

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10337 / April 10, 2017

SECURITIES EXCHANGE ACT OF 1934
Release No. 80407 / April 10, 2017

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3865 / April 10, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17911

In the Matter of

GALENA BIOPHARMA, INC.
AND MARK J. AHN,

Respondents.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Galena Biopharma, Inc. (“Galena”) and Mark J. Ahn (“Ahn”) (together, “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, which are admitted, **and except as provided herein in Section V**, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A

of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”), as set forth below.

III.

On the basis of this Order and Respondents’ Offers, the Commission finds¹:

SUMMARY

From January 2012 to February 2014, Galena and its then-CEO Mark Ahn engaged in a scheme to mislead investors by commissioning over 100 internet publications promoting Galena that purported to be independent and objective when, in fact, they were paid promotions funded by Galena. As CEO, Ahn, on behalf of Galena, engaged two firms, Lidingo Holdings and the DreamTeam Group, that paid writers to communicate about Galena on investment websites through articles and/or postings without disclosing that Galena had funded the communications. On over forty occasions, the writers affirmatively misrepresented that they were not receiving payment for their articles other than from the website on which their articles appeared. These omissions and misrepresentations about Galena’s funding of the articles and postings created the misleading impression that the opinions they contained were objective and independently formed.² Some of the articles and postings that Galena funded constituted unlawful prospectuses transmitted while Galena was preparing to offer or offering securities. As a consequence of this conduct, Galena and Ahn violated the anti-fraud provisions of the federal securities laws, caused violations of the anti-touting provisions, and engaged in improper “gun-jumping.”

Galena also violated the periodic reporting and books-and-records provisions of the federal securities laws in connection with stock options it granted to one of the firms, and, with Ahn, violated the securities registration provisions in connection with its issuance of shares to the firm after the firm exercised its options.³ Galena sold securities to Lidingo in an unregistered transaction when it included stock options as part of Lidingo’s compensation for its promotional activities in the third quarter of 2013. Thereafter, Galena sold shares to Lidingo in unregistered, non-exempt transactions upon Lidingo’s exercise of those stock options without taking reasonable care to prevent further distribution of the shares. As a result of Ahn’s involvement in the unregistered transactions with Lidingo, Ahn participated in the sale of securities to Lidingo. Galena and Ahn misstated in Galena’s applicable periodic reports that the company had not issued unregistered

¹ The findings herein are made pursuant to Respondents’ Offers and are not binding on any other person or entity in this or any other proceeding.

² The information about Galena in the articles and postings is not, itself, alleged to have been false or misleading.

³ Ahn also caused violations by Galena of the periodic reporting and books-and-records provisions.

securities. In the third quarter of 2013, Galena also did not record the expense of the stock options granted to Lidingo.

RESPONDENTS

1. **Galena Biopharma, Inc.**, is a biopharmaceutical company incorporated in Delaware. During the relevant time period, Galena was headquartered in Oregon; it is now headquartered in California. Galena's common stock is registered with the Commission pursuant to Exchange Act Section 12(b) and trades on the NASDAQ Capital Market.

2. **Mark J. Ahn**, 54, resides in Lake Oswego, Oregon. Ahn served as Chief Executive Officer and a director of Galena from 2007 to 2014.

OTHER RELEVANT INDIVIDUALS AND ENTITIES

3. **Lidingo Holdings, LLC**, a Nevada limited liability company formed in 2011 and dissolved in 2014, provided services to numerous issuers, including Galena, that included the generation of more than 400 articles on investment websites that described its clients' securities. Lidingo was owned and operated by Kamilla Bjorlin ("Bjorlin"). The Commission has charged Lidingo and Bjorlin for their roles in the misconduct described in this Order and for other misconduct unrelated to Galena.

4. **Michael A. McCarthy**, 47, resides in San Antonio, Texas. McCarthy founded The DreamTeam Group, LLC, a Florida limited liability company headquartered in Indianapolis, Indiana, in 2004. The DreamTeam Group, LLC and other entities owned and controlled by McCarthy, including Mission Investor Relations, LLC, a Delaware limited liability company headquartered in Atlanta, Georgia, provided services to numerous issuers, including Galena, that included the generation of more than 30 articles and 20 blog posts on investment websites that described their clients' securities. DreamTeam Group, LLC and Mission Investor Relations, LLC, which described themselves as being part of a "Family of Businesses," will be referred to together in this Order as "DreamTeam." The Commission has charged McCarthy and DreamTeam for their roles in the misconduct described in this Order and for other misconduct unrelated to Galena.

FACTS

Galena Paid Firms to Generate Articles and other Communications Describing its Securities that Falsely Purported to be Independent from Galena

5. In January 2012, Ahn signed a contract with Lidingo pursuant to which Lidingo would, among other things, "help generate independent research coverage for [Galena] through third parties." From January 2012 through April 2013, Galena paid Lidingo \$20,000 per month for these services. Ahn signed a second contract with Lidingo, effective August 1, 2013, that provided

that Galena would not only pay Lidingo \$20,000 per month, which Galena did through February 2014, but would also grant Lidingo certain stock options. The second contract with Lidingo was signed around the time that Galena began preparing for an offering that Galena announced on September 12, 2013 (the “September 2013 Offering”). In total, in addition to the stock options, Galena paid Lidingo at least \$460,000 in monthly fees and a \$20,000 bonus.

6. On July 23, 2013, a week before signing the second contract with Lidingo, Ahn signed a contract with DreamTeam for 90 days of social media, marketing and branding services that stated, “[r]etail trading will be the target” Ahn signed a second contract with DreamTeam on December 2, 2013 for an additional 150 days of coverage. In total, Galena paid DreamTeam \$50,000 for its services.

7. Lidingo paid writers to publish, give publicity to, or circulate articles describing Galena securities via investment websites, and to ghostwrite such articles that Lidingo itself published, gave publicity to, or circulated via investment websites using pseudonyms. Overall, Lidingo and writers it paid generated more than 90 articles describing Galena securities. None of those articles disclosed the direct or indirect compensation from Galena, and more than 40 contained affirmative misrepresentations that such compensation was not received. For example, after Galena wired a \$60,000 payment to Lidingo in November 2013 for three months of services, Lidingo paid a writer for an article describing Galena securities on Seeking Alpha’s website.⁴ The article failed to disclose the writer’s indirect compensation from Galena and contained the following misrepresentation: “I am not receiving compensation for [this article] (other than from Seeking Alpha).”

8. Lidingo also generated messages describing Galena securities on stock message boards without disclosing that Galena had directly or indirectly funded the posts. For example, on September 12, 2013, the day Galena announced its September 2013 Offering, Ahn emailed Lidingo with “[k]ey messages re: today’s financing,” which included a comparison of Galena to Insys Therapeutics, Inc., and stated: “Please own the boards!” Lidingo forwarded the email to one of its paid writers with the message, “Pls post on boards”

9. DreamTeam paid writers for four articles describing Galena securities that appeared on investment websites. None of those articles disclosed that the writers indirectly received compensation from Galena, and three contained affirmative misrepresentations that the writer did not receive such compensation. For example, after Galena made its first payment (\$25,000) to DreamTeam in July 2013, DreamTeam paid a writer for an article describing Galena securities that

⁴ Seeking Alpha maintains a website (www.seekingalpha.com) that describes itself as “a platform for investment research” The article, entitled “Will Galena’s Post-Holiday Charm Continue?,” appeared on Seeking Alpha’s website on December 19, 2013.

appeared on Seeking Alpha's website.⁵ The article did not disclose that the writer had been or would be indirectly compensated by Galena, and contained the following misrepresentation: "I am not receiving compensation for [this article] (other than from Seeking Alpha)." The next day, DreamTeam featured the article in a post on its blog on Seeking Alpha's website entitled, "Seeking Alpha Publishes Article Featuring Galena Biopharma, Inc. (GALE)." The blog post, which described and provided a hyperlink to the article, disclosed Galena's compensation of DreamTeam, but did not disclose that DreamTeam had generated the article by agreeing to pay the writer as part of its work for Galena.

10. Ahn signed the agreements with Lidingo and DreamTeam. He provided the firms with ideas for certain articles and message board posts, reviewed certain articles before publication, and on occasion suggested the website on which an article should appear.

11. Over the course of the engagements, Ahn exchanged a number of emails with Lidingo and DreamTeam regarding the price of Galena shares and their desire to move the price higher. For example, on July 29, 2013, at about the time that Galena began preparing for the September 2013 Offering, Ahn proposed contract terms with Lidingo that included the following: "\$20K/mo for three months. If the price is >\$3.00 in 90 days [Galena's stock closed at \$1.78/share on the day Ahn sent the email], then another 9 months." And on July 31, 2013, DreamTeam's McCarthy sent Ahn a message with the subject "Great day!" that listed the increasing closing prices of Galena's shares since DreamTeam started work five days earlier, and stated, "\$2.00 here we come!" Ahn replied, "Great start!"

12. Ahn understood during the relevant period that a writer who receives direct or indirect compensation from an issuer to write about the issuer's securities must disclose that compensation. He also knew or was reckless in not knowing that the articles and postings generated by Lidingo, and the articles generated by DreamTeam, did not disclose the direct or indirect compensation from Galena or misrepresented that such compensation was not being received.

13. Numerous communications between Ahn and Lidingo discussed payments to Lidingo writers. For example, in an April 4, 2012 email to Ahn, Bjorlin wrote, "I would like to revisit bonus for the writers, as they have done a lot of hard work and have taken the brunt of the criticism." Ahn responded, "Don't worry, I never forget . . . submit another invoice for \$20K." Galena paid Lidingo the \$20,000 bonus on April 9, 2012.

14. The failures of the writers/publishers of the articles and message board posts to disclose the compensation they received directly or indirectly from Galena, and their affirmative misrepresentations denying the receipt of that compensation, were material.

⁵ The article, entitled "Galena Biopharma Presents an Attractive Investment Opportunity," appeared on Seeking Alpha's website on August 6, 2013.

15. The articles that appeared on Seeking Alpha’s website described Galena securities, and certain of them operated as offers to buy the company’s securities. Seeking Alpha operates a widely-read website that holds itself out as a “platform for investment research, with broad coverage of stocks, asset classes, ETFs and investment strategy,” where “articles frequently move stocks, due to a large and influential readership which includes money managers, business leaders, journalists and bloggers.”

16. On January 27, 2014, while the price of Galena shares was inflated by the promotion scheme, Ahn sold 796,765 shares of Galena stock.

Galena Indirectly Transmitted Unlawful Prospectuses

17. By early August, 2013, Galena had reached an understanding with a broker/dealer that the broker/dealer would serve as the managing underwriter for an upcoming public offering by Galena. The restrictions on offering communications imposed by the “gun jumping” prohibitions of the federal securities laws commenced no later than when Galena and the broker/dealer reached this understanding.⁶

18. Between that time and the closing of the September 2013 Offering, Galena directly or indirectly compensated Lidingo, DreamTeam, and/or their writers to transmit articles and blog posts about the company using means of communication in interstate commerce.⁷ These

⁶ The September 2013 Offering was made pursuant to a delayed shelf registration on Form S-3 that Galena filed on May 24, 2013, and a prospectus supplement thereunder. Galena was not “in registration” with respect to the offering, and the offering-communications restrictions of Securities Act Section 5(b)(1) did not apply, until Galena began the process of offering the securities off the shelf. *See, e.g.,* Use of Electronic Media, Securities Act Release No. 7856, 65 Fed. Reg. 25843, 25845 n.10 (May 4, 2000) (“ ‘In registration’ is a term that refers to the entire registration process under the Securities Act, ‘at least from the time an issuer reaches an understanding with the broker-dealer which is to act as managing underwriter [before] the filing of a registration statement’ until the end of the period during which dealers must deliver a prospectus. See Securities Act Release No. 5180, at n. 1 (Aug. 16, 1971) [36 FR 16506]. An issuer will not be considered to be ‘in registration’ at any particular point in time solely because it . . . has on file a registration statement for a delayed shelf offering on Form S-3 . . . and has not commenced or is not in the process of offering or selling securities ‘off of the shelf.’ ”)

⁷ *See, e.g.,* “Galena Biopharma Presents an Attractive Investment Opportunity” (Seeking Alpha, 8/6/13) (generated by DreamTeam); “Galena Biopharma: Best and Worst Case Scenario” (Seeking Alpha, 8/14/13) (generated by Lidingo); “Seeking the Best Opportunities in Biotech by Value” (Seeking Alpha, 8/20/13) (generated by Lidingo); “Galena Biopharma: Ready for a Jump?” (Seeking Alpha, 8/22/13) (generated by Lidingo); “Galena Biopharma, Inc. (GALE) Backed With High Expectations For Upcoming Abstral Launch” (MissionIR’s Instablog on Seeking Alpha’s website, 9/10/13) (generated by DreamTeam); and “2 Small Cap Biotechnology Stocks with Big Promise” (Wall Street Cheat Sheet, 9/11/13) (generated by Lidingo).

communications constituted prospectuses because they were written offers to sell Galena securities in a public offering, but they did not comply with the requirements of Securities Act Section 10.⁸

Galena and Ahn Offered and Sold Unregistered Securities to Lidingo and Galena Did Not Disclose and Properly Account for the Sales

19. The 2013 contract between Galena and Lidingo included as part of Lidingo's compensation options to purchase 250,000 shares of Galena stock. Ahn signed the contract on behalf of Galena. From November 2013 through March 2014, Galena issued stock to Lidingo on five occasions after Lidingo paid Galena to exercise vested stock options. Prior to exercising its vested options, Lidingo conveyed to Ahn that its costs had exceeded the cash amount Galena had paid "and that the equity stake is where we [Lidingo] generate our income." Notwithstanding the receipt of this information, neither Galena nor Ahn exercised reasonable care to prevent Lidingo from reselling the shares it received in the public market soon after receiving them – such as by placing a restrictive legend on the shares or putting in place a stop-transfer order – and Lidingo did in fact resell its shares on each occasion within a week of receiving them. These issuances constituted sales of securities that resulted in public distributions that were neither registered with the Commission nor exempt from registration.⁹

20. After selling unregistered securities to Lidingo, Galena did not disclose the sales as required.¹⁰ Galena's Form 10-Q for the quarter ended September 30, 2013, which Ahn signed, incorrectly stated, "[t]here were no stock options granted during the three months ended September 30, 2013," and its Form 10-K for the year ended December 31, 2013, which Ahn also signed, stated that there had been no sales of unregistered securities during the period covered by the annual report that were not previously reported (which the sales to Lidingo were not). Galena's Form 10-Q for the first quarter of 2014, and its 2014 Form 10-K, did not disclose Galena's sale of stock in connection with Lidingo's exercise of stock options in 2014, which constituted unregistered, non-exempt sales of securities, and the Form 10-K for 2014 stated that there had been no sales of unregistered securities during the period covered by the annual report that were not

⁸ See 15 U.S.C §§ 77b(3), 77b(10), 77j.

⁹ Galena purportedly issued the stock options under its 2007 Incentive Plan. Galena registered with the Commission, via Form S-8 filings, the sale of common stock issuable upon exercise of the stock options under that plan, but sales of stock to a consultant may be registered via a Form S-8 only if the stock is issued to a natural person. See Form S-8, Instruction A.1.(a)(1)(i). Also, grants of options to a consultant may be registered via a Form S-8 only if "the services [provided by the consultant] . . . do not directly or indirectly promote . . . the registrant's securities." Form S-8, Instruction A.1.(a)(1)(iii). Because Lidingo was not a natural person, and because its services promoted Galena securities, the sale of stock to Lidingo was not registered with the Commission on a Form S-8.

¹⁰ Item 2 of Part II of Form 10-Q, and Item 5 of Part II of Form 10-K, require disclosure pursuant to Item 701 of Regulation S-K of information regarding "all securities of the registrant sold by the registrant within the past three years which were not registered under the Securities Act of 1933." Regulation S-K, Item 701.

previously reported (which the sales to Lidingo were not).

21. One-hundred-thousand stock options Galena sold to Lidingo in the third quarter of 2013 vested immediately. Galena did not record an expense in that quarter related to the vesting of those stock options.

GALENA'S REMEDIAL EFFORTS

22. In determining to accept Galena's Offer, the Commission considered remedial acts promptly undertaken by Galena and cooperation afforded the Commission staff.

VIOLATIONS

23. As a result of the conduct described above, Galena and Ahn violated Securities Act Section 17(a)(1) and (3) and Exchange Act Section 10(b) and Rule 10b-5(a) and (c) thereunder, which prohibit fraudulent conduct in the offer or sale of securities and in connection with the purchase or sale of securities, and Ahn caused Galena's violations of those provisions. Galena and Ahn also caused violations of those provisions, and of Securities Act Section 17(a)(2) and Exchange Act Rule 10b-5(b), by Lidingo and certain writers paid by Lidingo and DreamTeam, and of Securities Act Section 17(a)(2) and (3) by DreamTeam.¹¹

24. As a result of the conduct described above, Galena and Ahn caused Lidingo's, DreamTeam's, and certain writers' violations of Securities Act Section 17(b), which prohibits any person from publishing, giving publicity to, or circulating any communication that describes a security in exchange for direct or indirect consideration from an issuer, underwriter, or dealer without fully disclosing the past or prospective consideration and the amount.

25. As a result of the conduct described above, Galena and Ahn violated Securities Act Section 5(b)(1), which prohibits any person from directly or indirectly using interstate means to carry or transmit a prospectus relating to any security with respect to which a registration statement has been filed unless such prospectus complies with Securities Act Section 10. The articles and blog post that Galena and Ahn indirectly transmitted via Lidingo and DreamTeam while preparing for and during the September 2013 Offering were prospectuses that did not meet the requirements of Securities Act Section 10.

¹¹ Securities Act Section 17(a)(2) and (3) make it unlawful for any person, in the offer or sale of securities, by the use of communication in interstate commerce, "to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading," and "to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser."

26. As a result of the conduct described above, Galena and Ahn violated Sections 5(a) and 5(c) of the Securities Act, which prohibit the offer and sale of unregistered securities absent an applicable exemption from registration.

27. As a result of the conduct described above, Galena violated Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13 and 12b-20 thereunder, which require every issuer of a security registered pursuant to Section 12 of the Exchange Act to file annual and quarterly reports that disclose certain information, including information regarding “all securities of the registrant sold by the registrant within the past three years which were not registered under the Securities Act,”¹² and to include such further information as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading. Ahn caused Galena’s violation of Section 13(a) and Rules 13a-13 and 12b-20 thereunder in connection with the disclosure failures in Galena’s 10-Q for the third quarter of FY2013.

28. As a result of the conduct described above, Galena violated Exchange Act Section 13(b)(2)(A), which requires every issuer of a security registered pursuant to Exchange Act Section 12 to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer. Ahn caused Galena’s violation of Exchange Act Section 13(b)(2)(A).

UNDERTAKINGS BY GALENA

Respondent Galena has undertaken to:

In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, (i) agree to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) accept service by mail, email, or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoint Respondent Galena’s counsel in these proceedings as agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waive the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Galena’s travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consent to personal jurisdiction over Galena in any United States District Court for purposes of enforcing any such subpoena.

In determining whether to accept the Offer, the Commission has considered the undertaking set forth above.

¹² Regulation S-K, Item 701.

UNDERTAKINGS BY AHN

Respondent Ahn has undertaken to:

A. For a period of five years from the date of this Order, refrain from (1) hiring or causing to be hired for pay any third party to engage in a promotional campaign, on behalf of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act, that involves publishing, giving publicity to, or circulating any form of written communication, whether electronic or hard copy, which, though not purporting to offer a security for sale, describes such security or (2) directly or indirectly participating in any such paid promotional campaign; provided, however, that nothing herein prohibits Ahn from drafting or editing press releases or public filings of issuers with which he is associated, or otherwise commenting upon such press releases or public filings before they are finalized.

B. Certify, in writing, compliance with the undertaking set forth above. The certification shall identify the undertaking, provide written evidence of compliance in the form of a narrative, and be supported, as appropriate, by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Respondent Ahn agrees to provide such evidence. The certification and supporting material shall be submitted to Rami Sibay, Assistant Director, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertakings.

C. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, agree to (i) appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) accept service by mail, email or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoint Respondent Ahn's counsel in these proceedings as agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waive the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Respondent Ahn's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consent to personal jurisdiction over him in any United States District Court for purposes of enforcing any such subpoena.

In determining whether to accept Ahn's Offer, the Commission has considered the undertakings enumerated in Paragraph C.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' Offers.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 8A of the Securities Act and 21C of the Exchange Act, Respondents Galena and Ahn cease and desist from committing or causing any violations and any future violations of Sections 5(a), 5(b), 5(c), 17(a) and 17(b) of the Securities Act and Sections 10(b), 13(a), 13(b)(2)(A) of the Exchange Act and Rules 10b-5, 12b-20 and 13a-13 thereunder, and Respondent Galena cease and desist from committing or causing any violations and any future violations of Exchange Act Rule 13a-1.

B. Respondent Ahn be, and hereby is, prohibited for five years from the date of this Order from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

C. Within 14 days of the entry of this Order, Respondent Ahn shall pay disgorgement of \$677,250, prejudgment interest of \$67,181, and a civil monetary penalty in the amount of \$600,000, and Respondent Galena shall pay a civil money penalty in the amount of \$200,000, to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment of disgorgement and prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600, and if timely payment of civil money penalty is not made, interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying the payor as a respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Melissa Hodgman, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent(s) by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

E. Ahn shall comply with the undertakings enumerated in Paragraphs A and B of his undertakings set forth above.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent Ahn, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent Ahn under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent Ahn of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary