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

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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.

SA CV19-1174-AG(KES\*)

**PLAINTIFF SECURITIES AND  
EXCHANGE COMMISSION'S *EX  
PARTE* APPLICATION FOR A  
TEMPORARY RESTRAINING  
ORDER, ORDER TO SHOW CAUSE  
WHY A PRELIMINARY  
INJUNCTION SHOULD NOT BE  
GRANTED AND A PERMANENT  
RECEIVER SHOULD NOT BE  
APPOINTED, AND ORDERS (1)  
FREEZING ASSETS; (2) REQUIRING  
ACCOUNTINGS; (3) PROHIBITING  
THE DESTRUCTION OF  
DOCUMENTS; (4) GRANTING  
EXPEDITED DISCOVERY; AND (5)  
APPOINTING A TEMPORARY  
RECEIVER**

**(FILED UNDER SEAL)**

1 Plaintiff Securities and Exchange Commission (“SEC”) applies, pursuant to  
2 Fed. R. Civ. P. 65(b), for a Temporary Restraining Order prohibiting defendants NTV  
3 Financial Group, Inc. (“NTV”) and Richard Vu Nguyen (collectively “Defendants”)  
4 from committing violations of the antifraud provisions of the federal securities laws,  
5 and for orders freezing assets, granting expedited discovery, appointing a receiver,  
6 and requiring accountings from and the preservation of documents from each of the  
7 defendants and from Relief Defendant Mai Do (“Do”). In addition, the SEC applies  
8 for an Order to Show Cause Re Preliminary Injunction. This Application is based on  
9 the SEC’s complaint, as well as its accompanying Memorandum of Points and  
10 Authorities, its supporting declarations and exhibits, and any such other evidence and  
11 argument as the Court may receive and permit.

12 A. Basis for Waiver of Notice under Rule 65(b)

13 Counsel for the SEC has not advised the Defendants of the date, time, or  
14 substance of its Application, and the SEC applies for emergency injunctive relief on  
15 an ex parte basis. Waiver of notice to the Defendants is appropriate, pursuant to Fed.  
16 R. Civ. P. 65(b) and Local Rule 7-19.2, because the specific facts set forth in the  
17 evidence submitted with the Application establish that immediate and irreparable  
18 injury, loss, or damage will result if the Defendants are notified of the SEC’s  
19 Application prior to it being heard. This is true because the Defendants’ fraudulent  
20 scheme is ongoing, and Defendants have already engaged in diversion of client funds.

21 As set forth in more detail in the SEC’s supporting papers, this case concerns  
22 an ongoing securities fraud by defendant NTV Financial and its founder, defendant.  
23 On their website, brochures, and radio and television advertisements on Vietnamese  
24 language stations, Defendants touted to prospective advisory clients an impeccable  
25 background and that he had never suffered any trading losses—thus he could  
26 guarantee potential investors or clients that they would not lose any of their principal  
27 investment and redeem it at any time. Within less than two years, between February  
28 2018 and March 2019, they had raised an estimated \$2.4 million from over 80

1 investors. However, none of it was true. Nguyen's background was falsified, and he  
2 had an extensive criminal history that Defendants never disclosed to their clients. For  
3 example, they never disclosed that, in 2009, the United States Attorney's Office for  
4 the Central District of California ("USAO") prosecuted Nguyen for wire fraud, and  
5 that Nguyen admitted he participated in a scheme to use the internet to intentionally  
6 mislead his victims into giving him money for an investment fund. They also never  
7 disclosed that, in 2011, Nguyen was convicted of felony dependent adult in California  
8 State Court, and has been sanctioned twice by the California Department of  
9 Corporations ("CDC") for securities related misconduct. Nguyen has suffered  
10 trading losses, which have made it impossible for Defendants to make good on their  
11 promise that they could redeem investors' funds at any time.

12 Nguyen never invested clients' monies into a fund but rather into Defendants'  
13 and Do's own accounts. Nguyen's trading has resulted in significant losses, which  
14 Defendants have concealed when soliciting new investors and while using investor  
15 funds for their personal benefit. As of March 31, 2019, the overall market value of  
16 their purported investment fund's assets was only approximately \$1.6 million, while  
17 the net principal invested in the NTLF Fund up to that point was an estimated \$2.4  
18 million. As of May, they are continuing to solicit new investors and advisory clients.

19 The SEC submits that, if the Defendants are given notice of the Application,  
20 they will continue their fraudulent scheme and may dissipate and misuse funds from  
21 new and existing clients, thus placing the funds beyond the reach of the Court. The  
22 danger of asset dissipation and continuing unlawful conduct are each independently  
23 accepted bases for granting a temporary restraining order without notice under Rule  
24 65(b). *See, e.g., SEC v. Schooler*, No. 12-CV-2164-LAB-JMA2012 WL 4049956,  
25 at \*2 (S.D. Cal. Sept. 13, 2012); *3BA Int'l LLC v. Lubahn*, No. C10-829RAJ, 2010  
26 WL 2105129, at \*5 (W.D. Wash. May 20, 2010). The Court's immediate  
27 intervention would help prevent continuing violations of the federal securities laws  
28 and preserve the status quo. *See Granny Goose Foods, Inc. v. Brotherhood of*

1 *Teamsters & Auto Truck Drivers*, 415 U.S. 423, 439 (1974) (purpose of temporary  
2 restraining order is “preserving the status quo and preventing irreparable harm just so  
3 long as is necessary to hold a [preliminary injunction] hearing, and no longer”).

4 B. Request to File the TRO Application under Seal

5 Because its Application is made without notice, the SEC has concurrently filed  
6 a separate ex parte application asking that the Court seal this Application and the  
7 supporting documents. The requested sealing order is of limited duration—the SEC  
8 asks only that the documents be sealed until two (2) business days after the Court  
9 issues its ruling. The SEC requests that the Application and supporting documents be  
10 filed under seal to prevent the Defendants from transferring or secreting assets until  
11 the Court has issued a ruling on the SEC’s Application. If the papers are not filed  
12 under seal, posting them on PACER would make the Application and supporting  
13 papers publicly available, defeating the purpose of filing the Application without  
14 notice. If the Defendants receive notice of this enforcement action before the Court  
15 issues its ruling, they may destroy or alter materials that may be the subject of the  
16 FBI’s search warrants, or they may transfer, dissipate, or conceal assets before the  
17 requested asset freeze is put in place.

18 C. Relief Requested

19 Because of the ongoing nature of the fraudulent scheme, the SEC seeks to  
20 temporarily enjoin the Defendants from violating Section 17(a) of the Securities Act  
21 [15 U.S.C. § 77q(a)], Section 10(b) of the Securities Exchange Act of 1934 and Rule  
22 10b-5 thereunder [15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5], and Sections 206(1)-  
23 (2), and (4) of the Investment Advisers Act of 1940 and Rule 206(4)-8. 15 U.S.C. §§  
24 80b-6(1), (2), (4), as well as to enjoin Defendants from accessing third party  
25 brokerage accounts. Because of the danger that the Defendants will dissipate client  
26 funds, the SEC also seeks to freeze the assets of the each of the Defendants and the  
27 Relief Defendant and appointment of a receiver over Defendant NTV Financial and  
28 accounts into which investor and client monies have flowed. The SEC further

1 requests orders prohibiting the destruction or alteration of documents, granting  
2 expedited discovery, and requiring the Defendants to provide accountings. Finally,  
3 the SEC requests an order to show cause why a preliminary injunction should not be  
4 granted.

5 D. Local Rule 7-19 Disclosure

6 Pursuant to Local Rule 7-19, the SEC has no knowledge that Defendants are  
7 represented by legal counsel.

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9 Dated: June 12, 2019

10 /s/ Douglas M. Miller

11 Douglas M. Miller  
12 Kelly C. Bowers  
13 Attorneys for Plaintiff  
14 Securities and Exchange Commission  
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