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10 **UNITED STATES DISTRICT COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**  
12 **Western Division**

13 **SECURITIES AND EXCHANGE**  
14 **COMMISSION,**

15 Plaintiff,

16 vs.

17 **STEVE CHEN ET AL.,**

18 Defendants.

Case No. CV15-07425 GHK (PLA)

**STATEMENT OF  
UNCONTROVERTED FACTS AND  
CONCLUSIONS OF LAW IN  
SUPPORT OF MOTION FOR  
SUMMARY JUDGMENT AS TO  
LIABILITY AND INJUNCTIVE  
RELIEF AGAINST DEFENDANT  
STEVEN CHEN**

19 Date: November 28, 2016  
20 Time: 9:00 a.m.  
Ctrm: 850 Roybal Courthouse  
21 Judge: Hon. R. Garv Klausner

22 Pursuant to Local Rule 56-1 of the United States Central District of California,  
23 Plaintiff Securities and Exchange Commission (“SEC”) submits this Statement of  
24 Uncontroverted Facts and Conclusions of Law in support of its motion for summary  
25 judgment against defendant Steve Chen (“Chen”).  
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1 **I. STATEMENT OF UNCONTROVERTED FACTS**

2 **A. Background**

	STATEMENTS OF FACT	EVIDENCE
3 4 5 6 7 8 9 10 11 12 13	1. Chen operated and controlled defendants US Fine Investment Arts, Inc. (“USFIA”), Alliance Financial Group, Inc. (“AFG”), Amauction, Inc., Aborell Mgmt I, LLC, Aborell Advisors I, LLC, Aborell REIT II, LLC, Amkey, Inc. (“Amkey”), US China Consultation Association (“UCCA”), Ahome Real Estate, LLC, Alliance NGN, Inc., Apollo REIT I, Inc., Apollo REIT II, Inc., and Quail Ranch Golf Course, LLC (“Quail Ranch”) (collectively, “defendant entities”).	Dkt. No. 9, Exs. 1-13.
14	2. Chen was the registrant of USFIA’s website (www.usfiainc.com).	Dkt. No. 9, Ex. 14.
15 16 17	3. According to USFIA’s website, USFIA was founded and owned by UCCA.	Dkt. No. 9, Ex. 15.
18	4. USFIA is located at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006.	Dkt. No. 9, Ex. 1.
19	5. USFIA was incorporated by Chen on September 2, 2010.	Dkt. No. 9, Ex. 1.
20 21 22	6. Chen was the owner, President, and Chief Executive Officer of USFIA.	Dkt. No. 121, Declaration of Peter Del Greco in Support of SEC’s Motion for Summary Judgment (“Del Greco Decl.”), Ex. 1.
23	7. Amkey is located at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006.	Dkt. No. 9, Ex. 4; Del Greco Decl., Ex. 2.
24 25	8. Amkey was incorporated by Chen on June 3, 2003.	Dkt. No. 9, Ex. 4; Del Greco Decl., Ex. 2.
26	9. Chen was the owner and President of Amkey.	Dkt. No. 9, Ex. 4; Del Greco Decl., Ex. 2.
27 28	10. Quail Ranch is located at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006.	Dkt. No. 9, Ex. 7; Del Greco Decl., Ex. 3.

11.	Quail Ranch was formed by Chen on November 13, 2012.	Dkt. No. 9, Ex. 7; Del Greco Decl., Ex. 3.
12.	Chen was the President and Manager of Quail Ranch.	Dkt. No. 9, Ex. 7; Del Greco Decl., Ex. 3.
13.	UCCA is located at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006.	Dkt. No. 9, Ex. 6; Del Greco Decl., Ex. 4.
14.	UCCA was incorporated by Chen on June 26, 2013.	Dkt. No. 9, Ex. 6; Del Greco Decl., Ex. 4.
15.	Chen was the Principal and President of UCCA.	Dkt. No. 9, Ex. 6; Del Greco Decl., Ex. 4.
16.	Chen was the President of AFG located at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006.	Dkt. No. 9, Ex. 5

### B. Chen's Offer and Sale of Securities

17.	One or more investors who attended meetings held at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 obtained, among other things, marketing materials.	Del Greco Decl., Exs. 6 (" <i>Liu Depo</i> ") 38:13 – 22, 42:17 – 44:14; Ex. 7 (" <i>Li Depo</i> ") 52:20 – 53:25; Ex. 8 (" <i>Mo Depo</i> ") 30:11 – 17, 33:12-13, 62:3 – 7, 75:3 – 23; Ex. 9 (" <i>M. Liu Depo.</i> ") 46:17 – 47:13; Ex. 10 (" <i>Ning Depo.</i> ") 118:15 – 18, 226:13 – 227:8; Ex. 12 (" <i>Kimura Depo</i> ") 80:7 – 83: 7.
18.	One or more investors who attended meetings held at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 obtained, among other things, a brochure titled "US-China Consultation Association."	Del Greco Decl., Ex. 224; <i>Liu Depo.</i> , 38:13 – 22; <i>Mo Depo.</i> , 33:13 – 24, 75:3 – 23; <i>M. Liu Depo.</i> , 46:17 – 47:13; <i>Kimura Depo:</i> 80:7 – 83:7
19.	One or more investors who attended meetings held at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 obtained, among other things, a brochure titled "Gemstone-Grade Amber Series"	Del Greco Decl., Ex. 202; <i>Liu Depo.</i> , 38:13 – 22; <i>Ning Depo.</i> , 248:24 – 249:7; <i>Mo Depo.</i> , 75:3 – 23; <i>M. Liu Depo.</i> , 46:17 – 47:13
20.	One or more investors who attended meetings held at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 obtained, among other things, a handout discussing USFIA's "Bonus System."	Del Greco Decl., Ex. 207; <i>M. Liu Depo.</i> , 81:1 – 19

1	21.	One or more investors who attended meetings held at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 obtained, among other things, a brochure titled “Quail Ranch Golf Club.”	Del Greco Decl., Ex. 259; <i>M. Liu Depo.</i> , 163:5 – 19; Del Greco Decl., Ex. 224; <i>Liu Depo.</i> , 42:17 – 44:14
2	22.	One or more investors who attended meetings held at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 obtained, among other things, a handout titled “Alliance Financial Group USFIA Currency Fund”	Del Greco Decl., Ex. 216; <i>Li Depo.</i> , 135:1 – 14
3	23.	One or more investors who attended meetings held at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 obtained, among other things, a power point presentation titled “The Gem Coin Bonus System.”	Del Greco Decl., Ex. 219; <i>Li Depo.</i> , 137:9 – 9
4	24.	One or more investors who attended meetings held at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 obtained, among other things, an “Inventory Report” dated 2015-07-02.	Del Greco Decl., Ex. 220; <i>Li Depo.</i> , 138:20 – 139:10
5	25.	One or more investors who attended meetings held at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 obtained, among other things, a power point presentation titled “Singapore Investors Field Trip (Mar 2015) AFG/USFIA HQ @ Arcadia Los Angeles California USA.”	Del Greco Decl., Ex. 221; <i>Li Depo.</i> , 141:14 – 143:9
6	26.	One or more investors who attended meetings held at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 obtained, among other things, a power point presentation titled “Gemcoin and the Trend USFIA, Inc.”	Del Greco Decl., Ex. 222; <i>Li Depo.</i> , 143:10 – 144:19
7	27.	One or more of these materials stated, among other things, that USFIA was a multinational jewelry enterprise that combined gemstone mining, processing and design with jewelry sales.	Del Greco Decl., Ex. 202
8	28.	One or more of these materials stated, among other things, that USFIA got its amber from the El Valle Amber Mine in the Dominican Republic through its wholly owned subsidiary	Del Greco Decl., Ex. 202

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2	29.	One or more of these materials stated, among other things, that the El Valle Amber Mine produced gemstone grade amber, including blue amber, which was described as the “King of Amber” and several times more valuable than gold.	Del Greco Decl., Ex. 202
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6	30.	One or more of these materials stated, among other things, that USFIA sold its amber using a “direct” selling model to control costs, eliminate the middleman, and provide genuine jewelry to dealers and consumers.	Del Greco Decl., Ex. 202
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9	31.	One or more of these materials stated, among other things, that USFIA offered packages in amounts of \$2,000, \$10,000, or \$30,000.	Del Greco Decl., Ex. 202
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11	32.	One or more of these materials stated, among other things, that customers could become “representatives” of USFIA and have the right to purchase, market and sell amber.	Del Greco Decl., Ex. 202
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14	33.	One or more of these materials stated, among other things, that UCCA had brought together a “group of elites” and they were building a bridge between China and the United States in business and political circles.	Del Greco Decl., Ex. 224
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17	34.	One or more of these materials stated, among other things, that UCCA was building a bridge between China and the United States in business and political circles.	Del Greco Decl., Ex. 224
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20	35.	One or more of these materials stated, among other things, that UCCA was jointly established by Steven Chen, Chairman of AFG Investment Group in the United States, ten US members of Congress including John Wuo, US Congressman and mayor of Arcadia, California, and others.	Del Greco Decl., Ex. 224
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25	36.	One or more of these materials stated, among other things, that UCCA “real estate projects include a total of 1,600 immigrant investor spots.”	Del Greco Decl., Ex. 224; <i>Liu Depo.</i> : 42:17 – 44:14; <i>Li Depo.</i> , 97:5 – 17, 99:3 – 18; Ex. 259; <i>M. Liu Depo.</i> , 163:5 – 8; <i>Ning Depo.</i> , 229:22 – 25
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1	37.	One or more of these materials stated, among other things, that one of UCCA's real estate projects was the Los Angeles Quail Ranch Golf Course.	Del Greco Decl., Ex. 224
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4	38.	One or more of these materials described the Quail Ranch Golf Club, LLC as an "EB-5 Investment Immigration Program" and stated, among other things, "Your whole family can live the American Dream for 500,000 US dollars."	Del Greco Decl., Ex. 259
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8	39.	One or more of these materials stated, among other things, that the Quail Ranch Golf Club, LLC EB-5 Investment Immigration Program "was developed and produced following the requirements of EB-5 investment immigration" and was "safe and reliable."	Del Greco Decl., Ex. 259
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12	40.	One or more of these materials described a "Bonus System" and stated, among other things, that investors could receive an "intermediary bonus" of \$1,000 (or 10%) and an additional 12% "teamwork" or "binary" bonus if they recruited someone who purchased a \$10,000 "package" in USFIA, or \$3,000 and an additional 15% "teamwork" or "binary" bonus if they recruited someone who purchased a \$30,000 package, and that they would receive additional "leadership bonuses" bonuses, including travel to the United States, luxury automobiles and mansions, based on the success of their recruits in recruiting successive generations of lower line investors.	Del Greco Decl., Ex. 207
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22	41.	One or more of these materials described a "Bonus System" and stated, among other things, that individuals could be compensated as much as \$100,000 and receive titles of 1 star, 2 stars, 3 stars, 4 stars, 5 stars, and Director.	Del Greco Decl., Ex. 207
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26	42.	One or more of these materials stated, among other things, that Chen founded China Unicom in 1993 and that "under his leadership" the company went public in the US in 2000.	Del Greco Decl., Ex. 221; <i>Li Depo.</i> , 117:6 – 118:10, 141:14 – 142:3; <i>Kimura Depo.</i> : 80:7 – 83:7
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1	43.	One or more of these materials stated, among other things, that AFG and USFIA had \$50 billion in assets worldwide.	Del Greco Decl., Ex. 216; <i>Li Depo.</i> , 134:9 – 25, 135:1 – 16, <i>Liu Depo.</i> , 45:21 – 24; Dkt. No. 120, Declaration of Thomas Seaman (“Seaman Decl.”) ¶ 6.
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5	44.	One or more of these materials stated, among other things, that amber would be submitted for audit by “one of the largest auditing firms in the US” and that each batch submitted was worth \$100 million.	Del Greco Decl., Ex. 221; <i>Li Depo.</i> , 141:14 – 142:3
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9	45.	One or more of these materials contained pictures of armed guards delivering apparently 40 bins of rings to USFIA and one of the armed guards with his hand on his firearm.	Del Greco Decl., Ex. 220; Seaman Decl. ¶ 8.
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11	46.	One or more of these materials stated, among other things, that investors could become “representatives” in the marketing and selling of amber, and be rewarded in a “favorable” manner.	Del Greco Decl., Ex. 202; <i>Liu Depo.</i> , 38:13 – 22; <i>Ning Depo.</i> , 248:24 – 249:7; <i>Mo Depo.</i> , 75:3-23; <i>M. Liu Depo.</i> , 46:17 – 47:13
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15	47.	One or more of these materials stated, among other things, that investors who recruited “underlines” could receive as much as a “15%” of an underline’s \$30,000 investment.	Del Greco Decl., Ex. 219; <i>Li Depo.</i> , 137:9 – 9
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17	48.	One or more of these materials stated, among other things, that investors could “cash out” their investment using ATM machines with the “Gemcoin” logo.	Del Greco Decl., Ex. 221; <i>Li Depo.</i> , 141:14 – 142:3
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20	49.	One or more of these materials stated, among other things, that 2500 ATM machines for Gemcoin were made available worldwide after October 12, 2014 and included a photograph of someone using a Gemcoin ATM located at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006.	Del Greco Decl., Ex. 221; <i>Li Depo.</i> , 141:14 – 142:3
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25	50.	USFIA had a showroom filled with jewelry display cases containing, among other things, amber necklaces and amber earrings bearing price tags that often indicated they were worth thousands of US dollars.	Del Greco Decl., Ex. 221; <i>Li Depo.</i> , 141:14 – 142:3, 142:17 – 143:9; <i>Mo Depo.</i> , 56:20 – 57:16; <i>M. Liu Depo.</i> , 184:4 – 189:11; Ex. 11 (“ <i>Chenyu Depo.</i> ”) 139:17 – 140:20
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1	51.	USFIA stored 132 plastic tubs containing 1,000 rings each on the premises of USFIA, and labeled each of the plastic tubs with a value of \$10 million, which equated to \$10,000 per ring.	Dkt. No. 119, Declaration of Charles Carmona (“Carmona Decl.”) ¶¶ 8 – 22
2	52.	One or more of the investors was given a tour of the amber showroom in USFIA and believed the price tags listed on the amber to be accurate.	Del Greco Decl., Ex. 221; <i>Liu Depo.</i> , 68:3 – 9, 69:14 – 71:4; <i>Li Depo.</i> , 126:18 – 127:14; <i>Mo Depo.</i> , 30:11 – 17, 32:19 – 21, 48:9 – 11, 51:11 – 12, 63:20-23, 64:16-19, 66:13 – 22, 128:7, 157:1 – 5, 159:1 – 160:9; <i>M. Liu Depo.</i> , 179:25 – 181:22
3	53.	Prospective investors were given tours of the amber showroom at Chen’s direction.	<i>Ning Depo.</i> , 243:10 – 17
4	54.	One or more investors in the EB-5 program was given an “EB-5 Agreement”	<i>M. Liu Depo.</i> , 161:16 – 162:1
5	55.	One or more investors who attended meetings at 135 E. Live Oak Avenue, Ste. 100, Arcadia CA 91006 was told, among other things, he/she could earn money by recruiting additional investors.	Del Greco Decl., Exs. 207 and 219; <i>Liu Depo.</i> , 125: 2 – 11, 193:6-9; <i>Li Depo.</i> , 129:2 – 8, 137:11 – 138:18; <i>Mo Depo.</i> , 149:22 – 150:10; <i>M. Liu.</i> , 75:5 – 79:16
6	56.	One or more investors who attended meetings at 135 E. Live Oak Avenue, Ste. 100, Arcadia CA 91006 could track the people he/she recruited (“downline”), the people their downline recruited, as well as their identification numbers on USFIA’s website.	Del Greco Decl., Ex. 247; <i>M. Liu Depo.</i> , 122:3 – 6
7	57.	One or more investors who attended meetings at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 was told, among other things, that Chen was the one who took China Unicom public in the US.	<i>M. Liu Depo.</i> , 67:14 – 22, 69:1 – 7; <i>Ning Depo.</i> , 41:8 – 13; <i>Kimura Depo.</i> : 80:7 – 83:7
8	58.	One or more investors who attended meetings at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 was told, among other things, that USFIA had \$50 billion in capital.	<i>Ning Depo.</i> , 41:1 – 2
9	59.	USFIA’s website stated, among other things, that AFG had more than “\$50 billion” in assets	Dkt. No. 9, Ex. 14



1		worldwide.	
2	60.	One or more investors who attended meetings at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 was told, among other things, that USFIA owned vast amber mines in the Dominican Republic and had a monopoly over the supply of amber in that country.	<i>M. Liu Depo.</i> , 31:5 – 24; <i>Kimura Depo.</i> : 80:7 – 83:7
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6	61.	One or more investors who went to 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 was told, among other things, that USFIA was going to conduct an IPO in the US.	<i>Liu Depo.</i> , 48:12 – 17; <i>Li Depo.</i> , 122:12 – 124:11; <i>M. Liu Depo.</i> , 27:22 – 29:15
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9	62.	One or more investors who attended meetings at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 was told, among other things, that if they invested in USFIA they would receive “units” in USFIA that would be converted to stock when it went public.	<i>Liu Depo.</i> , 48:12 – 17; <i>Li Depo.</i> , 96:7-12, 122:12 – 124:11; <i>M. Liu Depo.</i> , 27:22 – 29:15
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13	63.	One or more of the investors who attended meetings at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 was told, among other things, that their investment in USFIA would be worth 64 times its initial value by the time USFIA went public.	<i>Mo Depo.</i> , 110:19 – 111:6, 147:19 – 148:6; <i>M. Liu Depo.</i> , 30:8-25
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17	64.	One or more investors who attended meetings at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 was told, among other things, that if he/she invested in USFIA he/she would receive a gift of amber proportionate to the value of their investment.	<i>Liu Depo.</i> , 68:3 – 9, 77:18 – 78:7, <i>Li Depo.</i> , 124:13 – 20, 125:1 – 19, 133:12 – 22; <i>Mo Depo.</i> , 82:5 – 10, 88:1 – 11, 94:6 – 24; <i>M. Liu Depo.</i> , 35:11 – 21, 91:7 – 14; <i>Kimura Depo.</i> , 231:8 – 13
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22	65.	One or more of the investors who attended meetings at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 was told, among other things, they could receive payments from USFIA if they recruited new investors to USFIA.	<i>M. Liu Depo.</i> , 45:5 – 11, 196:11 – 18; <i>C. Chen Depo.</i> , 147:4 – 18; <i>Kimura Depo.</i> : 80:7 – 83:7
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26	66.	One or more of the investors who attended meetings at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006 stated, among other things, that the recruitment of new investors was the	<i>M. Liu Depo.</i> , 196:7 – 18
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1		only way he knew of to make money under the Bonus System and the more you recruited the more money you could earn.	
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3	67.	One or more investors who invested in USFIA had their units unilaterally converted to Gemcoins.	<i>Liu Depo.</i> , 47:2 – 5, 122:10 – 15, 143:6 – 18; <i>Li Depo.</i> , 136:9 – 13; <i>M. Liu Depo.</i> , 94:11 – 22
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5	68.	Chen personally addressed investors during meetings held at 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006.	<i>Liu Depo.</i> , 42:14 – 16; <i>Li Depo.</i> , 80:15 – 81:1; <i>M. Liu Depo.</i> , 23:15 – 20, 25:4 – 8; <i>Ning Depo.</i> , 119:19 – 23, 259:14 – 16
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8	69.	Chen personally addressed investors during meetings held outside of 135 E. Live Oak Avenue, Ste. 100, Arcadia, CA 91006.	<i>Ning Depo.</i> , 257:24 – 258:17
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11	70.	Chen told one or more investors, among other things, they could participate in an EB-5 program if they invested USFIA.	<i>Liu Depo.</i> , 51:3 – 5, 83:6 – 9, 84:1 – 9, 86:22 – 88:13; <i>M. Liu Depo.</i> , 158:19 – 159:5, 170:13 – 171:7, 174:21 – 177:2; <i>Ning Depo.</i> , 229:24 – 25
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14	71.	Chen told one or more investors, among other things, that he was the one who took China Unicom public in the US.	<i>Liu Depo.</i> , 47:13 – 16, 49:6 – 8, 187:1 – 11; <i>M. Liu Depo.</i> , 174:3 – 13; <i>Ning Depo.</i> , 109:10 – 11, 222:21 – 223:4; <i>Kimura Depo.</i> : 80:7 – 83:7
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17	72.	Chen told one or more investors, among other things, that USFIA owned vast amber mines in the Dominican Republic.	<i>M. Liu Depo.</i> , 56:22 – 57:2, 177:21 – 179:11; <i>Ning Depo.</i> , 121:11 – 14, 267:16 – 19; <i>Kimura Depo.</i> : 80:7 – 83:7
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20	73.	Chen told one or more investors, among other things, that he purchased amber mines in the Dominican Republic over the course of 14 years for \$150 million.	<i>Ning Depo.</i> , 208:6 – 7
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24	74.	Chen told one or more investors, among other things, that USFIA was going to conduct an IPO in the US within a year.	<i>Liu Depo.</i> , 64:18 – 24, 186:5 – 7; <i>M. Liu Depo.</i> , 56:15 – 21; <i>Ning Depo.</i> , 111:8 – 14, 264:2 – 3
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26	75.	Chen told one or more investors, among other things, that if they invested they would receive stock in USFIA when it went public.	<i>Liu Depo.</i> , 48:9 – 49:3, 74:25 – 75:1; <i>M. Liu Depo.</i> , 27:22 – 29:15, 90:7 – 9; <i>Ning Depo.</i> , 223:9 – 25
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1	76.	Chen told one or more investors, among other things, that their investment would be worth 64 times its initial value.	<i>Liu Depo.</i> , 48:25 – 49:3, 185:20 – 23
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3	77.	Chen told one or more investors, among other things, that they could make money by recruiting additional investors to USFIA.	<i>Liu Depo.</i> , 124:24 – 125:11, 197:6 – 22; <i>M. Liu.</i> , 195:25 – 196:18
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5	78.	Chen told one or more investors, among other things, that USFIA had \$50 billion in assets.	<i>Liu Depo.</i> , 45:21 – 24, 49:9 – 20; <i>Li Depo.</i> , 91:6 – 21; <i>M. Liu Depo.</i> , 192:21 – 193:2; <i>Ning Depo.</i> , 225:22 – 226:4
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8	79.	Chen told one or more investors that Gemcoin was backed by “some of the world’s rarest gemstone assets” and to “prove that” he would hire a “third-party auditing to perform an audit on the gemstone asset holdings.”	Del Greco Decl., Ex. 15
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11	80.	Chen determined the prices that were listed on the amber in the USFIA showroom.	<i>Ning Depo.</i> , 158: 22 – 159:9
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13	81.	One or more investors stated that the representation that they would receive stock in USFIA was important to their investment decision.	<i>Liu Depo.</i> , 74:25 – 75:1; <i>Li Depo.</i> , 96:7 – 12,
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15	82.	One or more investors stated that the representation that the purported value of the amber they received from USFIA was important to their investment decision.	<i>Liu Depo.</i> , 77:11 – 17
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18	83.	One or more investors stated that the representation that USFIA had other business assets was important to their investment decision.	<i>Ning Depo.</i> , 250:7 – 9
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21	84.	One or more investors stated that the representation that USFIA had an authorized EB-5 program led them to believe an investment in USFIA would be a profitable investment.	<i>M. Liu Depo.</i> , 174:19 – 177:2
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24	85.	One or more investors stated that the representation that USFIA owned vast amber mines in the Dominican Republic led them to believe an investment in USFIA would be a profitable investment.	<i>M. Liu Depo.</i> , 177:13 – 179:16
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27	86.	One or more investors stated that the representation that investors could make	<i>Kimura Depo.</i> , 230:14 – 17
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	money under the compensation program by bringing in other investors was important to their investment decision.	
87.	One or more investors stated that the representation that USFIA would go public was important to their investment decision.	<i>Kimura Depo.</i> , 230:7 – 12
88.	One or more investors stated that the way in which amber was presented in the USFIA showroom led them to believe an investment in USFIA would be a profitable.	<i>M. Liu Depo.</i> , 180:3 – 182:4
89.	One or more investors stated that what the amber showroom at USFIA was important to their investment decision.	<i>Mo Depo.</i> , 74:6 – 8, 78:19 – 22, 79:8 – 11, 128: 7, 157: 1 – 5, 159:15 – 18
90.	One or more of investors completed a “USFIA Membership Application” that stated, among other things, “You have the right to revoke this distributor contract within seven business days after signing it.”	Del Greco Decl., Exs. 13 and 14
91.	The “USFIA Membership Application” acknowledged USFIA was offering an investment in a security by stating, among other things, “To prevent security fraud, I confirm that (1) the taxpayer number I provided is my own personal one, and (2) I will be accountable for any occurrence of false statement or misstatement.”	Del Greco Decl., Exs. 13 and 14
92.	Video of Chen personally addressing investors was posted on the website Youtube.com (“the video”) ( <a href="http://www.youtube.com/watch?v=b_XxH7cLQoQ">www.youtube.com/watch?v=b_XxH7cLQoQ</a> )	Del Greco Decl., Exs. 15 and 15-a
93.	On the video, Chen told investors, among other things, “GemCoin will be backed by some of the world's rarest gemstone assets. And how to prove that, we will hire third-party auditing to perform an audit on the gemstone asset holdings.”	Del Greco Decl., Ex. 15
94.	On the video, Chen told investors, among other things, “For the first batch of asset-backing pools, we decided to put in about 5 billion worth of gemstone assets, into the vault.”	Del Greco Decl., Ex. 15

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95.	On the video, Chen told investors, among other things, “GemCoin is backed by gemstone assets. And we will make sure that the whole audit process is properly documented and videographed.”	Del Greco Decl., Ex. 15
96.	USFIA had a Back Office system that was a custom-built, web-based portal hosted at the USFIA facility which served as the main interface to the USFIA database used by employees and distributors. Using the Back Office, employees were able to manage clients and distributors were able to view their account including "underline" information.	Seaman Decl. ¶ 10.
97.	The Back Office system allowed investors to view their Gemcoin balance and their “Direct Organization Tree” and “Binary Organization Tree,” including their underline investors.	Seaman Decl. ¶ 10.
98.	The Receivership Entities' recruited new investors through a network of approximately 1978 "distributors" ( <i>i.e.</i> investors who recruited other people to invest in the Receivership Entities), who were located throughout the country and around the world.	Seaman Decl. ¶ 11.
99.	Investor funds came into the Receivership Entities primarily via checks, credit card charges, and wire transfers.	Seaman Decl. ¶ 11.
100.	Distributors received commissions and awards for bringing in new investors in accordance with the Compensation Plan. For example, Distributors could sell "Product Packages" worth from \$1,000 to \$5,000 which included a quantity of amber and a certain amount Gemcoins. Commissions, referred to as "Bonuses," were paid at the rate of 15% their sales of Product Packages. Distributors could increase their bonus by selling packages to new Distributors which could increase the 15% commission rate by another 8% to 15% depending on the amount of the sales made by the Distributors' underlines. There were additional awards, including the Travel	Seaman Decl. ¶ 11.

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	Award, the Automobile Award, and the Mansion Award.	
101.	The payment of commissions to Distributors was highly concentrated in a small percentage of Distributors. Only 0.6% of the Distributors received 32.3% of the commissions paid. A mere 1.9% of the Distributors received more than 52% of commissions paid with the remaining 98.1% of Distributors receiving less than 48% of commissions paid.	Seaman Decl. ¶ 12.
102.	Distributors were paid in accordance with a Compensation Plan. Distributors sold “Product Packages” worth from \$1,000 to \$5,000 which included a quantity of amber and a certain amount Gemcoins.	Seaman Decl. ¶ 11, Ex. G.
103.	Commissions, referred to as “Bonuses,” were paid at the rate of 15% their sales of Product Packages. Distributors could increase their bonus by selling packages to new distributors which could increase the 15% commission rate by another 8% to 15% depending on the amount of the sales made by the distributors’ “underlines.”	Seaman Decl. ¶ 11.
104.	There were additional awards, including the Travel Award, the Automobile Award, and the Mansion Award.	Seaman Decl. ¶ 11.
105.	Ahome Real Estate and USFIA were offering investors the ability to obtain an EB-5 visa for \$581,600, but the Receiver found no evidence that Ahome Real Estate or USFIA or any other entity controlled by Chen was authorized to participate in the EB-5 program or affiliated with any authorized Regional Centers.	Seaman Decl. ¶ 25.
106.	Ahome Real Estate, at the height of its fund raising activities, raised over \$8 million in March 2014.	Seaman Decl. ¶ 25.
107.	Chen represented to investors that Gemcoins were liquid and redeemable at ATMs in the United States and Canada, and soon would be in Europe and Asia.	Seaman Decl. ¶ 16.



**C. Material Misrepresentations in Soliciting Investors**

108.	The total value of the Receivership Entities' assets is in the range of \$77.5 million, not \$50 billion.	Seaman Decl. ¶ 4.
109.	USFIA, Quail Golf Course LLP, and none of the other entities Chen controlled were not authorized by the US Citizenship and Immigration Services ("USCIS") to offer EB-5 investments to immigrant investors.	Seaman Decl. ¶ 24; Ex. 18
110.	Chen was not one of China Unicom's Directors, Executive Officers, or even a Senior Manager when it went public in the US in 2000.	Del Greco Decl., Ex. 18
111.	Chen did not register USFIA, Inc. with the Securities and Exchange Commission.	Del Greco Decl., Ex. 16
112.	Receivership Entities purchased three parcels of land in the Dominican Republic. In total, the parcels are approximately 300 acres in size. The land was purchased for \$373,000 with USFIA funds on December 2, 2013. A portion of the land was bought in the name of Yan Chen, Mr. Chen's brother, and the remainder was purchased in the name of Ammine SRL, an entity controlled by Yan Chen. The sale was not fully recorded and the land is still officially titled in the name of the sellers. It appears the land has mines on it, which are deep, man and machine made holes and tunnels, which are operating and amber is being extracted from the land.	Seaman Decl. ¶ 19
113.	Ammine SRL received payments totaling \$12,810,000 from the Receivership Entities, which was paid to its account at Scotiabank and	Seaman Decl. ¶ 21

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	appears to have been used to pay operating expenses and for purchases of amber and other materials extracted from the land, as well as transfers to other banks in the Dominican Republic. AMN Ltd. and apparent successor of Ammine SRL also received \$630,000. According to the Receiver, the balance in the Scotiabank account was one peso. A review of the Scotiabank records indicates Ammine SRL was paying about \$2.10 per gram of amber being pulled from the land by laborers.	
114.	USFIA had a jewelry showroom containing costume and ornamental jewelry, but many of the items had price tags with five figure amounts on them.	Seaman Decl. ¶ 24
115.	At the time of the Receiver’s appointment, 246 bins, each containing 1,000 rings, which are adjustable in size, were found inside USFIA. Each bin was marked with a sign stating each ring was worth \$10,000 and the bin was worth \$10 million.	Seaman Decl. ¶ 22
116.	A “Physical Inventory Observation Report” was done on 40 boxes of stone rings stored at USFIA by KCW CPA & Associates, a small accounting firm located in Diamond Bar, California, not “one of the largest auditing firms in the US,”	Del Greco Decl., Ex. 220; <i>Li Depo.</i> , 138:20 – 139:14; Seaman Decl. ¶ 8.
117.	All KCW CPA & Associates did was count and weigh USFIA inventory during an announced visit to USFIA’s office on June 26, 2015, and did not examine Chen’s claim that USFIA had \$5 billion worth of gemstone assets.	Del Greco Decl., Ex. 220
118.	Charles Carmona, an expert in gemstone identification and	Carmona Decl. ¶¶ 8 – 22

	<p>Gemologist, conducted an examination of gemstones, jewelry, and related personal property at USFIA’s offices and found that, of the over 185,000 pieces examined, their total liquidation value was just \$325,140, and that amber marked \$1000 to \$20,000 each were actually worth \$50 each, and rings marked \$10,000 each were actually worth \$10 each.</p>	
<p>119.</p>	<p>There were two automated teller machines (“ATMs”) with Gemcoin signs located in the lobby of the Arcadia office building. When they were opened, they only had power and were not connected to any bank or financial institution. One ATM only had \$100 in it. The Receiver found no evidence of other ATMs.</p>	<p>Seaman Decl. ¶ 17.</p>
<p>120.</p>	<p>The only accounting systems the Receiver found at the defendant entities were Quickbooks and the Back Office database. The Receiver found no evidence of a platform by which Gemcoins could be transacted for goods and services by the public.</p>	<p>Seaman Decl. ¶ 18.</p>

**D. Misappropriation of Investor Funds**

<p>121.</p>	<p>There are 12 primary Receivership Entities, each of which was controlled by Chen.</p>	<p>Seaman Decl. ¶ 13.</p>
<p>122.</p>	<p>There was significant commingling of funds among Receivership Entities.</p>	<p>Seaman Decl. ¶ 13.</p>
<p>123.</p>	<p>There were over 400 transfers of funds, which in total exceed \$74 million, between and among Receivership Entities and multiple bank accounts. There does not appear to be any business purpose for these</p>	<p>Seaman Decl. ¶ 13.</p>

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	transfers.	
124.	The transfers among Receivership Entities appear to have been made to meet various liquidity needs without regard to the source of the funds.	Seaman Decl. ¶ 13.
125.	Commingling also occurred in the receipt of investor funds. Investor funds were often deposited into accounts for entities different from the one in which they were investing.	Seaman Decl. ¶ 14.
126.	Investors' funds were often deposited into whichever entity had a functioning merchant account, even if that entity was different from the one in which they were investing.	Seaman Decl. ¶ 14.
127.	Since mid-2011, USFIA, by itself, raised approximately \$35.6 million from investors. There were no other sources of revenue to USFIA.	Seaman Decl. ¶ 15.
128.	Of the money raised from investors, approximately one third or \$11.6 million was paid to distributors in the form of commissions, not including \$1.3 million in awards of vehicles, electronics, jewelry, and expensive bags. USFIA spent at least \$480,000 on expensive vehicles.	Seaman Decl. ¶ 15.
129.	USFIA did not generate sales revenue to pay these commissions and awards and the only source to pay them was investor funds.	Seaman Decl. ¶ 15.
130.	Of the money raised from investors, \$3.6 million was spent for sales and marketing expenses, including \$2.9 million spent on events used to attract investors, while \$3.9 million was spent on travel and entertainment both for distributors, employees, and investor prospects, including numerous trips to and from China.	Seaman Decl. ¶ 16.
131.	USFIA spent \$5 million on turquoise,	Seaman Decl. ¶ 16.

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	<p>amber, and other ornamental jewelry materials. However, no jewelry materials approaching that value have been located. For example \$4,747,742 was paid to a single vendor, New Sparkle Stone and Beads, but this was a small closed office at the premises listed on their invoices.</p>	
132.	<p>USFIA made payments totaling \$3.2 million for what appear to be operating expenses for payroll for the administrative staff, office expenses, security guards, and sales taxes.</p>	Seaman Decl. ¶ 16.
133.	<p>On March 28, 2014, 16 Amkey shareholders were refunded the principal amount of their investment, even though Amkey was not a profitable venture. The total amount refunded was \$534,752.20. Some of these investors received gains in addition to their refund, which gains totaled \$210,299.10.</p>	Seaman Decl. ¶ 26.
134.	<p>The funds used to make the Amkey redemptions were paid from Alliance NGN accounts.</p>	Seaman Decl. ¶ 26.
135.	<p>Alliance NGN had not raised any investor funds since 2011 and its only source of funds at the time was inter-company transfers from other Receivership Entities. Specifically, \$700,000 was transferred from Ahome Real Estate to the Alliance NGN Bank of America account on or around March 21, 2014. The money raised by Ahome Real Estate was transferred to Alliance NGN and used to make payments to Amkey investors.</p>	Seaman Decl. ¶ 26.
136.	<p>Significant funds were transferred from the Receivership Entities to Chen in the form of direct cash payments, payments for what appear to be</p>	Seaman Decl. ¶ 27.

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	personal expenses and expenses of several apparent dependents, including two current or former spouses, the mother of Chen's son, and expenses for dependent children, including prenatal care, pre-school, middle school and college tuition.	
137.	The payments do not appear to be in the nature of wages, salary, or distributions under the Receivership Entities formation documents.	Seaman Decl. ¶ 27.
138.	The banking records also document purchases of expensive automobiles, goods and services, including a Penske Mercedes for Chen paid from USFIA funds in the amount of \$149,470.45.	Seaman Decl. ¶ 27.
139.	Many of the Receivership Entities' bank accounts, particularly Alliance NGN accounts, were used for what appear to be personal expenses.	Seaman Decl. ¶ 27.
140.	The company records do not indicate Alliance NGN conducted any operating business and its sole source of funds was from investors and funds transferred from other defendant entities.	Seaman Decl. ¶ 28.
141.	Alliance NGN received approximately \$7.7 million in net transfers from affiliated entities. Check register information from Alliance NGN's Bank of America account ending in 9564 indicates that funds were used to pay personal expenses.	Seaman Decl. ¶ 28.
142.	The Receivership Entities spent \$23,651,022.35 to purchase eight single family residences and three condominiums at prices ranging from \$483,000 to \$6.1 million. None of these real properties were rented out or generated rental income.	Seaman Decl. ¶ 29.
143.	Li Zhao, the mother of Chen's son,	Seaman Decl. ¶ 29.



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	owns 2857 Gainsborough Drive in San Marino, which was purchased for \$2.345 million with funds from Amkey, Inc. and Ahome Real Estate.	
144.	Chen’s former spouse, Wei He, owns 363 Monterey Pines Drive in Arcadia, which was purchased for \$4.424 million using Amkey funds.	Seaman Decl. ¶ 29.
145.	Chen purchased an Irvine condominium for \$910,000 with funds from Ahome Real Estate with title held for the benefit of the former spouse.	Seaman Decl. ¶ 29.
146.	Payments to the University of California Irvine for tuition and a debit card with frequent charges made in the Irvine area were paid from an Alliance NGN bank account.	Seaman Decl. ¶ 29.
147.	Chen and his current spouse, Luyang Li, occupy 409 Deodar Lane in Bradbury, which was purchased for \$5.3 million with funds from Amkey, Inc. and Ahome Real Estate.	Seaman Decl. ¶ 29.
148.	Li Zhao, Wei He, and Luying Li also all received payments in the form of consulting fees, expense reimbursements, personal living expenses, or payroll, but do not appear to have worked for the Receivership Entities. Li Zhao received direct payments and payments for purchases of goods and services made on her behalf totaling \$2.4 million. Wei He received direct payments or payments for purchases of goods and services made on her behalf totaling \$1.4 million.	Seaman Decl. ¶ 30.
149.	Mr. Chen also purchased a mansion at 345 Oak Mountain in Bradbury Park for \$6.132 million. The mansion was neither permanently occupied nor rented, and apparently was used to	Seaman Decl. ¶ 31.

1	entertain potential investors and others. I am informed the Oak Mountain mansion was referred to by Mr. Chen and others at the Receivership Entities as "The Clubhouse." Other	
2	condominiums and homes purchased with funds of the Receivership Entities were occupied by former employees, other insiders, and possibly by certain	
3	investors.	
4	150. The Receivership Entities spent \$16.675 million purportedly on both ornamental jewelry materials and precious gems. The Receivership Entities purchased large quantities of inexpensive ornamental jewelry materials including amber, Lorimar, turquoise, and various polished stone beads. In addition to these jewelry materials, it appears the Receivership Entities also spent substantial amounts on precious gems, including a 5.85 carat high quality diamond for \$489,990, a ruby for \$129,900, a vivid large yellow diamond for \$299,990, an emerald for \$205,890, a large quantity of 1-3 carat diamonds for \$386,000. Other than six diamonds found in Mr. Chen's desk, the precious gems could not be located or taken possession of by the Receiver.	Seaman Decl. ¶ 32.
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22	151. Chenne Corporation, an entity controlled by Yan Chen, received over \$4.1 million from the Receivership Entities, comprised primarily of direct payments to Chenne Corporation, payments of business expenses, and payments of Yan Chen's personal expenses. USFIA also paid \$160,888 for a Mercedes S550 owned by Yan Chen. Yan Chen managed Amauction	Seaman Decl. ¶ 33.
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1 2 3 4 5 6	<p>and was a signer on its bank accounts. Amauction paid \$13.44 million to Ammine SRL in the Dominican Republic and AMN Ltd., a Hong Kong entity. Amauction also made multi-million dollar payments to other foreign entities in the form of wires authorized by Chen or Yan Chen.</p>	
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**E. Chen’s Fifth Amendment Assertions**

7 8 9 10 11 12 13 14 15 16 17	<p>152. Chen asserted his Fifth Amendment right against self-incrimination as to every allegation in the SEC’s complaint; as to all facts in support of his purported affirmative defenses set forth in his answer to the SEC’s complaint; as to the identity of all witnesses and documents he may use to support any of his defenses; and to all of the underlying conduct set forth in the SEC’s complaint.</p>	<p>Del Greco Decl., Ex. 20 (“<i>S. Chen Depo</i>”) 17:11 – 17, 25:11 – 30:11, 32:23 – 33:3, 34:13 – 35:9, 35:15 – 37:20; 38:3 – 40:25, 41:10 – 49:4.</p>
18 19 20	<p>153. Chen also asserted his Fifth Amendment right in response to his obligation to provide Initial Disclosures under Fed. R. Civ. P. 26(a)(1).</p>	<p>Del Greco Decl., Ex. 19</p>
21 22 23 24	<p>154. Chen also asserted his Fifth Amendment right in response to the Court ordered accounting and in response to all of the Complaint’s allegations in his Answer.</p>	<p>Dkt. Nos. 17 &amp; 24.</p>

1 **II. CONCLUSIONS OF LAW**

2 **A. Jurisdiction and Venue**

3 1. This Court has jurisdiction over this action pursuant to Sections 20(b),  
4 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C.  
5 §§ 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of  
6 the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),  
7 78u(d)(3)(A), 78u(e) & 78aa. Defendant Chen has, directly or indirectly, made use  
8 of the means or instrumentalities of interstate commerce, of the mails, or of the  
9 facilities of a national securities exchange in connection with the transactions, acts,  
10 practices and courses of business alleged in the Complaint.

11 2. Venue is proper in this district pursuant to Section 22(a) of the  
12 Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C.  
13 § 78aa, because certain of the transactions, acts, practices and courses of conduct  
14 constituting violations of the federal securities laws occurred within this district, and  
15 the Defendant resides in the district.

16 **B. Chen Violated the Registration Provisions**

17 3. Defendant Chen, by engaging in the conduct described above, directly  
18 and indirectly made use of the means or instruments of transportation or  
19 communication in interstate commerce or of the mails to sell, offer to sell or offer to  
20 buy securities as to which no registration statement was in effect.

21 **C. Chen Violated the Antifraud Provisions**

22 4. Defendant Chen, by engaging in the conduct described above, in the  
23 offer or sale of securities by the use of means or instruments of transportation or  
24 communication in interstate commerce or by use of the mails, directly or indirectly,  
25 with scienter, employed devices, schemes, or artifices to defraud, in violation of  
26 Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

27 5. Defendant Chen, by engaging in the conduct described above, directly  
28 or indirectly, in connection with the purchase or sale of a security, by the use of

1 means or instrumentalities of interstate commerce, of the mails, or of the facilities of  
2 a national securities exchange, with scienter:

- 3 a. employed devices, schemes, or artifices to defraud; or  
4 b. engaged in acts, practices, or courses of business which operated  
5 or would operate as a fraud or deceit upon other persons,  
6 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rules 10b-  
7 5(a) and (c) thereunder, 17 C.F.R. § 240.10b-5(a) & (c).

8 **D. Chen Should Be Permanently Enjoined**

9 Section 20(b) of the Securities Act, 15 U.S.C. § 77t(b), and Section 21(d) of  
10 the Exchange Act, 15 U.S.C. § 78u(d), provide that when the evidence establishes a  
11 reasonable likelihood of a future violation of the securities laws, a permanent  
12 injunction shall be granted in enforcement actions brought by the SEC. *SEC v.*  
13 *Murphy*, 626 F.2d at 633; *SEC v. Koracorp Indus., Inc.*, 575 F.2d 692 (9th Cir. 1978);  
14 *SEC v. Fehn*, 97 F.3d 1276, 1295-96 (9th Cir. 1996). Factors to be considered  
15 include the degree of scienter involved; the isolated or recurrent nature of the  
16 infractions; the defendant's recognition of the wrongful nature of his conduct; the  
17 likelihood that, based on the defendant's occupation, future violations might occur;  
18 and the sincerity of the defendant's assurances against future violations. *Id.* Here,  
19 the totality of the circumstances weighs in favor of a permanent injunction.

20 Defendant Chen acted with a high degree of scienter, his conduct also extended over  
21 a period of years, and there is no evidence that he has recognized the wrongful nature  
22 of his conduct, nor provided any assurances against future violations.

23 Dated: October 26, 2016

24 */s/ Douglas Miller*

25 \_\_\_\_\_  
26 Douglas Miller

27 Donald W. Searles

28 Peter DelGreco

Attorneys for Plaintiff

Securities and Exchange Commission

**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 26, 2016, I caused to be served the document entitled **PLAINTIFF SECURITIES AND EXCHANGE COMMISSION’S UNCONTROVERTED FACTS AND CONCLUSIONS OF LAW IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT** 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 26, 2016

/s/ Amanda C. Liston  
Amanda C. Liston



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**SEC v. Steve Chen, USFIA, Inc., et al**  
**United States District Court – Central District of California**  
**Western Division**  
**Case No. CV 15-07425 (RGK)(PLF)**  
**LA-4482**

SERVICE LIST

Jeremy Matz (*served via ECF*)  
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