

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

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UNITED STATES SECURITIES AND	:	
EXCHANGE COMMISSION,	:	
	:	Case No. 17-875
Plaintiff,	:	
	:	
vs.	:	
	:	FILED UNDER SEAL
YU-CHENG LIN, a/k/a BELIEVE LIN,	:	
	:	
Defendant.	:	
_____	:	

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

On the *ex parte* motion of Plaintiff U.S. Securities and Exchange Commission (the “Commission”) for a Temporary Asset Freeze, Order to Show Cause, and Other Relief (the “Motion”), the Commission seeks an order against the defendant Yu-Cheng Lin (the “Defendant”): (i) temporarily freezing Defendant’s assets (both known and unknown); (ii) ordering Defendant to show cause why a preliminary injunction freezing such assets should not be entered; (iii) requiring the repatriation of assets; (iv) prohibiting Defendant from destroying, altering, or concealing records of any kind; (v) authorizing alternative means for service of process; and (vi) ordering expedited discovery.

The Court has considered the Complaint, the Commission’s Motion and supporting Memorandum of Law, the Declaration of Daniel L. Koster and the attachments to that declaration, and the Declaration of A. Kristina Littman.

Based on the forgoing documents, the Court finds that a proper showing, as required by Section 21(d) of the Securities Exchange Act of 1934 (“Exchange Act”), has been made for the relief granted herein, for the following reasons:

1. It appears from the evidence presented that there is a likelihood that Defendant violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, by improperly obtaining material nonpublic information and trading in securities based on that information.

2. It appears from the evidence presented that an order freezing Defendant’s assets, including but not limited to assets located at the financial institutions identified below, is necessary to preserve the status quo and to protect the Court’s ability to award relief in the form of disgorgement of illegal profits from the violations, prejudgment interest, and civil penalties.

3. It appears that an order directing Defendant to repatriate assets to the United States is necessary to protect this Court’s ability to award relief in the form of disgorgement of illegal profits from the violations, prejudgment interest, and civil penalties.

4. It appears that an order prohibiting Defendant from destroying, altering, or concealing records of any kind, including documents concerning the allegations in the Complaint or the assets or finances of Defendant, is necessary to ensure compliance with the asset freeze imposed and to protect the integrity of this litigation.

5. It appears that an order directing expedited discovery is necessary due to the expedited nature of these proceedings.

6. Good and sufficient reasons have been shown why a procedure other than by notice of motion is necessary. It is appropriate for the Court to issue this Order *ex parte* so that prompt service on appropriate financial institutions can be made first, thus preventing the dissipation of assets.

7. It appears that the Commission is unable to serve the Defendant through means agreed upon by the Hague Convention or authorized under the Federal Rules of Civil Procedure, and it is appropriate to authorize service by alternative means that comports with constitutional notions of due process. The alternative means of service proposed by the Commission are reasonably calculated, under all the circumstances, to apprise the Defendant of the pendency of the action and afford him an opportunity to present his objections.

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

I.

IT IS HEREBY ORDERED that, pending further order of this Court, Defendant and his officers, agents, servants, employees, and those persons in active concert or participation with him who receive actual notice of this Order in accordance with this Order, including but not limited to Saxo Capital Markets HK Ltd. Account No. *282, Saxo Bank A/S Account No. *282, Scottrade Inc. Account No. *0866, HSBC Bank (Taiwan) Ltd. Account No. *3821, HSBC Holdings plc Account No.*3821, and Taishin International Bank Account No.*7268, hold and retain within their control and otherwise prevent any withdrawal, transfer, pledge, encumbrance, assignment, dissipation, concealment or other disposal of any assets in their possession, custody or control in accounts maintained in the name of or for the benefit of Defendant. To the extent that a financial institution holds an account for Defendant that contains options or contracts-for-difference, the financial institution shall exercise business judgment to close or sell the position and/or take other reasonable steps to preserve the value of Defendant's accounts and to prevent dissipation of the assets.

II.

IT IS FURTHER ORDERED that Defendant show cause, if there be any, to this Court at **1:00 P.M. on FEBRUARY 24, 2017**, in Room 5D of the Martin Luther King Building and United States Courthouse, 50 Walnut Street, Newark, New Jersey 07101, why this Court should not enter a preliminary injunction extending the asset freeze and other ancillary relief entered in this Order until final adjudication of this case on the merits.

III.

IT IS FURTHER ORDERED that Defendant and each of his officers, agents, servants, employees and attorneys, and those persons in active concert or participation with him 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 **FOUR (4) 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 the illegal trading.

IV.

IT IS FURTHER ORDERED that Defendant, and all persons or entities acting at his direction or on his behalf, are hereby enjoined and restrained from destroying, altering, concealing, or otherwise interfering with the Commission's access to, any and all documents, books, and records in the possession, custody, or control of Defendant, his agents, officers, employees, servants, accountants, financial or brokerage institutions, or attorneys relating to the assets of Defendant or to the allegations of the Complaint.

V.

IT IS FURTHER ORDERED that a copy of this Order and the papers supporting the Commission's motion shall be served on Defendant or his attorney, who agrees to accept service on his behalf, and that in addition to the methods of service described in Rule 4(f) of the Federal Rules of Civil Procedure, the Commission may serve this Order and the papers supporting the Commission's Motion by means reasonably calculated to provide notice, including but not limited to personal delivery, facsimile, overnight or express courier, email or first-class mail, and service on Defendant's respective financial institutions, who shall forward these documents to Defendant at the addresses (including email) on file. Service shall include, but not be limited, to service to Defendant's Mailing Address, Defendant's Residential Address, Defendant's Yahoo Email Account, or Defendant's Gmail Account as discussed in the Complaint or to the addresses (including email) that the financial institution sends communications to Defendant in the normal course of business.

To the extent the exhibits to any papers supporting the Commission's Motion are too large to reasonably serve by email, the financial institutions and the Commission may serve the complete package by overnight courier or first-class mail and/or the Order and papers without exhibits by email with a notice that Defendant may request the exhibits.

VI.

IT IS FURTHER ORDERED that Defendant shall deliver any opposing papers in response to the Order to Show Cause by no later than **FEBRUARY 17, 2017, at Noon** Eastern Time. Service shall be made by delivering the papers, using the most expeditious means available, by that date and time, to A. Kristina Littman, 100 F Street, N.E., Washington, DC 20549-5977, phone number (202) 551-7378, or such other place as counsel for the Commission

may direct in writing. The Commission may have until **FEBRUARY 21, 2017**, at noon Eastern Time, to serve, by the most expeditious means available, any reply papers upon Defendant or his counsel, if counsel shall have made an appearance in this action.

VII.

IT IS FURTHER ORDERED that a copy of this Order shall be served on the financial institutions identified above by personal delivery, facsimile, overnight courier, email or first class mail, and may be served by such means on any other entity or person that may have possession, custody or control of any documents or assets of the Defendant, or may be subject to any provision of this Order, and that representatives of the Commission are specially appointed by this Court to effect service.

VIII.

IT IS FURTHER ORDERED that in lieu of the time periods, notice provisions, and other requirements of Rules 26, 30, 33, 34, 36 and 45 of the Federal Rules of Civil Procedure and the Local Rules of this Court, certain discovery shall proceed of the following expedited basis: (i) the Commission is authorized to take depositions upon oral examination subject to three (3) days' notice pursuant to Rule 30(a) of the Federal Rules of Civil Procedure; (ii) all depositions in this action, unless properly noticed to take place elsewhere, shall be taken within the United States; (iii) pursuant to Rules 29, 33, 34 and 36 of the Federal Rules of Civil Procedure, Defendant shall respond to five interrogatories and ten requests for admission by the Commission within five (5) days of service of such request and produce documents requested by the Commission within ten (10) days of service of such request; (iv) the Commission is authorized to request the production of documents from Ubiquiti Networks Inc., Lin's Current Employer, and Scottrade Inc., each of which shall produce documents requested by the

Commission within seven (7) days of service of such request; (v) the Commission is authorized to request the production of documents from HSBC Bank (Taiwan) Ltd., in compliance with the Right to Financial Privacy Act of 1978 [12 U.S.C. §§ 3401-3422]; and (vi) all written responses to the Commission's discovery requests shall be delivered to A. Kristina Littman, 100 F Street, N.E., Washington, DC 20549-5977, phone number (202) 551-7378, or such other place as counsel for the Commission may direct in writing, by overnight delivery.

Dated: February 9, 2017

/s/ Jose L. Linares
UNITED STATES DISTRICT JUDGE