

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CIVIL ACTION NO.

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**E*HEDGE SECURITIES, INC.,
AND DEVON W. PARKS,**

Defendants.

EXPEDITED MOTION FOR INJUNCTIVE AND OTHER RELIEF

Pursuant to S.D. Local Rule 7.1(d)(2) and Rule 65 of the Federal Rules of Civil Procedure, plaintiff Securities and Exchange Commission ("Commission" or "SEC") moves the Court to order defendants E*Hedge Securities, Inc. ("E*Hedge"), an investment adviser registered with the SEC, and its CEO, Devon W. Parks ("Parks"), to comply with the law and allow the SEC to examine E*Hedges books and records and produce to the SEC copies of certain legally-required documents in accordance with Section 204 of the Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C. § 80b-4. The Commission also requests that the Court order defendants to comply with Section 203A of the Advisers Act, 15 U.S.C. § 80b-3a, which prohibits E*Hedge from being registered with the Commission as an investment adviser. Due to Defendants' continued violation of the law, which poses a potential threat to investors, the SEC requests expedited relief as follows:

1. We request that the Court immediately enter the proposed order to show cause, which schedules a hearing on the Commission's request for a preliminary injunction, orders defendants to preserve relevant records, and permits expedited discovery.

2. After a hearing, which the Commission requests be held *within 12 days*, the Court grant the Commission's request for a preliminary injunction and order defendants to produce the books and records requested by the Commission.

While Defendants ignore the SEC's request that E*Hedge comply with its regulatory obligations, beginning as early as March 2020, E*Hedge has attempted to capitalize on potential investor interest in products and treatments for the coronavirus, Covid-19. On March 22, 2020, E*Hedge registered and began operating Covid19invest.com, as well as social media websites relating to Covid-19. The Covid-19 Websites tout investment opportunities in connection with vaccines, diagnostic tests and treatments related to Covid-19.

As detailed in the SEC's Memorandum in Support of this motion, the SEC needs to examine E*Hedge's books and records to determine whether it should remain a registered entity and to determine whether E* Hedge is complying with the securities laws or otherwise engaged in conduct that is putting investors at risk. Defendants have failed to respond to the SEC's attempts to exercise its well-established examination rights to avoid regulatory oversight, while at the same time promoting investments in Covid-19 treatments.

Defendants' refusal to allow the SEC to examine its books and records are clear and continuing violations of Section 204 of the Investment Advisers Act of 1940 ("Advisers Act")^{1/} which provides in pertinent part:

Every investment adviser * * * shall make and keep * * * such records * * *, furnish such copies thereof and make and disseminate such reports as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. All records * * * of such investment advisers are subject at any time, or from time to time, to such reasonable periodic, special, or other examinations by representatives of the Commission as the Commission deems necessary or appropriate in the public interest or for the protection of investors.

^{1/} 15 U.S.C. § 80b-4.

The SEC's examination authority, which Defendants are continuing to flout, is "central to the SEC's execution of its congressionally-mandated regulatory duties." *SEC v. J.W. Korth & Co., et al.*, 991 F. Supp. 1468, 1472 n.5 (S.D. Fla. 1998) (granting summary judgment against defendants for failing to produce records to the SEC). Thus, the Court should order Defendants immediately to comply with these important provisions of the federal securities laws so that the SEC can examine E*Hedge's books and records, as part of its Congressionally-mandated duty of investor protection. *See SEC v. Barr Fin. Grp., Inc.*, No. 98-1806-CIV-T-17E, 1999 WL 1209520, at *3 (M.D. Fla. May 5, 1999) (entering a permanent injunction confirming a prior temporary restraining order and preliminary injunction, based on violations of Section 204 of the Advisers Act), *aff'd*, No. 99-12027, 220 F.3d 591 (Table) (11th Cir. 2000) (unpublished opinion). In addition, Defendants are violating Section 203A of the Advisers Act by being registered with the Commission as an adviser when it is statutorily prohibited from doing so.

Accordingly, the SEC moves the Court to, after a hearing, order Defendants to comply with the law and to immediately provide the requested records. The SEC also moves the Court to immediately enter an order scheduling the hearing, permitting expedited discovery, and prohibiting Defendants from destroying records. A proposed Order for this purpose is filed herewith.

Dated: June 3, 2020

Respectfully submitted,

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