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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE)
COMMISSION,)
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Plaintiff,)
)
vs.)
)
STEVE CHEN, USFIA, INC.,)
ALLIANCE FINANCIAL GROUP,)
INC., AMAUCTION, INC.,)
ABORELL MGMT I, LLC, ABORELL)
ADVISORS I, LLC, ABORELL)
REIT II, LLC, AHOME REAL)
ESTATE, LLC, ALLIANCE NGN,)
INC., APOLLO REIT I, INC.,)
APOLLO REIT I, INC., APOLLO)
REIT II, LLC, AMKEY, INC,,)
US CHINA CONSULTATION)
ASSOCIATION, and QUAIL RANCH)
GOLF COURSE, LLC,)
)
Defendants.)
_____)

No. CV15-07425 RGK (GJSx)

DEPOSITION OF JUN (JASON) NING taken at 1875
Century Park East, Suite 2300, Los Angeles,
California, at 9:55 a.m., Tuesday, September 27,
2016, before Theresa JoAnn Phillips-Blackwell,
CSR 12700.



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25 Alex Rodriguez, videographer

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10:50 1 first key point is that the registered capital of this
10:50 2 company is 50 billion U.S. dollars.

10:50 3 Q. Okay.

10:50 4 A. And the president -- president and Steve Chen
10:50 5 was -- or is the secretary of the Premier of China, Chen
10:50 6 Yun.

10:50 7 THE INTERPRETER: C-h-e-n Y-u-n.

10:50 8 THE WITNESS: And Steve Chen was the founder
10:51 9 for China Unicom.

10:51 10 THE INTERPRETER: U-n-i-c-o-m.

10:51 11 THE WITNESS: And the IPO of China Unicom on
10:51 12 Wall Street was completely handled by Steve Chen
10:51 13 himself. And at the time there was an ongoing project
10:51 14 that had to do -- that was about a 9.6 million barrels
10:51 15 of crude oil. And they said that the money for that
10:51 16 project was already on the way. It was 9.8 billion U.S.
10:52 17 dollars. And what they said -- the more important thing
10:52 18 was that they said this company had political backup,
10:52 19 meaning, that this company was backed up by Chinese
10:52 20 government and U.S. Government.

10:52 21 BY MR. MASTERS:

10:52 22 Q. During these meetings, did they say anything
10:52 23 else other than what you've just described?

10:52 24 A. They just said things about how strong this
10:53 25 company is financially and how much real estate that

02:40 1 A. He talked about it every day. Every day. All
02:41 2 the time. Almost like every day when you ask
02:41 3 somebody -- somebody, "Good Morning."

02:41 4 Q. Okay.

02:41 5 A. Every day.

02:41 6 Q. From the beginning in September of 2013?

02:41 7 A. He said that, "I don't know how to do anything
02:41 8 else. All I know is how to bring a company public."

02:41 9 Q. Ah.

02:41 10 A. He said China Unicom was done by him. He had a
02:41 11 lot of recordings. He said that -- he said, "My
02:42 12 assets" -- he said, "Even the Arcadia mayor, Mayor E Zhi
02:42 13 Chao, said that too. We were all together." He said
02:42 14 that, "My assets is already as big as ten Italys. My
02:42 15 asset can buy over ten" -- "over ten Italys."

02:42 16 Q. Did you believe him when he said that his
02:42 17 assets were worth more than ten Italys?

02:42 18 A. At that time I thought this person was just
02:42 19 crazy.

02:42 20 Q. Yeah.

02:42 21 A. After I came back from Dominican Republic, I
02:43 22 felt that this person -- that that person -- I thought
02:43 23 this person was a bad person.

02:43 24 Q. Okay.

02:43 25 A. U.S. Government -- that U.S. Government should

02:46 1 there were very often -- I'm sorry to say this -- very
02:46 2 often have nice young ladies, very skinny, very tiny,
02:46 3 wearing some very brand name clothing.

02:46 4 Q. Okay. My question is very specific.

02:46 5 At what point in time did you begin to doubt
02:46 6 Mr. Chen's representation that he was planning to take
02:46 7 USFIA public?

02:46 8 A. Before, he said that in March it would go on --
02:46 9 go public for sure. He said that in September. He said
02:46 10 next year, March, for sure it will be -- go IPO. In
02:47 11 Mainland China -- and in Mainland China the direct sales
02:47 12 or multilevel marketing sales law would allow this
02:47 13 company for sure. Then the latest that would happen
02:47 14 would be May.

02:47 15 Q. Okay. Did you believe Mr. Chen's
02:47 16 representation that he had taken China Unicom public?

02:47 17 A. At the time I did not believe him in the
02:47 18 beginning.

02:47 19 Q. Okay.

02:47 20 A. Later on, the people around him all said to me
02:48 21 privately -- so later on, the people around him, Wang
02:48 22 Wei -- including Wang Wei, said that he -- or she -- she
02:48 23 actually saw the list of the people that were on the
02:48 24 original founders for China Unicom because the people on
02:48 25 the list were the very high government officials of

02:58 1 first.

02:58 2 So when you were look -- when you were speaking
02:58 3 to people to get them to invest in USFIA, did you make
02:58 4 any -- did you tell them -- then whatever you want to
02:58 5 say. That's going to translate much easier, and you're
02:58 6 going to be much clearer. So just try to rephrase your
02:58 7 question like that without changing the meaning.

02:58 8 Do you see what I'm saying?

02:58 9 MR. MASTERS: I'll ask about another
02:58 10 representation.

02:58 11 BY MR. MASTERS:

02:58 12 Q. Mr. Ning, when you were talking with people and
02:58 13 asking them to invest in USFIA, did you tell them that
02:59 14 USFIA owned amber mines in the Dominican Republic?

02:59 15 A. I told them this way. After everybody came to
02:59 16 the company, the company had the pamphlet. So everybody
02:59 17 would get a copy of the pamphlet. You just say what's
02:59 18 on the pamphlet.

02:59 19 Q. Okay. So you read through the pamphlet to the
02:59 20 audience that you were presenting to; correct?

03:00 21 A. Yes. Just what's on the PowerPoint. It was on
03:00 22 the PowerPoint -- it's the same information as what's on
03:00 23 the paper.

03:00 24 Q. Okay. And you state -- made those statements
03:00 25 with your mouth to the people that were there during

03:00 1 these presentations; correct?

03:00 2 A. That wasn't the case. The question that you
03:00 3 raised just now is a very key question. How did these
03:00 4 people come in? After these people came in I usually
03:00 5 take them to take a tour to see the amber showroom, and
03:00 6 then I take them to go upstairs.

03:01 7 After they are done looking at the second
03:01 8 floor, he said that he had a piece of land in -- in
03:01 9 White Deer Plantation.

03:01 10 THE INTERPRETER: This is a literal
03:01 11 translation.

03:01 12 THE WITNESS: It was actually a abandoned golf
03:01 13 course.

03:01 14 BY MR. MASTERS:

03:01 15 Q. Okay. Mr. Ning --

03:01 16 A. Listen, listen. It's very important. After --
03:01 17 after the people get off the bus -- oh, excuse me. Not
03:01 18 the bus.

03:01 19 After the people come down from second floor, I
03:02 20 then go find Steve Chen. It would be Steve Chen who
03:02 21 would make a presentation to these people. Not me. I
03:02 22 asked Steve Chen to come down, and then Steve Chen will
03:02 23 make the presentation.

03:02 24 MR. SCANDURA: So I'm going to move to strike
03:02 25 the prior three answers because it's now abundantly

03:03 1 Q. And who is he?

03:03 2 A. He was also brought in by somebody.

03:03 3 Q. Okay. And are you friendly with him?

03:03 4 A. Okay.

03:03 5 Q. Okay. Do you have any reason to doubt his
03:03 6 honesty?

03:03 7 A. I don't know.

03:03 8 Q. Okay. Isn't it true that at a presentation you
03:04 9 told him and others that USFIA owned about 70 percent of
03:04 10 the amber mines in the Dominican Republic?

03:04 11 A. That wasn't said by me. It was Steve Chen who
03:04 12 said that. It wasn't 70 percent. More than 80 percent.

03:04 13 Q. Okay.

03:04 14 A. Over 80 percent.

03:04 15 I didn't even go to Dominican Republic yet.
03:04 16 How would I say something like that?

03:04 17 Q. Okay. Did you ever believe that the units in
03:05 18 USFIA would increase 64 times once the IPO happened?

03:05 19 MR. MILLER: Objection. Vague as to "believe."

03:05 20 BY MR. MASTERS:

03:05 21 Q. You may answer.

03:05 22 A. I said earlier in the beginning, when he talked
03:05 23 about to multiple several -- how many times -- because
03:05 24 he had ten large projects, in the beginning, when he
03:06 25 said it would multiply ten -- by ten times or dozen

04:37 1 A. From Steve Chen.

04:37 2 Q. Okay. When?

04:37 3 A. After I came back from Dominican Republic.

04:37 4 Q. In July 2014?

04:37 5 A. Around that time.

04:37 6 Q. And why --

04:37 7 A. I cannot recall the specific date.

04:37 8 Q. Why did Mr. Chen give that to you?

04:37 9 A. Because I had the order. I did not pick up the
04:37 10 goods. He kept on telling me to wait and wait because
04:37 11 there will be better ones coming up.

04:37 12 Q. Better what coming up?

04:38 13 A. Better ambers.

04:38 14 Q. Okay.

04:38 15 A. Because we want to have the amber to
04:38 16 appreciate, so it's better to get some better -- good
04:38 17 ambers.

04:38 18 Q. Why did you take the amber that he offered then
04:38 19 instead of waiting?

04:38 20 A. I did not wait anymore because by that time I
04:38 21 already know that Steve Chen was crazy.

04:38 22 Q. Okay. And did Mr. Chen tell you how much the
04:38 23 amber that he gave you was worth?

04:38 24 A. Because in the beginning the amber was priced
04:39 25 at \$2,000, \$1,000. Later on it turn into 70,000, 80,000

04:39 1 dollars. So everything was -- all the price of the
04:39 2 ambers were set by him. So at night -- so at night --
04:39 3 so at night he would look at the ambers and -- under the
04:39 4 light with one eye. So I'm not lying. I'm not lying.
04:40 5 So at night he would just do it. And then his relative
04:40 6 would just be there recording it. So he would just
04:40 7 declare this one 200,000; this one 500,000; this one
04:40 8 \$800,000. And then after that he wrote, "Done." Done.
04:40 9 Just like that.

04:40 10 MR. MASTERS: Okay. Move to strike as
04:40 11 nonresponsive and lacks foundation.

04:40 12 BY MR. MASTERS:

04:40 13 Q. Mr. Ning --

04:40 14 MR. MILLER: I'll oppose that.

04:40 15 BY MR. MASTERS:

04:40 16 Q. Mr. Ning -- Mr. Ning, when Mr. Chen gave you
04:40 17 the amber, did he tell you how much it was worth?

04:40 18 A. It was marked with a price tag on there. Maybe
04:40 19 5,000, 6,000 dollars. Those were the cheapest ones.

04:40 20 Q. And did the -- the amber that you still have,
04:41 21 does it -- does it have the price tags on them?

04:41 22 A. Yes, yes.

04:41 23 Q. Okay. And how many pieces of amber do you have
04:41 24 from Mr. Chen?

04:41 25 A. I don't know. Several bags.

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DEPOSITION OFFICER'S CERTIFICATE

STATE OF CALIFORNIA }
 }
COUNTY OF LOS ANGELES } ss.

I, THERESA JOANN PHILLIPS-BLACKWELL, hereby
certify:

I am a duly qualified Certified Shorthand
Reporter in the State of California, holder of
Certificate Number CSR 12700 issued by the Court
Reporters Board of California and which is in full force
and effect. (Fed. R Civ. P. 28(a)).

I am authorized to administer oaths or
affirmations pursuant to California Code of Civil
Procedure, Section 2093(b) and prior to being examined,
the witness was first duly sworn by me. (Fed. R. Civ.
P. 28(a), 30(f)(1)).

I am not a relative or employee or attorney or
counsel of any of the parties, nor am I a relative or
employee of such attorney or counsel, nor am I
financially interested in this action. (Fed. R. Civ. P.
28).

I am the deposition officer that
stenographically recorded the testimony in the foregoing
deposition and the foregoing transcript is a true record

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of the testimony given by the witness. (Fed. R. Civ. P. 30(f)(1)).

Before Completion of the deposition, review of the transcript {XX} was { } was not requested. If requested, any changes made by the deponent (and provided to the reporter) during the period allowed, are appended hereto. (Fed. R. Civ. P. 30(e)).

Dated: OCTOBER 13, 2016



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No. CV15-07425 RGK (GJSx)

VOLUME II

DEPOSITION OF JUN (JASON) NING

October 3, 2016

Reported by: Theresa Phillips-Blackwell, CSR No, 12700
414614



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25 Alex Loverde, videographer

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10:49 1 have you had this mine?"

10:49 2 He said, "Less than two years."

10:50 3 When I heard this I realized Chen Yan's brother
10:50 4 had lied. Chen Lee, his brother, lied.

10:50 5 THE INTERPRETER: One second.

10:50 6 THE WITNESS: Chen Lee told me he spent
10:50 7 \$150 million, and he had it for 14 years.

10:50 8 BY MR. MASTERS:

10:50 9 Q. When did Steve Chen tell you that?

10:50 10 A. In the very beginning -- do you remember? -- in
10:51 11 September 2013.

10:51 12 Q. Okay. And what else did Yan Chen tell you
10:51 13 during the Dominican Republic trip in July 2014?

10:51 14 A. I asked him, "Did you guys buy the mine?"

10:51 15 He said, "How is that possible?"

10:51 16 I said, "Why?"

10:51 17 He said, "I'm only" -- "I'm only getting a
10:52 18 little bit of products from here, and then I sell them.
10:52 19 Chen Lee is my older brother. Of course, my first
10:52 20 choice is to give it to him. I could also give it to
10:52 21 other people. He and I were partners."

10:52 22 Q. Did you understand Yan Chen to be saying that
10:52 23 he and his brother, Steve, were partners in owning the
10:52 24 mine?

10:52 25 A. No mine. Nothing at all.

11:35 1 that USFIA was offering had to do with stocks or amber?

11:35 2 A. Yes.

11:35 3 Q. Can you please --

11:35 4 MR. MILLER: Oh, sorry.

11:35 5 MR. MASTERS: Go ahead.

11:35 6 Objection to the both questions. Vague. And
11:36 7 misleading.

11:36 8 BY MR. MILLER:

11:36 9 Q. You can answer.

11:36 10 A. It was like this. We got there, and they were
11:36 11 talking about amber. Based on what I know, amber does
11:36 12 not worth a lot of money because amber is used in
11:36 13 Chinese medicine as an ingredient to be eaten. We know
11:36 14 absolutely nothing about this.

11:36 15 Chen Lee said that he specialize in how to list
11:37 16 something public because he helped to list --

11:37 17 THE INTERPRETER: -- Chinacom?

11:37 18 May the interpreter double-check?

11:37 19 MR. SCANDURA: China Unicom.

11:37 20 THE INTERPRETER: China Unicom. Okay.

11:37 21 He helped to public list China Unicom.

11:37 22 He said, "I'm going to do" -- "engage in
11:37 23 another business that will for sure be bigger than China
11:37 24 Unicom."

11:37 25 ///

11:37 1 BY MR. MILLER:

11:37 2 Q. And was it Steve Chen that was saying this to
11:37 3 you when you say "he"?

11:37 4 A. Chen Lee.

11:37 5 Q. When you were being told about the company that
11:38 6 was going to go public, was it USFIA that you thought
11:38 7 would be the company going public?

11:38 8 A. Yes.

11:38 9 Q. And when you -- was Mr. Chen the one that told
11:38 10 you it would be USFIA that would be going public?

11:38 11 A. Yes. Correct.

11:38 12 Q. Was it your understanding that what you were
11:38 13 being asked to invest in were -- would buy you shares or
11:38 14 stock in USFIA?

11:38 15 A. Absolutely correct. The original stock.

11:39 16 Not stock.

11:39 17 THE INTERPRETER: May the interpreter
11:39 18 double-check.

11:39 19 THE WITNESS: Not stock. I meant IPO.

11:39 20 BY MR. MILLER:

11:39 21 Q. And by "IPO," do you mean the first offering of
11:39 22 the stock to the public?

11:39 23 MR. MASTERS: Objection. Leading.

11:39 24 THE WITNESS: It was so, yes. I remember Chen
11:40 25 Lee saying, "Stock."

11:42 1 BY MR. MILLER:

11:42 2 Q. And just for the record, when you say, "In the
11:42 3 beginning," are you referring to September 2013, about?

11:42 4 A. Correct.

11:42 5 Q. Okay. You've said during your testimony with
11:42 6 Mr. Masters that there were things that you did not
11:42 7 believe in the beginning, but then that started to
11:42 8 change. Do you recall that part of your testimony, or
11:42 9 words to that effect?

11:42 10 MR. MASTERS: Objection. Misstates prior
11:42 11 testimony.

11:43 12 BY MR. MILLER:

11:43 13 Q. When you began to believe in the
11:43 14 representations that were being made about USFIA, what
11:43 15 made you believe that; and who was telling you those
11:43 16 things?

11:43 17 MR. MASTERS: Objection. Vague. Compound.
11:43 18 Leading. Misstates prior testimony.

11:43 19 THE WITNESS: I told you before that I did not
11:44 20 believe the amount of assets Chen Lee had, but what I do
11:44 21 believe was the fact that Chen Lee did help to publicly
11:44 22 list China Unicom -- China Unicom. Also, the -- the
11:44 23 dollar amount, \$50 million -- how could U.S. government
11:44 24 allow him to publicly print this on a piece of paper?

11:44 25 MR. MILLER: Just for clarification, I want to

11:44 1 make sure the translation is right.

11:44 2 Is it 50 million or 50 billion?

11:44 3 THE INTERPRETER: Billion. Fifty billion. Did

11:45 4 I say million or billion? I'm sorry. Billion.

11:45 5 BY MR. MILLER:

11:45 6 Q. When you were considering investing in USFIA,
11:45 7 was the fact that it was -- had \$50 billion in assets
11:45 8 one of the reasons you decided to invest?

11:45 9 MR. MASTERS: Objection. Vague as to time.
11:45 10 Leading. Misstates prior testimony.

11:45 11 THE WITNESS: Correct.

11:45 12 MR. MILLER: I'm going to -- may I see this.

11:45 13 This is what has been marked as government --
11:45 14 or Exhibit 242. This is a notebook that was previously
11:45 15 entered into evidence. And one of the documents in this
11:45 16 exhibit is being presented to the witness. I believe
11:46 17 it's marked on the front page "UCCA," which appears to
11:46 18 stand for U.S.-China Consultation Association.

11:46 19 THE WITNESS: U.S. China Consultation
11:46 20 Association.

11:46 21 BY MR. MILLER:

11:46 22 Q. Mr. Ning, in September of 2013, was this one of
11:46 23 the documents that you were either given or picked up
11:46 24 while you were at USFIA?

11:46 25 A. It was given to me. He printed a lot of them.

11:47 1 Q. Who is "he"?

11:47 2 A. Everywhere.

11:47 3 In both Mandarin and in Chinese.

11:47 4 Q. Who is "he" that gave that to you?

11:47 5 A. An officer in the company, Coco Xu.

11:47 6 THE INTERPRETER: X-u.

11:47 7 THE WITNESS: It was in Chen Lee's office
11:47 8 everywhere.

11:47 9 BY MR. MILLER:

11:47 10 Q. This document was in Chen Lee's office?

11:47 11 A. Correct. All of it. Chen Lee drafted this.

11:47 12 Q. Why do you say that?

11:47 13 MR. MASTERS: Objection. Foundation.

11:48 14 THE WITNESS: Because I once asked Chen Lee --
11:48 15 I said, "This person" --

11:48 16 THE INTERPRETER: Interpreter spelling,
11:48 17 J-i-a-n-g K-u-n.

11:48 18 THE WITNESS: "Why did you put this person
11:48 19 here? What is your relationship with him?"

11:48 20 And I asked similar question to everybody with
11:48 21 the photo here.

11:48 22 MR. MILLER: And for the record, the witness
11:48 23 appears to be identifying a four-person row of
11:48 24 photographs on the inner fold of this exhibit.

11:48 25 THE WITNESS: Yes.

11:51 1 A. 1221 Alhambra.

11:52 2 Next to it there was a gas station.

11:52 3 Q. Did you examine this document in its entirety
11:52 4 before making a decision to invest in USFIA?

11:52 5 A. Correct.

11:52 6 Q. Did you talk to Mr. Chen about what was in this
11:52 7 document before making a decision to invest in USFIA?

11:52 8 MR. MASTERS: Objection. Vague.

11:52 9 THE WITNESS: On multiple occasions.

11:53 10 I'll give you another example.

11:53 11 BY MR. MILLER:

11:53 12 Q. Well, before we do that.

11:53 13 Did Mr. Chen indicate to you that what was
11:53 14 being said in this document was true about USFIA?

11:53 15 A. Of --

11:53 16 MR. MASTERS: Objection. Vague.

11:53 17 THE WITNESS: Of course.

11:53 18 BY MR. MILLER:

11:53 19 Q. Tell me, please, what did he say to indicate
11:53 20 that what was being said in this document was true?

11:53 21 A. For example, it says here under this bullet,

11:54 22 "There are 1600 spots for people who's interested in
11:54 23 real estate investment for immigration purpose."

11:54 24 He said, "I have lots of spots for investment
11:54 25 immigration purpose. I also owns two luxury prison."

12:29 1 several pages into the exhibit. It's a photograph. And
12:29 2 I'm going to show it to the witness and ask him if he
12:29 3 recognizes it.

12:30 4 THE WITNESS: I do.

12:30 5 MR. MILLER: Before I ask you a question, let
12:30 6 me just give Mr. Masters an opportunity.

12:30 7 MR. MASTERS: Okay. Thank you.

12:30 8 BY MR. MILLER:

12:30 9 Q. What is -- what is in that photograph?

12:30 10 A. This was his amber showroom.

12:30 11 Q. Was this one of the places that you would take
12:30 12 people when you were showing them around USFIA?

12:30 13 A. Yes. For sure.

12:30 14 Q. Did Mr. Chen tell you to take someone to this
12:30 15 room, or did you do that on your own?

12:30 16 A. He -- he told me. Because the door was open.
12:30 17 You had to go there.

12:31 18 Q. And what was in this showroom?

12:31 19 MR. MASTERS: Objection. Vague as to time.

12:31 20 BY MR. MILLER:

12:31 21 Q. At the time you were showing it.

12:31 22 A. In the very beginning it was more like the
12:31 23 original form. Not processed. Big ones. One of the
12:32 24 biggest lie in what Chen Lee said was in one of his
12:32 25 amber, there was a shrimp -- a tiny shrimp. And it was

12:50 1 weapons.

12:50 2 Q. When you were in the Dominican Republic, you
12:50 3 talked about a conversation you had with Yan Chen.

12:51 4 Do you remember that?

12:51 5 A. Yes.

12:51 6 Q. Was what Yan Chen told you about the amber
12:51 7 mines different than what Steve Chen had told you?

12:51 8 A. Yes. It was completely different.

12:51 9 Q. What had Steve Chen told you about the amber
12:51 10 mines?

12:51 11 MR. MASTERS: Objection. Asked and answered.
12:51 12 Vague. Vague as to time.

12:52 13 THE WITNESS: What -- what Chen Lee talked
12:52 14 about most when he was at USFIA was that he owns
12:52 15 80 percent of the amber and over 90 percent of the amber
12:52 16 mine was controlled by him.

12:52 17 I -- I said, "How come I didn't see the mine
12:52 18 that was printed on your brochure?"

12:52 19 And he said, "It was far. It was way far
12:52 20 away."

12:52 21 BY MR. MILLER:

12:52 22 Q. Did you ask Yan Chen that or Steve Chen?

12:52 23 A. Chen Yan.

12:53 24 Q. Okay. Let me just for a moment. This is a
12:53 25 document that's contained in Exhibit 242, I believe.

12:53 1 And it appears to have photographs of ambers on it, and
12:53 2 it's in black.

12:53 3 Do you recognize this document?

12:53 4 A. Yes. In the beginning he passed this out --
12:53 5 these two.

12:53 6 Q. Is that in September of 2013?

12:53 7 A. Yes.

12:53 8 Q. And did Mr. Chen, Steve Chen, say anything to
12:53 9 you about that document that I just handed you, the one
12:53 10 depicting ambers?

12:53 11 A. He said the amber was exclusively owned by him,
12:54 12 including water amber, land amber, and mine amber. And
12:54 13 there was a graph showing the growth rate.

12:54 14 MR. MASTERS: Objection. Vague as to time.

12:54 15 THE WITNESS: This was the one he mentioned
12:54 16 that contains the shrimp -- shrimp and was extremely
12:54 17 valuable.

12:54 18 BY MR. MILLER:

12:54 19 Q. And is Steve Chen telling you this at the time
12:54 20 that we referenced earlier, September of 2013?

12:54 21 A. Correct. He always talked about the same
12:55 22 thing.

12:55 23 Q. Did you look through this document and read it
12:55 24 in its entirety before deciding to invest in USFIA?

12:55 25 A. Yes.

01:12 1 testimony.

01:12 2 BY MR. MILLER:

01:12 3 Q. My question is, Why is it difficult or hard for
01:12 4 you to explain how much money you made while you were
01:12 5 working with USFIA? Can you explain?

01:12 6 MR. MASTERS: Objection. Misstates prior
01:12 7 testimony. Assumes facts.

01:12 8 THE WITNESS: Based on the checks, that should
01:12 9 count as my income; right? Yes. It included cash that
01:13 10 I used in exchange for the checks because he said he
01:13 11 needed urgently. Also, I bought a lot of stuff for him.
01:13 12 Also, I paid other people. Chen Lee promised to give it
01:13 13 back to me, but I didn't get it. That was the reason
01:13 14 why it was difficult for me to give you an exact
01:13 15 calculation.

01:14 16 BY MR. MILLER:

01:14 17 Q. You mentioned during your testimony with --
01:14 18 your prior testimony a conference that took place at the
01:14 19 Hilton. I believe it was on or about July 22nd of 2014.

01:14 20 Do you remember that?

01:14 21 A. I don't remember whether it took place in
01:14 22 Hilton or at Pacific Palm.

01:14 23 Q. What makes you think it might be the Hilton?

01:15 24 A. Because he often held conferences like that
01:15 25 either in Hilton or Pacific Palm, but I think higher

01:15 1 chances it took place in Hilton.

01:15 2 Q. Did you ever attend those conferences that were
01:15 3 held at the Hilton?

01:15 4 A. Yes.

01:15 5 Q. Were other -- were investors brought to the
01:15 6 Hilton for these conferences?

01:15 7 MR. MASTERS: Objection. Foundation. And
01:16 8 vague.

01:16 9 BY MR. MILLER:

01:16 10 Q. You can answer.

01:16 11 A. Are you asking me if I brought investors?

01:16 12 Q. No. I'm just wondering, Were investors there?

01:16 13 A. A lot. A lot. A lot.

01:16 14 Q. During those conferences held at the Hilton
01:16 15 that you attended, did you ever see Steve Chen address
01:16 16 the investors?

01:16 17 A. Yes. He talked each time.

01:16 18 Q. And did Steve Chen tell the investors the same
01:16 19 or similar things that he had told you about USFIA?

01:17 20 MR. MASTERS: Objection -- objection. Vague.
01:17 21 Vague as to time.

01:17 22 THE WITNESS: It was even grander than what he
01:17 23 told -- he had told me.

01:17 24 BY MR. MILLER:

01:17 25 Q. In what way?

01:17 1 MR. MASTERS: Same objections.

01:17 2 THE WITNESS: Amber mine. He was the biggest
01:17 3 one in the world. He was using numbers to tell people
01:17 4 to believe him.

01:17 5 BY MR. MILLER:

01:17 6 Q. Money numbers or numbers about something else?

01:17 7 A. Both. Money numbers, as well as amber numbers.

01:17 8 Q. The value of the amber?

01:17 9 A. The growth rate will be faster and faster.

01:18 10 MR. MILLER: Growth?

01:18 11 THE INTERPRETER: Growth.

01:18 12 MR. MASTERS: Belated objection. Leading.

01:18 13 BY MR. MILLER:

01:18 14 Q. Did he -- that is, did Steve Chen say the same
01:18 15 or similar things to the investors that went to USFIA?

01:18 16 A. Yes.

01:18 17 Q. Did he say the same things that he told you to
01:18 18 the investors at USFIA?

01:18 19 MR. MASTERS: Objection --

01:19 20 THE WITNESS: The majority of them were the
01:19 21 same, but each time he would make up even more. For
01:19 22 example, he would tailor it to your individual case. He
01:19 23 would make up things that would make you believe.

01:19 24 MR. MASTERS: Just belated objection to the
01:19 25 last two questions. Same as prior objections.

01:34 1 gets listed"?

01:34 2 A. He said the company, USFIA, will be public --
01:34 3 publicly listed very soon.

01:34 4 Q. Okay. And what did you understand Mr. Chen to
01:34 5 mean when he said that the company would be publicly
01:34 6 listed?

01:35 7 MR. MILLER: Asked and answered.

01:35 8 THE WITNESS: To be specific, he said he used
01:35 9 to own this company called Amkey. And later on we
01:35 10 learned that it was a company he used to -- to make
01:35 11 fraudulent transactions. He said for five years there
01:35 12 is no record indicating it was not performing well. He
01:35 13 said between March and -- between March to May 2014 he
01:36 14 received a license for direct selling in China. He said
01:36 15 once we received that license, we got listed
01:36 16 immediately. Was for a very short period of time. So
01:36 17 therefore, I believed that he could list the company.
01:36 18 BY MR. MASTERS:

01:36 19 Q. I understand what you just explained with
01:36 20 regard to the listing in China.

01:36 21 My question is, Did you have a different
01:36 22 understanding for what IPO meant in the United States?

01:36 23 A. You didn't understand me clearly.

01:37 24 This company, Amkey, was a global company,
01:37 25 according to him. It was in Vietnam and other parts.

01:42 1 dollars. Would you do that?

01:42 2 BY MR. MASTERS:

01:42 3 Q. And so that's the reason why you believe
01:42 4 Mr. Chen was lying about his intention to take USFIA
01:42 5 public; correct?

01:42 6 A. What do you think?

01:42 7 Q. I'm asking you.

01:42 8 A. Yes, he was lying.

01:42 9 Q. Okay. Do you recall in your testimony with
01:42 10 Mr. Miller just a little while ago you mentioned that --
01:42 11 or you testified that Steve Chen told you at some point
01:42 12 in time that he controls over 90 percent of the mines in
01:43 13 the Dominican Republic?

01:43 14 MR. MILLER: Objection. Misstates the
01:43 15 testimony.

01:43 16 THE WITNESS: He said he owns more than
01:43 17 80 percent of the mine and he controls more than
01:43 18 90 percent of the amber at -- in the market at Dominican
01:43 19 Republic.

01:43 20 BY MR. MASTERS:

01:43 21 Q. Do you recall testifying under examination by
01:44 22 Mr. Miller that for you the important part of your
01:44 23 decision to invest in USFIA was that Mr. Chen had other
01:44 24 businesses aside from the amber mining platform?

01:44 25 A. I do.

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STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Theresa Phillips-Blackwell, hereby certify:

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I am not a relative or employee or attorney or counsel of any of the parties, nor am I a relative or employee of such attorney or counsel, nor am I financially interested in this action. (Fed. R. Civ. P. 28).

I am the deposition officer that stenographically recorded the testimony in the foregoing deposition and the foregoing transcript is a true record

/ / /

1 of the testimony given by the witness. (Fed. R. Civ. P.
2 30(f)(1)).

3 Before completion of the deposition, review of
4 the transcript [] was [X] was not requested. If
5 requested, any changes made by the deponent (and
6 provided to the reporter) during the period allowed, are
7 appended hereto. (Fed. R. Civ. P. 30(e)).

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9 Dated: October 14, 2016

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