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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

RICHARD VU NGUYEN, A/K/A
NGUYEN THANH VU, and NTV
FINANCIAL GROUP, INC.,

Defendants,

and

MAI DO,

Relief Defendant.

Case No.

COMPLAINT

(FILED UNDER SEAL)

Plaintiff Securities and Exchange Commission ("SEC") alleges:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this action pursuant to Sections 20(b),

FILED

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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

BY: _____

SA CV19-1174-AG (KESx)

1 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§
2 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27(a) of the
3 Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),
4 78u(d)(3)(A), 78u(e) & 78aa(a), and Sections 209(d), 209(e)(1) and 214 of the
5 Investment Advisers Act of 1940 (“Advisers Act”), 15 U.S.C. §§ 80b-9(d), 80b-
6 9(e)(1) & 90b-14.

7 2. Defendants have, directly or indirectly, made use of the means or
8 instrumentalities of interstate commerce, of the mails, or of the facilities of a national
9 securities exchange in connection with the transactions, acts, practices and courses of
10 business alleged in this complaint.

11 3. Venue is proper in this district pursuant to Section 22(a) of the Securities
12 Act, 15 U.S.C. § 77v(a), and Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a)
13 because certain of the transactions, acts, practices and courses of conduct constituting
14 violations of the federal securities laws occurred within this district. In addition,
15 venue is proper in this district because defendant Richard Vu Nguyen a/k/a Nguyen
16 Thanh Vu (“Nguyen”) resides in this district and defendant NTV Financial Group,
17 Inc. (“NTV Financial”) (collectively with Nguyen, “Defendants”) has its principal
18 place of business in this district.

19 **SUMMARY**

20 4. This action is to halt an ongoing fraud being perpetrated by defendant
21 NTV Financial and its founder, executive director and president, defendant Richard
22 Nguyen, a/k/a Nguyen Thanh Vu. Defendants target primarily Vietnamese speaking
23 individuals living in California and elsewhere, to lure them into investing into, among
24 other things, two fraudulent investments: a purported fund that traded stocks and
25 options, and the chance to have Nguyen personally manage a client’s brokerage
26 accounts.

27 5. Between February 2018 and March 2019, Defendants have raised about
28 \$2.4 million from at least 80 investors in the fund investment. Nguyen has also

1 convinced at least 30 clients to give him password access to their brokerage accounts
2 so that he can trade in them.

3 6. Defendants are luring investors into these investment scams using
4 websites, brochures, and radio and television advertisements on Vietnamese language
5 stations. Defendants claim, among other things, that they can guarantee investors “no
6 loss” of their principal investment and that investors can fully redeem their principal
7 investment at any time. Defendants further claim that Nguyen has extensive
8 experience managing investments, including having worked at Goldman Sachs
9 (“Goldman”) as a fund manager, and that his accounts have never suffered any losses.
10 According to Nguyen, his trading regime is so effective that other investment firms
11 want to use it, including Goldman, which he says has a contract to use his trading
12 formulas.

13 7. Nguyen even talked to an undercover agent for the Federal Bureau of
14 Investigation (“FBI”), whom he thought was a prospective investor, and in that
15 recorded conversation told the agent that he had a track record of earning 1,000%
16 annual returns.

17 8. As for the fund, it is pure fiction. Though Defendants call it the
18 “Nguyen Tran Le Fund” (“NTLF Fund” or the “Fund”), there is no entity with that
19 name. In fact, there is no entity at all. Instead, the investor money Defendants raised
20 to invest in that so-called fund is held in accounts in the name of NTV Financial,
21 Nguyen, and/or his girlfriend, relief defendant Mai Do (“Relief Defendant” or “Do”).

22 9. Since inception, the Fund’s performance has suffered significantly due
23 to realized and unrealized trading losses. Every quarter since its formation, the net
24 amount invested in the Fund has exceeded the market value of the fund’s holdings.
25 As of March 2019, the assets of the NTLF Fund and of NTV Financial, including
26 their known bank accounts and brokerage accounts, totaled about \$1.6 million—far
27 below the over \$2 million invested by the investors.

28 10. Those losses have made it impossible for the Fund to make good on the

1 Defendants' guaranteed right of redemption. Defendants also continued to pay some
2 investors dividends and distributed quarterly statements suggesting that the Fund was
3 paying positive returns, all of which gave the false impression that the Fund was
4 performing well when, in fact, its performance had caused the Fund to be
5 undercapitalized, sometimes by as much as 69%.

6 11. The brokerage accounts managed by Nguyen have fared no better. As of
7 March 2019, 17 of the 30 clients who gave him access to trade in their accounts had
8 suffered trading losses totaling almost \$570,000.

9 12. To make matters worse, Nguyen is also an imposter, and not the
10 experienced investment adviser he makes himself out to be. Nguyen has never
11 worked at Goldman and Goldman has never contracted with Nguyen to use his
12 trading formulas.

13 13. In reality, Nguyen has racked up an extensive criminal history that he
14 has never disclosed to the Fund investors or brokerage account clients. In 2009, he
15 pleaded guilty to wire fraud and admitted that he participated in a scheme to use the
16 internet to intentionally mislead his victims into giving him money for an investment
17 fund. In 2012, Nguyen was convicted of felony dependent adult abuse in California
18 State Court. Nguyen has also been sanctioned twice by the California Department of
19 Corporations for securities related misconduct.

20 14. Defendants have also used investor money to pay NTV Financial's
21 unrelated business expenses or to pay Nguyen's and Do's personal expenses. Given
22 the Fund's market losses that have made it impossible to honor Defendants'
23 redemption guarantee, and the Fund's poor performance, the Defendants should not
24 have been able to take the profits from the Fund for themselves.

25 15. Defendants misappropriated about \$600,000 of investor money invested
26 in the Fund. Defendants operate several other unrelated businesses (such as a
27 restaurant and a restaurant supply company), and have commingled investor money
28 and non-investor money from these other businesses in the same accounts. They then

1 used those accounts to pay their own expenses. For example, \$335,000 this
2 commingled money was used to purchase jewelry, a car and a motorcycle, to make
3 payments to the Defendant's children, make mortgage payments and used to make
4 approximately \$354,000 in payments towards the purchase of a \$1 million home in
5 the name of Relief Defendant Mai Do.

6 16. Defendants' fraudulent conduct is ongoing and continues to threaten
7 investors. Indeed, as recently as May 11, 2019, Defendants were continuing to solicit
8 new investors.

9 17. By committing these and other acts alleged in this Complaint,
10 Defendants have directly and indirectly engaged in, and unless restrained and
11 enjoined by the Court will continue to violate the anti-fraud provisions of the federal
12 securities laws, specifically Section 17(a) of the Securities Act [15 U.S.C. § 17q(a)]
13 and Section 10(b) of the Securities Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-
14 5 thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1), 206(2), and 206(4) of the
15 Advisers Act [15 U.S.C. §§ 80b-6(1), (2) & (4) and Rule 206(4)-8 thereunder [17
16 C.F.R. § 275.206(4)-8].

17 18. In light of Defendants' ongoing conduct, the SEC seeks a temporary
18 restraining order and preliminary and permanent injunctions prohibiting future such
19 violations. Specifically, the SEC seeks orders prohibiting Defendants from directly
20 or indirectly, including through any entity they own or control, accessing any
21 securities brokerage account of any third-party, including doing so with the consent
22 of the account holder; freezing Defendants' and the Relief Defendant's assets;
23 providing expedited discovery from the Defendants and Relief Defendant; requiring
24 preservation of documents by the Defendants and the Relief Defendant; ordering an
25 accounting of Defendants' and the Relief Defendant's assets; appointing a receiver
26 over defendant NTV Financial and over the bank and brokerage accounts through
27 which investor and client funds have flowed; disgorging Defendants' ill-gotten gains
28 with prejudgment interest and disgorging funds held by the Relief Defendant; and

1 imposing civil penalties against Defendants.

2 **THE DEFENDANTS**

3 19. **NTV Financial Group, Inc.** is an active California corporation that
4 Nguyen incorporated in 2018, which has its principal place of business in Garden
5 Grove, California. NTV Financial is not registered with the SEC in any capacity.

6 20. **Richard Vu Nguyen, a/k/a Nguyen Thanh Vu** is a resident of Santa
7 Ana, California and the founder, executive director, and president of NTV Financial.
8 Nguyen has two felony convictions, two securities-related administrative sanctions,
9 and is not currently registered with the SEC in any capacity.

10 **THE RELIEF DEFENDANT**

11 21. **Mai Do** is a resident of Garden Grove, California, the girlfriend of
12 Nguyen, and someone Nguyen has held out as the chief financial officer of NTV
13 Financial. Do is not registered with the Commission in any capacity.

14 **THE FRAUD**

15 **A. NTV Financial and Richard Nguyen**

16 22. Defendant NTV Financial is a company that claims to provide
17 companies with a whole range of services designed to improve their profitability,
18 including capital, operational improvements, revenue growth, procurement,
19 leadership, lean process, IT optimization, energy sustainability, and employee health
20 care. It further claims that it had worked with companies on merger and acquisition
21 projects and on industry reorganization.

22 23. Defendant Richard Nguyen is the founder, executive director, and
23 president of NTV Financial.

24 24. Relief defendant Mai Do is Nguyen's girlfriend and is portrayed as the
25 chief financial officer of NTV Financial.

26 25. Defendants also operate several other businesses. For example, they
27 operate a restaurant, a restaurant supply company and a home remodeling business.

28 26. Nguyen has a criminal past and several run-ins with regulatory

1 authorities that he has concealed from investors.

2 27. In 1999, the California Department of Corporations (“CDC”) named
3 Nguyen in a Desist and Refrain Order for securities related misconduct. In 2007, the
4 CDC named Nguyen in a second Desist and Refrain Order for acting as an
5 unregistered broker-dealer.

6 28. On or about August 24, 2009, Nguyen entered a guilty plea to wire fraud
7 charges in the matter of *United States v. Richard Nguyen*, Case No. CR 08-796(A)-
8 ABC (C.D. Cal.), a criminal case filed in this district. As part of his guilty plea,
9 Nguyen admitted that he created a scheme to use the internet to intentionally mislead
10 his victims into giving him their money by claiming he would invest that money in
11 genuine investment funds. In furtherance of the scheme, Nguyen created and
12 controlled the website www.bhshfunds.com, where he purportedly offered for sale
13 shares in investment funds and promised investors they could redeem their
14 investment upon request. Nguyen also created electronic mail and webpages that led
15 his victims to believe they had purchased shares in the funds, when, in fact, he had
16 not invested their money in the funds.

17 29. On November 24, 2009, a Judgment and Commitment Order was
18 entered against Nguyen in connection with the wire fraud charges. Nguyen was
19 ordered to pay a \$100 special assessment, restitution in the total amount of \$104,981,
20 and imprisoned in federal prison for a term of 15 months, followed by a three-year
21 period of supervised release.

22 30. On June 4, 2012, while still on supervised release, a jury in the matter of
23 *People v. Nguyen*, Super. Ct. No. 11WF0913, Superior Court of Orange County
24 California, found Nguyen guilty of felony infliction of injury on a dependent adult, in
25 violation of California Penal Code Section 368(b)(1).

26 31. On August 17, 2012, an Orange County Superior Court Judge sentenced
27 Nguyen to two years in prison for the dependent adult abuse and assessed restitution
28 and parole revocation fines against Nguyen totaling \$240. On October 29, 2013, the

1 California Fourth Appellate District, Division Three, affirmed Nguyen’s state
2 conviction and sentence.

3 32. In addition to lying to investors about his background, Nguyen has taken
4 other steps to conceal this criminal past. For example, when he filed articles of
5 incorporation on behalf of NTV Financial with the State of California in May 2019,
6 he filed them under the name “Vu Thanh Nguyen” instead of the name Richard
7 Nguyen, which was the name listed in the two criminal convictions and two
8 administrative sanctions.

9 33. Nguyen also listed his name as “Nguyen Thanh Vu” on NTV Financial’s
10 website.

11 **B. Defendants’ Fraudulent Investment Opportunities**

12 34. NTV Financial and Nguyen use the internet, radio and television, as well
13 as in-person meetings and brochures, to lure investors into two fraudulent investment
14 schemes. One is the NTLF Fund, which they claimed trades in stocks and options.
15 The other is the chance to have Nguyen manage individual clients’ brokerage
16 accounts.

17 35. In addition to its website, NTV Financial paid to air weekly video
18 broadcasts and posted several videos about NTV Financial on YouTube and
19 Facebook. The video broadcasts were structured as a talk show called “Kim Tien Sat
20 Phat,” or translated, “Golden Money – Winning at All Costs.” These shows air
21 several times a week on a nationwide Vietnamese-language station on DirecTV and a
22 local station in Southern California.

23 36. In these videos, Defendants often touted Nguyen’s investment
24 experience and offered investors several investments. Although these online videos
25 varied over time, several claimed that Nguyen was an investment banker, the
26 executive director of NTV Financial, someone with more than 20 years of investment
27 experience at Goldman, and, in one or more of those videos, Nguyen personally
28 claimed to have been a fund manager at Goldman and to have managed a “few

dozen” funds in the past.

1. The NTLF Fund

37. Defendants have raised about \$2.4 million from at least 80 investors in the NTLF Fund.

38. Although described as a “fund,” the NTLF Fund is not an entity. The Fund’s money is instead held in bank accounts in the name of NTV Financial, Nguyen and/or Do. As described below, that money is then commingled with money coming from Defendants’ other businesses.

39. When investors invest in the Fund, they receive an “interest” in the so-called “fund” at a price of \$10 per share. The investor money was pooled together to trade in options as part of a common enterprise, and investors expected to make money on that investment based on the trading and efforts of Defendants.

40. The NTV Financial website at one time described Nguyen as a “Fund Manager” of the NTLF Fund, with “extensive experience in the areas of investment, start up, and corporate governance.”

41. The website offered investors the opportunity to invest in the NTLF Fund and identified four “Key Offerings” of the Fund: (1) a target return on investment (“ROI”) of 35%, (2) quarterly dividends, (3) a minimum investment of \$5,000, and (4) no lock-in period, meaning investors could redeem their principal investment at any time.

42. The website described the NTLF Fund as having a “No Net Loss Policy” and stated that NTV Financial would maintain a net capital reserve equal to 35% of the NTLF Fund. The 35% reserve was purportedly kept in a “segregated account” to guarantee that all investor capital was protected.

43. In a video aired on or about February 12, 2018, Nguyen offered investors the opportunity to invest in what he described as the NTLF Fund. Nguyen claimed to be launching the NTLF Fund so that it could one day be listed on Wall Street and become the only fund with all Vietnamese fund managers.

1 44. Nguyen told investors that the NTLF Fund needed at least 130 investors
2 and portfolio with a minimum value of \$1.3 million in order to be registered with the
3 SEC. Nguyen claimed to already have 30 investors and said only 100 spots were left.
4 Nguyen said he was not certain whether he would close the NTLF Fund once it
5 reached its goal of 130 investors, but investors “better hurry” if they wanted to join
6 the NTLF Fund.

7 45. Nguyen told investors that the NTLF Fund had a minimum investment
8 amount of \$5,000 and promised that he would “bundle” their money into one
9 account, which Nguyen would personally manage. Nguyen promised to pay
10 investors a dividend each quarter and to hire an accountant to file and pay the taxes
11 on those dividends, so they were tax free by the time the investors received them.

12 46. In a video aired on or about June 4, 2018, Nguyen’s co-host told
13 investors they would not be charged any fees in connection with the NTLF Fund,
14 their initial investment was guaranteed to be protected from loss, and they could
15 redeem their initial investment at any time. During this same video, Nguyen told
16 investors he utilized a “10-day” trading rule when investing, which he said had a
17 patent pending because several investment companies wanted to use it in their trading
18 software.

19 47. In a video aired on or about August 13, 2018, Nguyen told investors he
20 was launching a new version of the NTLF Fund with a fixed return of 16% annually
21 (or 4% quarterly). Nguyen said he was offering a fixed return based on the demands
22 of his clients, whom he claimed did not like fluctuations in their ROI and wanted a
23 fixed ROI. The NTLF Fund still required a minimum investment of \$5,000, still
24 guaranteed investors 100% of their initial investment, and still had no lock-in period,
25 meaning investors could redeem their investments at any time.

26 48. In a video aired on or about October 15, 2018, Nguyen re-emphasized
27 his 10-day trading rule, claiming that he had a contract with Goldman Sachs to use
28 the 10-day trading rule in Goldman Sachs’ trading formulas. Nguyen told investors

1 that the greatest honor of NTV Financial was that its accounts “never, never” failed to
2 make money.

3 49. In a radio show posted on YouTube on or about April 19, 2019,
4 Nguyen’s co-host introduced Nguyen as “an investment banker and an underwriter
5 with two decades of experience working in securities investments with one of the
6 leading financial giants, Goldman Sachs.”

7 50. In that same video, Nguyen told investors that “from here on out, you
8 [will] never hear the word ‘guarantee’ and ‘guarantee investment’ from us,” but said
9 that he knew “for a fact” and “for sure” he would “protect” investors’ assets. Nguyen
10 also told investors that NTV Financial had ended its 16% interest program and was
11 now offering a 12% interest program. Nguyen still offered investors 12% interest
12 every year, and promised to send investors a check reflecting 3% of the invested
13 amount every quarter. Nguyen told investors they could still withdraw their principal
14 anytime, but the initial minimum investment was raised to \$10,000. After that,
15 investors could contribute as much as they wished, so long as it was at least \$5,000.

16 **2. Individually Managed Brokerage Accounts**

17 51. At least 30 people have given Nguyen access to their brokerage accounts
18 so that he can trade in them. These clients give him, for example, their passwords
19 and usernames, which enables him to access the accounts online and trade stock or
20 options in the accounts at his discretion.

21 52. Nguyen has been managing brokerage accounts for at least 30 clients
22 between August 2018 and May 2019. Those clients have deposited a total of at least
23 \$1.9 million into those accounts.

24 53. In a video aired on or about July 23, 2018, Nguyen offered to personally
25 manage the individual brokerage accounts of investors in addition to managing the
26 NTLF Fund. Nguyen told investors they just had to open an investment account at a
27 brokerage firm, deposit a minimum amount of \$50,000 into the investment account,
28 and, once the investment account was opened, Nguyen would use the investors’

1 passwords and usernames to execute trades on the investors' behalf.

2 54. Nguyen told investors that NTV Financial would charge investors a 50%
3 performance fee on any profits Nguyen earned in these personally managed accounts
4 and would distribute those profits to the investors once they reached 15% to 20% of
5 the investors' initial investments.

6 55. In a video aired on or about October 15, 2018, Nguyen claimed to be
7 very successful at trading on behalf of investors in their personally managed
8 accounts. In that same video, Nguyen told investors that the greatest honor of NTV
9 Financial was that its accounts "never, never" failed to make money.

10 56. In a radio show posted on YouTube on or about April 19, 2019, Nguyen
11 told investors they could still have Nguyen personally manage their investment
12 accounts, regardless of whether the investment accounts were at TD Ameritrade,
13 Fidelity, Merrill Lynch or anywhere else. However, Nguyen told investors that the
14 investment accounts now had to have a minimum of \$100,000 for Nguyen to
15 personally management them and told investors they had to liquidate all the stocks in
16 those accounts to cash. Investors were told they still had to give Nguyen their
17 username and password, so he could personally login and trade on their behalf, and
18 they still had to split the profits from Nguyen's trading "50/50."

19 **3. Defendants Are Acting As Investment Advisers**

20 57. During all relevant times, NTV Financial and Nguyen acted as
21 investment advisers to the NTLF Fund and to the clients who gave Nguyen access to
22 their individual brokerage accounts.

23 58. NTV Financial and Nguyen advised the Fund about investing in stocks
24 and options. They received compensation when they took trading profits in excess of
25 promised returns and when they used investor money for their own benefit.
26 Defendants also held out the NTLF Fund as a fund engaged in the business of trading
27 securities.

28 59. Likewise, they advised the clients with the separately managed

1 brokerage accounts about stock and options trading, and also received compensation
2 in the form of trading profits.

3 **C. Defendants' Statements to Fund Investors and Separately Managed**
4 **Clients**

5 60. In addition to its website and its weekly video broadcasts, NTV
6 Financial solicited investors through telephonic and face-to-face meetings. The
7 following are some examples of the representations Defendants made to investors and
8 prospective investors regarding NTV Financial during those telephonic and face-to-
9 face meetings:

10 **1. Investor A**

11 61. In or about February 2018, Nguyen spoke with "Investor A" over the
12 telephone after Investor A had watched one or more videos about NTV Financial on a
13 Vietnamese television station and after Investor A had visited the NTV Financial
14 website. Investor A was attracted to NTV Financial by its claim that investors would
15 earn up to a 30% return on their investment through options trading.

16 62. Nguyen told Investor A that his name was "Vu Nguyen" and claimed to
17 have received his Masters in Business Administration from California State
18 Polytechnic University, Pomona ("Cal Poly") before working on Wall Street.

19 63. Nguyen promised Investor A a 16% fixed annual return on investment.
20 Nguyen said he would generate these returns through buying and selling options.
21 Nguyen did not disclose how he would go about buying and selling options, but told
22 Investor A that he would use investor funds to keep investing in more and more
23 options. All of this led Investor A to believe that Nguyen would be pooling Investor
24 A's money with other investor money so as to increase the overall volume of options
25 trading in the NTLF Fund.

26 64. Nguyen also led Investor A to believe that investor funds would be kept
27 in a separate account in order to protect those funds, so that if Investor A ever
28 requested to redeem the principal, Nguyen could withdraw that money from the

1 separate account and return it to Investor A.

2 65. Nguyen never identified himself as “Richard Nguyen” to Investor A and
3 never disclosed to Investor A that he had sustained two felony convictions and two
4 adverse administrative rulings under the name Richard Nguyen.

5 66. After speaking with Nguyen over the telephone, Investor A invested
6 \$5,000 in the NTLF Fund and soon began receiving quarterly payments between 3%
7 and 4%. Nguyen sent Investor A statement-like updates via email that showed
8 Investor A’s initial investment and the dividend amount for that quarter.

9 **2. Investor B**

10 67. In or about April 2018, Nguyen met face-to-face with Investor B at a
11 restaurant in Orange County, California. Investor B arranged to meet with Nguyen
12 after watching one or more videos about NTV Financial on a Vietnamese-language
13 television station.

14 68. Nguyen told Investor B that if Investor B invested in the NTLF Fund,
15 Nguyen would guarantee a minimum return of 16% annually and no loss of principal.
16 Nguyen told Investor B that he had worked with Goldman Sachs for 15-20 years and
17 would generate the returns through buying and selling stocks. Nguyen led Investor B
18 to believe that other investors were investing in the NTLF Fund and that everyone
19 would share in the profits of the Fund.

20 69. Nguyen told Investor B that he also went by the name “Richard
21 Nguyen,” but never told Investor B he had suffered two felony convictions and two
22 administrative sanctions under that name.

23 70. Investor B invested \$50,000 in the NTLF Fund on the same day Investor
24 B met face-to-face with Nguyen. Nguyen did not have Investor B sign any
25 investment adviser agreements or similar paperwork, but told Investor B the
26 investment could be redeemed at any time.

27 71. After investing \$50,000 in the NTLF Fund, Investor B soon began
28 receiving quarterly dividend payments. In the beginning, the quarterly payments

1 were occasionally higher than 4%. Later, Nguyen told Investor B that all future
2 payments would be fixed at 4% quarterly and 16% annually.

3 72. Nguyen sent Investor B statement-like updates via email that showed
4 Investor B's initial investment and the dividend for that quarter. Investor B later
5 invested more than \$50,000 in the NTLF Fund and ultimately invested a total of
6 approximately \$300,000 in the NTLF Fund.

7 **3. Client C**

8 73. In or about August 2018, Client C allowed Nguyen to begin managing
9 her investment account at TD Ameritrade.

10 74. Client C has never met Nguyen and only knows what he looks like
11 through watching the videos she has watched through her television network. Client
12 C did, however, speak with one of Nguyen's employees over the telephone, who
13 explained to Client C how to open a TD Ameritrade account, told Client C they
14 would manage the account, and that any profits would be split in half (along with the
15 taxes) between Client C and Nguyen.

16 75. Client C recalls seeing videos of Nguyen claiming to have an MBA and
17 to have worked at Goldman Sachs and as an investment banker. Client C viewed
18 these qualifications as very important in deciding to allow Nguyen to manager the
19 investment account at TD Ameritrade because it led Client C to believe he knew
20 more about what he was doing and had a higher chance of success.

21 76. Client C's investment account has not made any money through
22 allowing Nguyen to manage it but Client C can see that Nguyen has been trading in
23 the account.

24 77. Client C never heard Nguyen referred to as "Richard Vu Nguyen" and
25 was not aware that Nguyen had been convicted any crimes, including dependent adult
26 abuse. Client C would have wanted to know about Nguyen's convictions before
27 allowing him to manager the investment account and would not have given Nguyen
28 money if Client C knew about his conviction for dependent adult abuse.

4. Undercover FBI Agent

78. On or about April 8, 2019, Nguyen met face-to-face with a prospective investor at the offices of NTV Financial. Unbeknownst to Nguyen, the prospective investor was actually an undercover agent (“UC”) for the FBI, who secretly recorded his/her face-to-face meeting with Nguyen.

79. Nguyen told UC he could guarantee UC a fixed return of 16% annually, if UC invested a minimum of \$10,000 in the NTLF Fund. Nguyen told UC he was the fund’s manager and would generate the 16% return by trading stocks and options.

80. Nguyen told UC he would receive quarterly payments (or dividends) of 4% and quarterly statements via email reflecting those payments. Nguyen told UC that the statements would be prepared by a certified public accountant and described the investment as 100% safe and fully redeemable at any time. When UC asked Nguyen about his track record in the last five years, Nguyen told UC he made a 1,000% return annually.

81. Nguyen also offered to personally manage an investment account on behalf of UC. Nguyen told UC he would need to open the investment account in UC’s name and deposit a minimum of \$100,000 into the account. UC would also have to give Nguyen the username and password for the investment account, so Nguyen could start trading on behalf of UC. Nguyen told UC that if trading in the investment account was profitable, UC would have to take those profits out of the investment account, deposit them into UC’s checking account, and write Nguyen a check for half the amount of the profits.

D. The Poor Performance of the NTLF Fund and the Managed Accounts

82. The NTLF Fund has had negative performance since its inception in February 2018.

83. In managing the Fund, Nguyen engages in a significant amount of trading in the brokerage accounts holding the investors’ money, principally in margined option trading. This trading has resulted in large losses and some large

gains.

84. As a result of these and other losses, in every quarter since the inception of the NTLF Fund, the overall market value of the Fund's assets has been less than the net principal invested in the Fund, sometimes by as much as 69% less, as illustrated in the table below:

Quarter/Year	Total Bank & Brokerage Balance/Value	Net Investor Deposits (Accumulated)	Under-Capitalized	% Under-Capitalized
Q 1 2018	\$ 31,722.85	\$ 45,000.00	\$ (13,277.15)	-29.5%
Q 2 2018	\$ 163,959.73	\$ 296,000.00	\$ (132,040.27)	-44.6%
Q 3 2018	\$ 589,073.66	\$ 897,000.00	\$ (307,926.34)	-34.3%
Q 4 2018	\$ 569,555.22	\$ 1,848,500.00	\$ (1,278,944.78)	-69.2%
Q 1 2019	\$ 1,653,230.86	\$ 2,209,500.00	\$ (556,269.14)	-25.2%

85. The brokerage accounts managed by Nguyen on behalf of at least 30 clients have also not performed well.

86. As of March 2019, 17 clients, who deposited a total of about \$1.19 million into their accounts, have suffered trading losses totaling almost \$570,000.

E. Defendants' Fraud

87. Defendants misled clients and potential clients to believe that Nguyen was an experienced financial trader with an impeccable track record trading and that they would not lose any of their principal if they invested with Defendants. Yet, Nguyen concealed and lied about his real past, and both the NTLF Fund and the individually managed brokerage accounts suffered significant losses, including losses in investor principal.

1. Nguyen's History of Criminal and Regulatory Sanctions

88. As described *infra*, Defendants misled investors about Nguyen's background by failing to disclose that several years before Nguyen became the executive director of NTV Financial, he had been convicted of two felonies in federal and state courts and had been sanctioned twice by the CDC for securities related misconduct.

1 89. Defendants' misrepresentations and omissions regarding Nguyen's
2 background, particularly his prior criminal history for investment fraud, pertained to
3 material facts that reasonable investors would have found important in making their
4 investment decisions.

5 90. The misrepresentations and omissions regarding Nguyen's background
6 were made by Defendants and each of them received money in the form of investors'
7 funds, by means of those misrepresentations and omissions.

8 91. Defendants knew, or were reckless in not knowing, that failing to
9 disclose Nguyen's two felony convictions and the fact that he had been sanctioned
10 twice by the CDC misled investors as to Nguyen's background and fitness to manage
11 their investments.

12 92. At a minimum, Defendants did not exercise reasonable care in failing to
13 disclose Nguyen's two felony convictions and the fact that he had been sanctioned
14 twice by the CDC to investors, and thus were negligent.

15 **2. Nguyen's Credentials and Employment History**

16 93. As described *infra*, Defendants made materially false and misleading
17 statements to clients and potential clients about Nguyen's credentials and
18 employment history as an investment adviser. Contrary to Defendants' statements to
19 investors, not only had Nguyen never received an MBA from Cal Poly, he never
20 worked for or had any kind of contractual relationship with Goldman.

21 94. Goldman has no record of Nguyen ever being employed there.

22 95. Nor did Goldman ever have any contract with Nguyen for his so-called
23 "10-day trading rule," or for anything else.

24 96. Defendants' misrepresentations regarding Nguyen's business
25 relationship with Goldman and his prior employment at that company pertained to
26 material facts that reasonable investors would have found important in making their
27 investment decisions.

28 97. The misrepresentations regarding Nguyen's business relationship with

1 Goldman and his prior employment at that company were made by Defendants and
2 each of them received money in the form of investors' funds, by means of those
3 misrepresentations.

4 98. Defendants knew, or were reckless in not knowing, that claiming
5 Nguyen had a business relationship with Goldman and had previously been employed
6 there misled investors as to Nguyen's background and fitness to manage their
7 investments.

8 99. At a minimum, Defendants did not exercise reasonable care in their
9 representations to investors regarding Nguyen's business relationship with Goldman
10 and prior employment there, and thus were negligent.

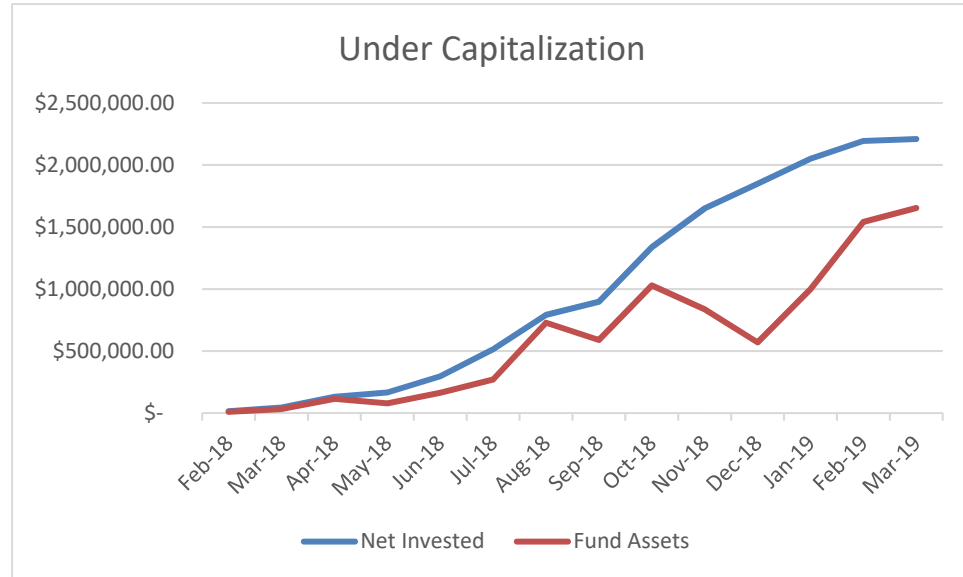
11 **3. The Fund's Guaranteed "100%" Redemption Right**

12 100. As described *infra*, Defendants misled Fund investors as to their ability
13 to withdraw their monies at any time.

14 101. On the NTV Financial website, Defendants told investors a "Net
15 Capital" reserve equal to 35% would be created and kept in a "segregated account" as
16 part of a "No Net Loss" policy. However, none of the investor funds were placed
17 into a segregated account and used to create a net capital reserve equal to 35% of the
18 NTLF Fund.

19 102. Defendants misled investors and potential investors to believe that
20 investing with NTV Financial would be 100% safe, the accounts would "never,
21 never" fail to make money, Nguyen had a track record of earning as high as a 1,000
22 percent return annually, and investors could redeem their principal investment at any
23 time. In reality, Nguyen suffered significant realized and unrealized losses of
24 investors funds despite his so-called 10-day trading rule and despite continuing to pay
25 some investors their guaranteed returns.

1 103. This undercapitalization of the Fund relative to the investors' right of
2 redemption between February 2018 and March 2019 is further illustrated in the chart
3 below:



14 104. Reasonable investors would have considered it important in their
15 investment decision to know that Defendants could not honor the right of redemption
16 due to the NTLF Fund being undercapitalized at the time they invested.

17 105. The misrepresentations and omissions regarding the ability of investors
18 to withdraw their money from the Fund were all made by Defendants and each of
19 them received money in the form of investors' funds, by means of those
20 misrepresentations and omissions.

21 106. Defendants knew, or were reckless in not knowing, that statements
22 regarding investors' ability to withdraw their money from the Fund on demand
23 misled investors.

24 107. At a minimum, defendants failed to exercise reasonable care when
25 making representations to investors about their ability to withdraw money on demand
26 from the Fund.

1 **4. The Poor Performance of the NTLF Fund**

2 108. As described *infra*, Defendants misled investors in the NTLF Fund with
3 respect to the Fund’s positive performance.

4 109. Defendants represented that the Fund was achieving double digit returns
5 while concealing that the Fund had significant losses.

6 110. Defendants falsely represented to the UC that returns of 1,000% had
7 been achieved.

8 111. Reasonable investors would have considered it important in their
9 investment decision to know that the Fund was experiencing losses.

10 112. The misrepresentations regarding the Fund’s performance were made by
11 Defendants, and each of them received money in the form of investors’ funds, by
12 means of those misrepresentations and omissions.

13 113. Defendants knew, or were reckless in not knowing, that statements
14 regarding the NTLF Fund’s performance misled investors as to how Defendants’
15 investments were faring.

16 114. At a minimum, defendants failed to exercise reasonable care when
17 making representations to investors about the NTLF Fund’s performance.

18 **5. Defendants’ Misuse of Investor Funds**

19 115. As described *infra*, Defendants misled investors in the NTLF Fund with
20 respect to how investor funds would be handled and spent.

21 116. During a video aired in February 2018 Nguyen told investors their
22 money would be “bundled into one account or one fund.” Instead, there was no
23 actual “fund”; rather, investor money was moved around between bank and brokerage
24 accounts held in the name of Nguyen, NTV Financial, and Relief Defendant Mai Do.

25 117. Defendants were also misappropriating, and allowing others to
26 misappropriate, large sums of money from bank accounts commingled with investor
27 funds. While some of the deposits into those bank accounts also came from non-
28 investor funds, including Defendants’ other businesses, the undisclosed and

1 unauthorized expenditures exceeded those non-investor funds that were deposited by
2 approximately \$600,000.

3 118. The following are examples of some of the undisclosed and authorized
4 expenditures Defendants made between February 1, 2018 and March 31, 2019, while
5 NTV Financial was undercapitalized:

6 Expenditure	7 Amount
8 Payments toward the purchase of a 9 \$1 million home in the name of Relief Defendant Mai Do	\$354,000
10 Cash Withdrawals	\$224,000
11 Payments to jewelry and watch stores	\$148,000
12 Purchase of Car and a Motorcycle (Harley Davidson)	\$109,000
13 TOTAL	\$835,000

14 119. Investors were not aware that their funds were being deposited into these
15 bank accounts and commingled with non-investor money, including Defendants'
16 other businesses, or that a portion of investor funds was being used for these and
17 other undisclosed and unauthorized purposes.

18 120. Reasonable investors would have considered it important in their
19 investment decision to know that investor funds were being used for purposes other
20 than what Defendants disclosed to them at the time they invested.

21 121. The misrepresentations and misleading statements regarding how
22 investor funds would be handled and spent were all made by Defendants and each of
23 them received money in the form of investors' funds by means of those
24 misrepresentations and omissions.

25 122. Defendants knew, or were reckless in not knowing, that investor funds
26 were being mishandled and misappropriated and that their statements regarding how
27 investor funds would be handled and spent misled investors.

28 123. At a minimum, defendants failed to exercise reasonable care when

1 handling and spending investors' funds, and in making representations to investors
2 about how investor funds would be handled and spent.

3 **F. Relief Defendant Do's Unjust Enrichment**

4 124. Relief Defendant Mai Do, whom Nguyen held out as the CFO of NTV
5 Financial, received investor funds from Defendants.

6 125. During the relevant time period, Do received investor funds from
7 Defendants into several bank and brokerage accounts held in her name.

8 126. Additionally, Do received approximately \$354,000 in the form of
9 payments towards the purchase of a \$1 million home in her name.

10 127. Do had no legitimate claim to these monies, since they were derived
11 from the fraudulent scheme outlined above and constituted ill-gotten gains.

12 **FIRST CLAIM FOR RELIEF**

13 **Fraud in the Connection with the Purchase and Sale of Securities**

14 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5**

15 **(against all Defendants)**

16 128. The SEC realleges and incorporates by reference paragraphs 1 through
17 128 above.

18 129. NTV Financial and Nguyen each defrauded prospective and actual
19 investors and clients by making false and misleading statements about Nguyen's
20 background and employment history. NTV Financial and Nguyen misled Fund
21 investors about the NTLF Fund's very existence, its performance, the ability of
22 investors to withdraw their money from the Fund, how investor money would be
23 spent, and the overall nature of the investment. In soliciting clients for the separately
24 managed accounts, NTV Financial and Nguyen misrepresented past trading
25 performance. Further, NTV Financial and Nguyen also misappropriated investor
26 funds.

27 130. By engaging in the conduct described above, NTV Financial and
28 Nguyen, and each of them, directly or indirectly, in connection with the purchase or

1 sale of a security, by the use of means or instrumentalities of interstate commerce, of
2 the mails, or of the facilities of a national securities exchange: (a) employed devices,
3 schemes, or artifices to defraud; (b) made untrue statements of a material fact or
4 omitted to state a material fact necessary in order to make the statements made, in the
5 light of the circumstances under which they were made, not misleading; and (c)
6 engaged in acts, practices, or courses of business which operated or would operate as
7 a fraud or deceit upon other persons.

8 131. NTV Financial and Nguyen knew, or were reckless in not knowing, that
9 they employed devices, schemes and artifices to defraud; made untrue statements of a
10 material fact or omitted to state a material fact necessary in order to make the
11 statements made, in the light of the circumstances under which they were made, not
12 misleading; and engaged in acts, practices or courses of conduct that operated as a
13 fraud on the investing public by the conduct described in detail above.

14 132. By engaging in the conduct described above, NTV Financial and
15 Nguyen violated, and unless restrained and enjoined will continue to violate, Section
16 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rules 10b-5(a), 10b-5(b), and
17 10b-5(c) thereunder, 17 C.F.R. §§ 240.10b-5(a), 240.10b-5(b) & 240.10b-5(c).

18 **SECOND CLAIM FOR RELIEF**

19 **Fraud in the Offer or Sale of Securities**

20 **Violations of Section 17(a) of the Securities Act**

21 **(against all Defendants)**

22 133. The SEC realleges and incorporates by reference paragraphs 1 through
23 128 above.

24 134. NTV Financial and Nguyen each defrauded prospective and actual
25 investors and clients by making and obtaining money via false and misleading
26 statements about Nguyen's background and employment history. NTV Financial and
27 Nguyen misled Fund investors about the NTLF Fund's very existence, its
28 performance, the ability of investors to withdraw their money from the Fund, how

1 investor money would be spent, and the overall nature of the investment. In soliciting
2 clients for the separately managed accounts, NTV Financial and Nguyen
3 misrepresented past trading performance. Further, NTV Financial and Nguyen also
4 misappropriated investor funds.

5 135. By engaging in the conduct described above, NTV Financial and
6 Nguyen, and each of them, directly or indirectly, in the offer or sale of securities, and
7 by the use of means or instruments of transportation or communication in interstate
8 commerce or by use of the mails directly or indirectly: (a) employed devices,
9 schemes, or artifices to defraud; (b) obtained money or property by means of untrue
10 statements of a material fact or by omitting to state a material fact necessary in order
11 to make the statements made, in light of the circumstances under which they were
12 made, not misleading; and (c) engaged in transactions, practices, or courses of
13 business which operated or would operate as a fraud or deceit upon the purchaser.

14 136. Defendants NTV Financial and Nguyen, with scienter, employed
15 devices, schemes and artifices to defraud; with scienter or negligence, obtained
16 money or property by means of untrue statements of a material fact or by omitting to
17 state a material fact necessary in order to make the statements made, in light of the
18 circumstances under which they were made, not misleading; and, with scienter or
19 negligence, engaged in transactions, practices, or courses of business which operated
20 or would operate as a fraud or deceit upon the purchaser.

21 137. By engaging in the conduct described above, Defendants NTV Financial
22 and Nguyen violated, and unless restrained and enjoined will continue to violate,
23 Sections 17(a)(1), 17(a)(2), and 17(a)(3) of the Securities Act, 15 U.S.C. §§
24 77q(a)(1), 77q(a)(2), & 77q(a)(3).

1 **THIRD CLAIM FOR RELIEF**

2 **Fraud by an Investment Adviser**

3 **Violations of Sections 206(1) and 206(2) of the Advisers Act**

4 **(against all Defendants)**

5 138. The SEC realleges and incorporates by reference paragraphs 1 through
6 128 above.

7 139. Defendants NTV Financial and Nguyen each defrauded actual and
8 potential separately managed account clients by making false and misleading
9 statements and omissions to investors about Nguyen's background and employment
10 history and Defendants' trading results.

11 140. By engaging in the conduct described above, NTV Financial and
12 Nguyen, and each of them, directly or indirectly, by use of the mails or means and
13 instrumentalities of interstate commerce employed or are employing devices,
14 schemes or artifices to defraud clients or prospective clients, and engaged in or are
15 engaging in transactions, practices, or courses of business which operated as a fraud
16 or deceit upon clients or prospective clients.

17 141. NTV Financial and Nguyen, with scienter, employed devices, schemes
18 or artifices to defraud clients or prospective clients; and with scienter or negligence,
19 engaged in transactions, practices, or course of business which operated as a fraud or
20 deceit upon clients or prospective clients.

21 142. By engaging in the conduct described above, NTV Financial and
22 Nguyen have violated, and unless restrained and enjoined, are reasonably likely to
23 continue to violate, Sections 206(1) and (2) of the Advisers Act, 15 U.S.C. §§ 80b-
24 6(1) & 80b-6(2).

1 **FOURTH CLAIM FOR RELIEF**

2 **Fraud Involving a Pooled Investment Vehicle**

3 **Violations of Section 206(4) of the Advisers Act and**

4 **Rule 206(4)-8(a)(1) and (a)(2)**

5 **(against all Defendants)**

6 143. The SEC realleges and incorporates by reference paragraphs 1 through
7 128 above.

8 144. Defendants held the NTLF Fund out as a pooled investment vehicle.
9 NTV Financial and Nguyen each defrauded prospective and actual investors by
10 making false and misleading statements about Nguyen's background and
11 employment history. NTV Financial and Nguyen misled Fund investors about the
12 NTLF Fund's very existence, its performance, the ability of investors to withdraw
13 their money from the Fund, how investor money would be spent, and the overall
14 nature of the investment. Further, NTV Financial and Nguyen also misappropriated
15 investor funds.

16 145. By engaging in the conduct described above, Defendants NTV Financial
17 and Nguyen, and each of them, directly or indirectly, by engaging in the conduct
18 described above, while acting as an investment adviser to a pooled investment
19 vehicle, directly or indirectly, by use of the mails or means or instrumentalities of
20 interstate commerce: (a) made untrue statements of a material fact or omitted to state
21 a material fact necessary in order to make the statements made, in the light of the
22 circumstances under which there were made, not misleading, to any investor or
23 prospective investor in the pooled investment vehicle; or (b) engaged in acts,
24 practices, or courses of business that were fraudulent, deceptive, or manipulative with
25 respect to any investor or prospective investor in the pooled investment vehicle.

26 146. Defendants NTV Financial and Nguyen knew, or were reckless or
27 negligent in not knowing, that they (a) made untrue statements of a material fact or
28 omitted to state a material fact necessary in order to make the statements made, in the

1 light of the circumstances under which there were made, not misleading, to any
2 investor or prospective investor in the pooled investment vehicle; and (b) engaged in
3 acts, practices, or courses of business that were fraudulent, deceptive, or manipulative
4 with respect to any investor or prospective investor in the pooled investment vehicle.

5 147. By engaging in the conduct described above, Defendants NTV Financial
6 and Nguyen have violated, and unless restrained and enjoined, are reasonably likely
7 to continue to violate, Section 206(4) of the Advisers Act, 15 U.S.C. § 80b-6(4), and
8 Rule 206(4)-8(a)(1) and 8(a)(2) thereunder, 17 C.F.R. § 275.206(4)-8.

9 **FIFTH CLAIM FOR RELIEF**

10 **Unjust Enrichment**

11 **(against Relief Defendant Mai Do)**

12 148. The SEC realleges and incorporates by reference paragraphs 1 through
13 128 above.

14 149. Relief Defendant Mai Do received and then retained investor funds from
15 Defendants NTV Financial and Nguyen in bank and brokerage accounts held in her
16 name, and received another approximately \$354,000 in proceeds. She has no
17 legitimate claim to these monies.

18 150. Relief Mai Do obtained the ill-gotten gains described above as part of
19 the securities law violations alleged above, under circumstances in which it is not
20 just, equitable, or conscionable for her to retain the funds.

21 151. By engaging in the foregoing conduct, Relief Defendant Mai Do has
22 been unjustly enriched and must disgorge her ill-gotten gains.

23 **PRAYER FOR RELIEF**

24 WHEREFORE, the SEC respectfully requests that the Court:

25 **I.**

26 Issue findings of fact and conclusions of law that Defendants committed the
27 alleged violations.

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II.

152. Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, preliminarily and permanently enjoining Defendants NTV Financial and Nguyen, and their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them, from violating the Securities Act [15 U.S.C. § 17q(a)] and the Exchange [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1), 206(2), and 206(4) of the Advisers [15 U.S.C. §§ 80b-6(1), (2) & (4) and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

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III.

153. Issue, in a form consistent with Fed. R. Civ. P. 65, an order prohibiting Defendants from directly or indirectly, including through any entity they own or control, accessing any securities brokerage account of any third-party, including doing so with the consent of the account holder; freezing Defendants' and the Relief Defendant's assets, as well as providing other ancillary relief, including expedited discovery, preservation of documents, an accounting of Defendants' and the Relief Defendant's assets; and appointing a receiver over defendant NTV Financial and bank or brokerage accounts into which the funds of Defendants' investors and/or clients have flowed.

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IV.

154. Order Defendants to disgorge, jointly and severally, all funds received from their illegal conduct, together with prejudgment interest thereon.

V.

155. Order the Relief Defendant to disgorge the approximately \$354,000 in funds she received from Defendants' illegal conduct, together with prejudgment interest thereon.

VI.

156. Order Defendants to pay civil penalties under 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)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].

VII.

157. Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

VIII.

158. Grant such other and further relief as this Court may determine to be just and necessary.

Dated: June 13, 2019

/s/ Douglas M. Miller

DOUGLAS M. MILLER

KELLY C. BOWERS

Attorney for Plaintiff

Securities and Exchange Commission