

1 AMY JANE LONGO Cal. Bar No. 198304
Email: longoa@sec.gov
2 DAVID M. ROSEN Cal. Bar No. _150880
Email: rosend@sec.gov

3 Attorneys for Plaintiff
4 Securities and Exchange Commission
Michele Wein Layne, Regional Director
5 Alka N. Patel, Associate Regional Director
444 S. Flower Street, Suite 900
6 Los Angeles, California 90071
Telephone: (323) 965-3998
7 Facsimile: (213) 443-1904

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

11 **SECURITIES AND EXCHANGE**
12 **COMMISSION,**

13 Plaintiff,

14 vs.

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

18 Defendants.
19

Case No. 2:16-cv-02594-TJH-FFM

PLAINTIFF SEC AND RECEIVER'S
JOINT STATUS REPORT

1 **I. PROCEDURAL BACKGROUND**

2 The SEC filed its complaint against three defendants: PLCMGMT LLC, dba
3 Prometheus Law (“Prometheus”), James A. Catipay (“Catipay”), and David A.
4 Aldrich (“Aldrich”) on April 15, 2016 (*see* Dkt. No. 1), asserting claims for
5 violations of Sections 5(a) and (c) and 17(a) of the Securities Act of 1933 (“Securities
6 Act”), 15 U.S.C. §§ 77e, q(a), and Sections 10(b) and 15(a) of the Securities
7 Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78j(b), 78o(1), and Exchange
8 Act Rule 10b-5, 17 C.F.R. § 240.10b-5. The same day that it filed the complaint, the
9 SEC filed a motion for preliminary injunction, seeking appointment of a receiver,
10 asset freezes and other ancillary relief. *See* Dkt. No. 7. On April 26, 2016, the Court
11 permanently appointed receiver Thomas McNamara (“the “Receiver”) over
12 Prometheus by consent. *See* Dkt. No. 20.

13 ***The individual defendants.*** On May 27, 2016, the Court entered judgment
14 against defendant Catipay, by his consent, providing injunctive relief. *See* Dkt. Nos.
15 37, 42. On December 7, 2017, the Court entered final judgment, including injunctive
16 and monetary relief against defendant Catipay, following the SEC’s motion. *See* Dkt.
17 No. 107. On September 15, 2016, the Court entered final judgment against defendant
18 Aldrich, by consent, for both injunctive and monetary relief. *See* Dkt. No. 70.

19 Both of the individual defendants pled guilty in parallel criminal actions and
20 were sentenced to jail time and monetary relief. *See USA v. James Catipay*, Case No.
21 3:16-cr-02453-JAH (S.D. Cal.) (“Catipay Dkt.”), Dkt. Nos. 5-6, 12, 26; *USA v. David*
22 *Aldrich*, Case No. 3:16-cr-02688-JAH (S.D. Cal.) (“Aldrich Dkt.”), Dkt. Nos. 4-5, 10,
23 21, 26.

24 ***The corporate defendant in receivership.*** On October 28, 2019, the SEC filed
25 the Receiver’s consent to injunctive relief on behalf of the sole remaining defendant,
26 Prometheus. *See* Dkt. No. 126. The consent states that the monetary relief against
27 the receivership entity, if any, will be determined by noticed motion.
28

1 **II. CURRENT STATUS OF THE ACTION**

2 As reflected in the status reports, filed by the Receiver, the receivership began
3 with less than \$100 in Prometheus’ bank account. After recovering and selling some
4 receivership assets, including high-end vehicles and a downtown Los Angeles loft,
5 settling some clawback claims, and receiving some fee sharing revenue from the Case
6 Portfolio, the receivership returned nearly \$1.3 million to investors through two
7 interim distributions, representing 11% of investors’ approved claims. After
8 obtaining several clawback judgments, the Receiver is currently evaluating how best
9 to effectively collect on the judgments. The Receiver also continues to monitor the
10 Case Portfolio. *See* Dkt. Nos. 71, 80, 94, 113, 119, 123, 125.

11 Among the SEC’s considerations in seeking monetary relief is the status of
12 monies returned to investors, as compared with the amounts of investor losses. Given
13 that the amounts returnable to investors through the receivership remain to be
14 determined, the SEC anticipates awaiting further distributions prior to determining
15 whether to seek any monetary relief against the receivership entity, or whether to
16 forego such relief based on the distributions made to investors through the
17 receivership.

18 Dated: October 29, 2019

19 */s/ Amy Jane Longo*

20 _____
21 Amy Jane Longo
22 David M. Rosen
23 Attorneys for Plaintiff
24 Securities and Exchange Commission

25 */s/ Edward Chang*

26 _____
27 Edward Chang
28 Andrew Robertson
Attorneys for Thomas W. McNamara,
Receiver

LOCAL RULE 5-4.3.4(a)(2)(i) CERTIFICATION

Pursuant to L.R. 5-4.3.4(a)(2)(i), I, Amy Jane Longo, attest that all signatories identified above, and on whose behalf the filing is submitted, concur in the filing's content and have authorized the filing.

/s/ Amy Jane Longo

Amy Jane Longo

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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 October 29, 2019, I caused to be served the document entitled **PLAINTIFF SEC AND RECEIVER’S 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: October 29, 2019

/s/ Amy Jane Longo
Amy Jane Longo

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**

6 James Catipay
7 4820 ½ McConnell Ave.
8 Los Angeles, CA 90066
9 Email: james_catipay@yahoo.com
10 ***Pro Se***

11 Scott Vick
12 Vick Law Group
13 800 West 6th Street, Suite 1220
14 Los Angeles, CA 90017
15 Email: scott@vicklawgroup.com
16 ***Attorney for Defendant David A. Aldrich***

17 Andrew W. Robertson
18 Edward Chang
19 McNamara Smith LLP
20 655 West Broadway, Suite 1600
21 San Diego, CA 92101
22 Email: lsmith@mcnamarallp.com
23 Email: arobertson@mcnamarallp.com
24 Email: echang@mcnamarallp.com
25 ***Attorneys for Thomas W. McNamara, Receiver***