

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

Case No. 6:21-cv-694-CEM-DCI

**HARBOR CITY CAPITAL
CORP., HARBOR CITY
VENTURES, LLC, HCCF-1 LLC,
HCCF-2 LLC, HCCF-3 LLC,
HCCF-4 LLC, HCCF-5 LLC,
HARBOR CITY DIGITAL
VENTURES, INC., HCC MEDIA
FUNDING, LLC, JONATHAN P.
MARONEY, CELTIC
ENTERPRISES, LLC, and
TONYA L. MARONEY,**

Defendants.

ORDER

THIS CAUSE is before the Court on Plaintiff’s Emergency Ex Parte Motion for Temporary Restraining Order (“TRO”), Asset Freeze, and Other Injunctive Relief (“Motion,” Doc. 4), which requests a TRO and preliminary injunction. (*Id.* at 4). The Court previously granted the Motion insofar as it requested a TRO, (TRO, Doc. 6, at 5–6), and three times extended the expiration of the TRO, (Apr. 27, 2021 Order, Doc. 20, at 2; May 5, 2021 Endorsed Order, Doc. 31; May 12, 2021 Endorsed

Order, Doc. 38), which is set to expire today, (Doc. 38). The Court also set a preliminary injunction hearing, (Notice of H'rg, Doc. 37), and Defendants were warned that “failure to appear at the hearing may result in the imposition of a preliminary injunction without further notice,” (Doc. 6 at 6).

Prior to the preliminary injunction hearing, Defendant Jonathan P. Maroney filed a Consent of Defendant to Entry of Preliminary Injunction (Doc. 39), wherein he consents to entry of Plaintiff’s requested preliminary injunction. On May 19, 2021, the Court held a preliminary injunction hearing on the Motion. (Min. Entry, Doc. 47). Counsel for Mr. Maroney appeared at the hearing. Plaintiff’s counsel failed to appear but was ultimately contacted telephonically by the Court. The Corporate Defendants—Harbor City Capital Corp. (“Harbor City Capital”); Harbor City Ventures, LLC (“Harbor City Ventures”); HCCF-1 LLC (“HCCF-1”); HCCF-2 LLC (“HCCF-2”); HCCF-3 LLC (“HCCF-3”); HCCF-4 LLC (“HCCF-4”); HCCF-5 LLC (“HCCF-5”); Harbor City Digital Ventures, Inc. (“Harbor City Digital”); and HCC Media Funding, LLC (“HCC Media”)—have not entered a notice of appearance of counsel and did not appear at the hearing, despite notice and ample time to obtain counsel. (*See generally* Returns of Service, Doc. Nos. 10–11, 13–16, 23–26). Additionally, the Court has approved the entry of a Clerk’s default as to each of the Corporate Defendants. (*See generally* Doc. Nos. 42, 48). For the reasons stated herein, the Motion will be granted insofar as it requests a preliminary injunction.

This “emergency action” was filed by Plaintiff Securities and Exchange Commission, alleging that Defendants are involved in perpetrating “an ongoing, fraudulent Ponzi-scheme victimizing hundreds of investors across the United States.” (Compl., Doc. 1, at 1). Specifically, Plaintiff alleges that Defendants “have raised more than \$17.1 million through a series of unregistered fraudulent securities offerings in several entities formed and controlled by” Mr. Maroney and Harbor City Capital. (*Id.* at 2).

Mr. Maroney is the President and sole Director of Harbor City Capital, a company incorporated in December 2014, (Harbor City Capital Corporate Filings, Doc. 4-3, at 7–10), and Harbor City Digital, a company incorporated in August 2017, (Harbor City Digital Corporate Filings, Doc. 4-4, at 5–8). Mr. Maroney is also the sole Manager of Harbor City Ventures, formed in December 2014. (Harbor City Ventures Corporate Filings, Doc. 4-5, at 2–6). Finally, Mr. Maroney is the Organizer¹ of HCCF-1, HCCF-2, HCCF-3, and HCCF-4, formed on various dates between August 2018 and November 2019. (HCCF LLCs Corporate Filings, Doc. 4-7, at 4–7, 15–16, 24). As to the remaining Defendants, HCC Media was organized by MXG Holdings, (HCC Media Corporate Filings, Doc. 4-6, at 5), and HCC Media is the Organizer of HCCF-5, (Doc. 4-7 at 32).

¹ Mr. Maroney is listed as the sole Manager of HCCF-1, (Doc. 4-7 at 4), the sole Member of HCCF-2, (*id.* at 15), and the Organizer of HCCF-3 and HCCF-4, (*id.* at 16, 24).

Plaintiff asserts seven counts against Defendants: Count I—Unregistered Sales of Securities in Violation of Sections 5(a) and 5(c) of the Securities Act; Count II—Fraud in Violation of Section 17(a)(1) of the Securities Act; Count III—Fraud in Violation of Section 17(a)(2) of the Securities Act; Count IV—Fraud in Violation of Section 17(a)(3) of the Securities Act; Count V—Fraud in Violation of Section 10(b) and Rule 10b-5(a) of the Exchange Act; Count VI Fraud in Violation of Section 10(b) and Rule 10b-5(b) of the Exchange Act; Count VII—Fraud in Violation of Section 10(b) and Rule 10b-5(c) of the Exchange Act. (Doc. 1 at 19–24).

Plaintiff seeks a preliminary injunction against all Defendants, including an asset freeze, to enjoin Defendants’ ongoing alleged violations of the Securities Act and the Exchange Act. (*See generally* Doc. 4). Plaintiff also seeks to enjoin two non-parties, Celtic Enterprises LLC (“Celtic”) and Tonya Maroney.² (*Id.* at 7). Celtic Enterprises is a limited liability company owned by Mr. Maroney, (Celtic Corporate Filings and Bank Records, Doc. 4-2, at 53–65, 67–70), and Tonya Maroney is the spouse of Jonathan Maroney as well as the self-purported “Owner and Founder” of Harbor City Capital. (Tonya Maroney LinkedIn Profile, Doc. 4-10, at 2–3). Based

² Ms. Maroney, appearing *pro se*, filed a Consent of Defendant to Entry of Permanent Injunction (Doc. 41), wherein she consents to entry of Plaintiff’s requested preliminary injunction. (*Id.* at 3).

on Defendants' bank records, both Celtic and Ms. Maroney are alleged to have received ill-gotten gains from Defendants. (Strandell Decl., Doc. 4-2, at 6).

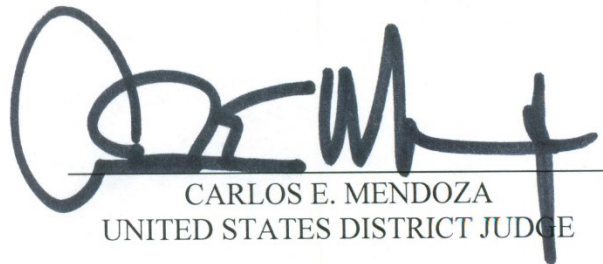
“[U]pon a proper showing,” the SEC is entitled to “a permanent or temporary injunction or restraining order . . . without bond.” 15 U.S.C. § 77t(b); 15 U.S.C. § 78u(d). A “proper showing,” requires the SEC to “establish[] the following: (1) a prima facie case of previous violations of federal securities laws, and (2) a reasonable likelihood that the wrong will be repeated.” *SEC v. Unique Fin. Concepts, Inc.*, 196 F.3d 1195, 1199 n.2 (11th Cir. 1999). “[T]he SEC appears in this matter not as an ordinary litigant, but as a statutory guardian charged with safeguarding the public interest in enforcing the securities laws. It therefore does not have to show irreparable injury or a balance of the equities in its favor.” *S.E.C. v. Lauer*, 03-80612-CIV-JOHNSON, 2008 WL 4372896, at *24 (S.D. Fla. Sept. 24, 2008), *aff'd*, 478 F. App'x 550 (11th Cir. 2012) (internal citations omitted); *see also Smith v. S.E.C.*, 653 F.3d 121, 127 (2d Cir. 2011) (explaining that “injunctions sought by the SEC do not require a showing of irreparable harm or the unavailability of remedies at law” and citing *S.E.C. v. Unifund SAL*, 910 F.2d 1028, 1035–36 (2d Cir. 1990), which in turn relies on *Hecht Co. v. Bowles*, 321 U.S. 321, 329 (1944)).

The Court, having considered the Complaint, the Motion, all declarations and exhibits thereto, and arguments and evidence at the Preliminary Injunction Hearing, as well as having reviewed the relevant legal authorities finds that Plaintiff has

demonstrated a proper showing to be entitled to a preliminary injunction against all Defendants. Accordingly, it is **ORDERED** and **ADJUDGED** as follows:

1. Plaintiff's Emergency Ex Parte Motion for Temporary Restraining Order, Asset Freeze, and Other Injunctive Relief (Doc. 4) is **GRANTED** insofar as it seeks a preliminary injunction.
2. The Temporary Restraining Order (Doc. 6-1 at 3–12) is converted to a preliminary injunction and **ADOPTED** and made a part of this Order.

DONE and **ORDERED** in Orlando, Florida on May 19, 2021.



CARLOS E. MENDOZA
UNITED STATES DISTRICT JUDGE

Copies furnished to:

Counsel of Record