.
7 §523(a)(19).

8 **VIII.**

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the claims
10 in the SEC's Complaint against Husain for secondary, aiding and abetting violations
11 of the securities laws (Claims 2, 5, 8-10) are dismissed as moot.

12 **IX.**

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the SEC's
14 request for disgorgement against Husain is denied.

15 **X.**

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

19 **XI.**

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

23
24 Dated: April 5, 2021

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27 HONORABLE OTIS D. WRIGHT, II
28 UNITED STATES DISTRICT JUDGE

PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION,
444 S. Flower Street, Suite 900, Los Angeles, California 90071
Telephone No. (323) 965-3998; Facsimile No. (213) 443-1904.

On March 31, 2021, I caused to be served the document entitled **[PROPOSED] FINAL JUDGMENT AS TO DEFENDANT IMRAN HUSAIN** on all the parties to this action addressed as stated on the attached service list:

OFFICE MAIL: By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency’s practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

PERSONAL DEPOSIT IN MAIL: By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

EXPRESS U.S. MAIL: Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

HAND DELIVERY: I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

UNITED PARCEL SERVICE: By placing in sealed envelope(s) designated by United Parcel Service (“UPS”) with delivery fees paid or provided for, which I deposited in a facility regularly maintained by UPS or delivered to a UPS courier, at Los Angeles, California.

ELECTRONIC MAIL: By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

E-FILING: By causing the document to be electronically filed via the Court’s CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

FAX: By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

I declare under penalty of perjury that the foregoing is true and correct.

Date: March 31, 2021

/s/ Amy Jane Longo
AMY JANE LONGO

1 ***SEC v. IMRAN HUSAIN and GREGG EVAN JACLIN***
2 **United States District Court—Central District of California**
3 **Case No. 2:16-CV-03250-ODW-E**

4 **SERVICE LIST**

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