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9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **Western Division**

12 **SECURITIES AND EXCHANGE**
13 **COMMISSION,**

14 Plaintiff,

15 vs.

16 **PLCMGMT LLC, dba**
17 **PROMETHEUS LAW, JAMES A.**
18 **CATIPAY, and DAVID A.**
ALDRICH,

19 Defendants.
20

Case No. 2:16-cv-02594-TJH-FFM
JOINT STATUS REPORT

1 Pursuant to the Court’s Order dated March 1, 2017 (Dkt. No. 78), plaintiff
2 Securities and Exchange Commission (“SEC”), defendant James A. Catipay
3 (“Catipay”), and permanent equity receiver Thomas W. McNamara (the “Receiver”)
4 hereby submit this Joint Status Report.

5
6 **I. PROCEDURAL BACKGROUND**

7 The SEC filed its complaint against defendants PLCMGMT LLC, dba
8 Prometheus Law (“Prometheus”), James A. Catipay (“Catipay”), and David A.
9 Aldrich (“Aldrich”) on April 15, 2016 (*see* Dkt. No. 1), asserting claims for
10 violations of Sections 5(a) and (c) and 17(a) of the Securities Act of 1933 (“Securities
11 Act”), 15 U.S.C. §§ 77e, q(a), and Sections 10(b) and 15(a) of the Securities
12 Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78j(b), 78o(1), and Exchange
13 Act Rule 10b-5, 17 C.F.R. § 240.10b-5. The same day that it filed the complaint, the
14 SEC filed a motion for preliminary injunction, seeking appointment of a receiver,
15 asset freezes and other ancillary relief. *See* Dkt. No. 7.

16 On April 26, 2016, the Court permanently appointed the Receiver over
17 Prometheus by consent. *See* Dkt. No. 20. Subsequently, on May 27, 2016, the Court
18 entered judgment against defendant Catipay, by his consent, providing injunctive
19 relief against him and stating that the monetary relief against him will be determined
20 by noticed motion. *See* Dkt. Nos. 37, 42.

21 On September 15, 2016, the Court entered final judgment against defendant
22 Aldrich, by consent, for both injunctive and monetary relief, disposing of the SEC’s
23 case as to defendant Aldrich. *See* Dkt. No. 70. Aldrich agreed to pay \$3,685,731.00
24 in monetary relief. *Id.*

25
26 **II. RELATED CRIMINAL ACTIONS**

27 On October 26, 2016, defendant Catipay pleaded guilty to one count of
28 conspiracy to commit securities fraud, in violation of 18 U.S.C. § 371. *See USA v.*

1 *James Catipay*, Case No. 3:16-cr-02453-JAH (S.D. Cal.) (“Catipay Dkt.”), Dkt. Nos.
2 5-6, 12. By order dated March 7, 2017, his sentencing is currently set for April 24,
3 2017. *See* Catipay Dkt. No. 18.

4 Defendant Aldrich has also pleaded guilty to one count of conspiracy to
5 commit securities fraud, in violation of 18 U.S.C. § 371, on November 22, 2016. *See*
6 *USA v. David Aldrich*, Case No. 3:16-cr-02688-JAH (S.D. Cal.) (“Aldrich Dkt.”),
7 Dkt. Nos. 4-5, 10. He was sentenced on February 16, 2017 to eighteen months in
8 prison and three years’ supervisory release. *See* Aldrich Dkt. No. 21.

9
10 **III. CURRENT STATUS OF THE SEC’S ACTION**

11 On December 12, 2016, the SEC, Catipay and the Receiver filed a proposed
12 stipulated order vacating the final pretrial conference (Dkt. No. 73), which was
13 entered by the Court on December 21, 2016. *See* Dkt. No. 75.

14 The parties’ stipulation reflected that the only outstanding issues remaining in
15 the SEC’s action are the monetary relief sought by the SEC against defendants
16 Catipay and Prometheus. *See* Dkt. No. 73. The stipulation further noted that the
17 relief against Catipay may be determined by noticed motion per the terms of his
18 consent and judgment, and that the relief against Prometheus is contingent on the
19 Receiver’s analysis as to the receivership estate. *Id.* According to the Receiver’s
20 second status report filed April 3, 2017 (Dkt. No. 80), the Receiver continues to
21 pursue recovery of receivership assets from various sources, in addition to the
22 recompense that may flow from the portfolio of potential tort plaintiff cases in which
23 Prometheus invested. *Id.*

24 The Court’s December 21, 2016 order on the parties’ stipulation directed that:

25 The SEC will file a status report with the Court within ten
26 days of defendant Catipay’s sentencing to inform the Court
27 about the timing of its motion for relief against him and the
28 status of the case.

1 *See* Dkt. No. 75. Per this order, provided that Catipay’s sentencing occurs on April
2 24, 2017 as currently scheduled, and unless directed otherwise by the Court, the SEC
3 intends to file a status report on or before May 4, 2017, concerning its motion for
4 relief against Catipay and the status of the case.

5
6 Dated: April 6, 2017

7 */s/ Amy Jane Longo*
8 Amy Jane Longo
9 David M. Rosen
10 Attorneys for Plaintiff
11 Securities and Exchange Commission

12 */s/ James A. Catipay w/permission by*
13 *Amy Jane Longo*
14 James A. Catipay, *pro se*

15 */s/Daniel M. Benjamin w/permission by*
16 *Amy Jane Longo*
17 Daniel M. Benjamin
18 Andrew W. Robertson
19 Edward Chang
20 Attorneys for Thomas W. McNamara,
21 Receiver
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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 April 6, 2017, I caused to be served the document entitled **JOINT STATUS REPORT** 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: April 6, 2017

/s/ Julian Cha
JULIAN CHA

1 **SEC v. PLCMGMT LLC dba Prometheus Law, et al.**
2 **United States District Court—Central District of California**
3 **Case No. 2:16-cv-02594-TJH-FFM**
4 **LA-4552**

5 **SERVICE LIST**

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26 ***Attorneys for Thomas W. McNamara, Receiver***