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11  
12 **UNITED STATES DISTRICT COURT**  
13 **CENTRAL DISTRICT OF CALIFORNIA**  
14 **WESTERN DIVISION**

15 SECURITIES AND EXCHANGE  
COMMISSION,

16 Plaintiff,

17 v.

18 STEVE CHEN, USFIA, INC.,  
19 ALLIANCE FINANCIAL  
GROUP, INC., AMAUCTION, INC.,  
20 ABORELL MGMT I, LLC, ABORELL  
ADVISORS I, LLC, ABORELL  
21 REIT II, LLC, AHOME REAL  
ESTATE, LLC, ALLIANCE  
22 NGN, INC., APOLLO REIT I, INC.,  
APOLLO REIT II, LLC, AMKEY, INC.,  
23 US CHINA CONSULTATION  
ASSOCIATION, and QUAIL RANCH  
24 GOLF COURSE, LLC,

25 Defendants.

Case No. 2:15-CV-07425-RGK-PLA

**RECEIVER'S FORENSIC  
ACCOUNTING REPORT**

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1 Thomas A. Seaman ("Receiver"), was appointed Permanent Receiver for  
2 Court-appointed receiver for Defendants USFIA, Inc. ("USFIA"), Alliance Financial  
3 Group, Inc., Amauction, Inc., Aborell Mgmt I, LLC, Aborell Advisors I, LLC,  
4 Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance NGN, Inc., Apollo  
5 REIT I, Inc., Apollo REIT II, LLC, Amkey, Inc., US China Consultation  
6 Association, Quail Ranch Golf Course, LLC, and their subsidiaries and affiliates  
7 (collectively, "Receivership Entities"). The Receiver hereby provides his Forensic  
8 Accounting Report (the "Report") of the receipts and disbursements of the  
9 Receivership Entities for the period from January 1, 2010 to the entry of the TRO on  
10 September 28, 2015.

11 **I. OBJECTIVES, TIMEFRAME, METHODOLOGY AND LIMITATIONS**

12 The objectives of the Forensic Accounting Report are to: 1) identify assets of  
13 the Receivership Estate; 2) identify potential recipients of ill-gotten gains and  
14 fraudulent transfers; 3) determine the amount received for the personal benefit of the  
15 Defendant, Steve Chen ("Chen"); 4) quantify investor losses; 5) establish the cost  
16 basis of assets; 6) provide input for income tax returns; and 7) provide a basis for  
17 distribution of funds recovered by the Receiver.

18 The starting point of this report is January 1, 2010. While it appears that the  
19 Defendant's enterprises pre-date 2010, this date was selected as the starting point  
20 because defendant USFIA was incorporated that year, and at the time, the  
21 Receivership Entities only held cash of \$157,207, a comparatively low balance when  
22 compared with the over \$197,000,000 received from investors over the next 5 years.  
23 Importantly, and as a practical matter, banking records were available for that period  
24 allowing for more accurate tracing of transactions. Finally, the choice of 2010 as a  
25 starting point also makes sense because it is the year when the Receivership Entities  
26 commenced procuring the assets that were ultimately recovered by the Receiver.

27 In order to achieve the objectives of the Forensic Accounting Report, a  
28 Quickbooks file was created using a Chart of Accounts designed to collect cash

1 receipts and disbursements in a framework that matches the objectives of the report.  
2 The Quickbooks file combines all cash receipts and disbursements into a relational  
3 data base that allows the user to extract sources and uses of funds relative to: timing,  
4 recipient, category, asset, and other attributes. Each and every deposit and  
5 withdrawal was entered into a bank account in the Quickbooks file wherein it was  
6 assigned to an account, a class, a subclass, and noted with a memo providing  
7 additional pertinent information.

8 A Chart of Accounts designed to collect costs in logical categories is attached  
9 as Exhibit A. Accounts were established to determine revenue, expenses, assets and  
10 liabilities, disbursements, and transfers between the entities. The accounting  
11 encompasses 17 entities that used 91 banks accounts. Each account was reconciled  
12 by month and balances to the beginning balance in the account and the ending  
13 balance in the account as of the date it was seized by the Receiver.

14 Classes for each entity were established to isolate activity for each corporate  
15 entity that received investor funds. Sub-classes were established based on the  
16 purpose of the financial transaction. For example, sub-classes were created to reflect  
17 money raising, use of the investor proceeds, intercompany transfers where funds  
18 were used for expenses of the enterprise, and transfers which appear to have been  
19 solely for the personal benefit of Chen, his relatives and other insiders. The sub-  
20 classes are thus referred to as: Money Raising, Money Investing, and Intercompany  
21 Uses.

22 The Receiver had no access to the Defendant or to the employees that assisted  
23 him in operating the enterprise. Therefore the Report is limited to facts and  
24 conclusions that are either based on what is stated in the business records and bank  
25 records, or that can logically be deduced from the data. As such, in some instances,  
26 the Receiver may not be able to fully characterize the nature or reason for certain  
27 transactions that are reflected in the books and records. Notwithstanding these  
28

1 limitations, all receipts and disbursements have been accounted for and reconciled to  
2 the bank records.

3 In addition, the Receiver discovered evidence that funds were being raised  
4 from overseas investors and that these funds were not collected in the U.S. accounts.  
5 Thus, to the extent that funds were raised and spent outside the United States, the  
6 true extent of Chen's fraudulent scheme cannot be fully known. The Receiver also  
7 faced significant issues with regard to both multiple languages and overseas financial  
8 institutions. The lack of cooperation from these institutions and the language issues  
9 posed additional limitations on the Receiver's full understanding of the scope of this  
10 scheme.

## 11 II. EXECUTIVE SUMMARY

12 This receivership involves a complex and wide-ranging group of enterprises  
13 and assets funded with the fruits of the fundraising scheme at the heart of the action  
14 filed by the Securities and Exchange Commission ("Commission") against defendant  
15 Chen. In its Order re Plaintiff's Motion for Summary Judgment, the Court found that  
16 Chen operated a pyramid scheme in violation of federal securities laws. [Dkt. 167]  
17 From January 1, 2010 and through the date of the Receiver's Appointment on  
18 September 28, 2015, the Defendants raised approximately \$197 million from  
19 investors. Of that amount, \$49.4 million was used to fund lavish lifestyles of Steve  
20 Chen, his dependents and others including but not limited to \$1.1 million that was  
21 used to purchase expensive vehicles. In addition, \$45.5 million was spent on real  
22 estate, including 11 single family homes, some of which were occupied by insiders  
23 or dependents of Chen. In addition, Chen purchased a hotel, an apartment building,  
24 and several tracts and parcels of undeveloped land.

25 The cost of raising funds from the investors is reflected in the \$15.6 million  
26 paid in commissions and expenses of the employees and other sales people who  
27 raised funds from investors. In addition, the Defendants spent \$27.5 million to  
28 operate the enterprise.

1 Remarkably, despite raising \$197 million from investors, Chen and the  
2 Receivership Entities only returned \$1.7 million to the investors. Moreover, there  
3 was only approximately \$27.4 million on hand when the Receivership Entities' assets  
4 were frozen and taken over by the Receiver. The following report details how the  
5 Receivership Entities used these extraordinary sums of money.

### 6 III. ANALYSIS AND CONCLUSIONS

#### 7 A. Summary level sources and uses of investor funds.

8 Exhibit B provides a Profit & Loss Statement and Balance Sheet which form  
9 the basis for the following sources and uses of cash analysis.

10 Sources	\$ millions
11	
12 Beginning cash	0.1
13	
14 Investor Funds	197.0
15 Operating Revenue	8.2
16 Rental Revenue	2.1
17 Dividends and Interest	0.3
18 Mortgage proceeds	2.4
19 Credit card charges	0.3
20 Total Cash Inflows	210.3
21	
22 Uses	
23 Payment to insiders	49.4
24 Real Estate Purchases	45.5
25 Operating Expenses	27.5
26 Commissions	15.6
27 Ornamental Jewelry	11.6
28 Amber	8.3

1	Vecast stock purchase	6.0
2	Precious Gems	5.4
3	Cost of Goods sold (Amkey and Amauction)	5.2
4	Real Property Expenses	3.3
5	Ammine Expenses	2.4
6	Funds returned to investors	1.8
7	Vehicles	0.4
8	Credit card payments	0.3
9	Mortgage principal paid	0.2
10	Jewelry supplies	0.1
11	Total Cash Out	183.0
12		
13	<b>Ending cash to Receiver</b>	27.4

14  
15 B. Funds Raised by Entity.

16 The Receivership Entities raised \$197 million from investors representing the  
17 vast majority of funds coming into the enterprise. Based upon the timing of  
18 investments, the marketing materials being used during that the relevant time period  
19 and other such indicators, the Receiver believes that approximately \$147 million was  
20 raised from investors who were pursuing an investment in USFIA investment  
21 packages and later, the Gemcoin related enterprise (collectively "USFIA Package  
22 Investors"). These USFIA Package Investors accounted for nearly 75% of the total  
23 funds raised from all investors. It is notable that the USFIA Package Investors' funds  
24 were deposited into accounts of various Receivership Entities without any apparent  
25 concern over the source of the money, the representations made to investors, or the  
26 commingling of funds. The amounts invested by USFIA Package Investors were  
27 paid to the following entities:

28

1	<u>USFIA Package Investors</u>	\$ millions
2	Ahome	\$46.8
3	Amauction	\$18.2
4	Amkey	\$48.4
5	<u>USFIA</u>	<u>\$33.6</u>
6	Total USFIA Package Investors	\$147.0
7	<u>Non- USFIA Package Investors</u>	
8	Aborell	\$0.1
9	Ahome	\$2.1
10	Alliance	\$11.2
11	Ally	\$4.4
12	Amkey	\$20.6
13	Apollo REIT	\$6.9
14	<u>Steamfont</u>	<u>\$4.6</u>
15	Total Non-USFIA Package Investors	\$50.0
16	Total investor funds	\$197.0

17 In addition to funds raised from investors, the Receivership Entities generated  
18 revenue from Amkey and Amkey related entities which sold purported health and  
19 beauty products using a multi-level marketing structure. Amkey product sales were  
20 \$7.6 million over the nearly six-year period. Amauction generated revenue of  
21 \$.6 million and the various real estate assets generated \$2.1 million in rental revenue.  
22 Overall, when compared to the over \$197 million raised from investors, there was no  
23 significant revenue generating activity other than raising funds from investors.

24 C. Use of Funds.

25 The total investor funds and revenue from other sources reflect total revenue  
26 of \$210.3 million. The Receiver took possession of \$27.4 million at the time of his  
27 appointment. The balance of \$183 million was spent as follows:

28



1           1.     Payments to Insiders (\$49.4 million).

2           a.     Steve Chen. Chen received direct cash payments of \$4,039,393  
3 from investor funds. Chen also used investor proceeds to pay his personal expenses  
4 of \$1,165,034. These amounts do not include significant payments to and on behalf  
5 of numerous Chen dependents including but not limited to his spouse, former  
6 spouses, girlfriends, and the mothers of his children. For example, the accounting  
7 reflects payments to Gymboree, tuition for private middle and high schools, and  
8 tuition for University of California at Irvine. Payments to and on behalf of Chen's  
9 dependents and relatives are discussed in further detail below.

10           b.     Yan Chen. Yan Chen is reportedly the brother of Chen. Yan  
11 Chen received a minimum of \$9,100,792 from the Receivership Entities.

12           Yan Chen shared control over Amauction with Chen. Amauction  
13 received \$18,233,872 of USFIA Package Investor funds. Amauction also benefitted  
14 from the commingling of \$1,631,727 of additional investor money as discussed  
15 below.

16           Yan Chen appears to have also controlled Ammine SRL, a Dominican  
17 Republic entity. The Receivership Entities gave Ammine SRL \$425,285,  
18 purportedly for the purchase of land by Ammine SRL in Dominican Republic. The  
19 land was to purportedly be purchased for the purpose of mining amber.  
20 Unfortunately, USFIA never held title to the land. Instead, the land was vested in the  
21 name of Yan Chen or Ammine SRL. Ammine SRL also received \$12,810,000 in  
22 intercompany transfers discussed in further detail below. Of these funds, \$8,816,000  
23 was spent on raw amber, larimar and shells. \$2.363 million was used for operating  
24 expenses consisting of payroll, equipment, supplies, and freight expenses. Mary  
25 Oliva Alvarez Lam, who apparently operated the Dominican Republic operations,  
26 received \$220,568, leaving \$1,162,270 unaccounted for.

27           Yan Chen operates Chenne Corporation, an active California  
28 Corporation that is a reseller of jewelry. Recently Chenne Corporation listed its

1 business as real estate investment on its registration with the California Secretary of  
2 State. Yan Chen's wife, Yaqin Jiao, is the sole officer of Chenne Corporation. Early  
3 in the receivership, deliveries of ornamental jewelry materials addressed to 351 E.  
4 Foothill Boulevard, Arcadia, California, were erroneously delivered by private  
5 delivery services to 135 E. Live Oak in Arcadia, the location of Chen's business  
6 operations.

7           The Receiver did not immediately assume possession of Chenne  
8 Corporation. As the accounting work unfolded, it became clear that Chenne  
9 Corporation received significant sums from Receivership Entities. More specifically,  
10 Chenne received \$3,598,239.80. It was also learned that the Receivership Entities  
11 paid over \$11 million for large quantities of ornamental and jewelry materials such  
12 as turquoise, larimar and agate. However, no corresponding sales revenue to the  
13 Receivership Entities was identified and it appears the Receivership Entities were  
14 funding material purchases of jewelry for companies controlled by Yan Chen and  
15 Yaqin Jaio. For example, Shiny Stones, a company controlled Yaqin Jaio, received  
16 \$3,910,600. The Receiver could discern no consideration for these payments to  
17 Shiny Stones.

18           c.     Wei He. Wei He is reportedly a former spouse of Chen and  
19 mother of his son Steven Chen. Wei was also a principal of Amkey, Inc. Ms. He  
20 received \$1,538,427 in direct payments and personal expenses from the Receivership  
21 Entities. The Receivership Entities also paid \$5,334,000 toward the purchase of two  
22 residential properties which were held by entities controlled by Wei He.  
23 Specifically, the Receivership Entities paid \$4,424,000 to purchase the property  
24 located at 363 Monterey Pines in Arcadia, CA, and \$910,000 to purchase the  
25 property located at 5088 Scholarship in Irvine, CA. Both properties have been  
26 recovered by the Receiver as part of the Court-approved settlement with Wei He and  
27 are currently under contract to sell pending Court approval.

28

1           d.     Li Zhao. Li Zhao and Chen are the parents of David Chen.  
2 Li Zhao received direct payments and payments of her expenses in the amount of  
3 \$3,875,492.52. Among the payments were monthly lease payments on a Porsche of  
4 \$3,100, the purchase of a Cadillac costing \$114,000, David Chen's tuition, and  
5 countless payments to support Li Zhao's lifestyle (i.e., casinos, department stores,  
6 etc.). Many of these payments were made beyond the statute of limitations.

7           Li Zhao claims to have owned Ally Investments whose accounts in the  
8 amount of approximately \$3.1 million were frozen at the time of the TRO. Ally also  
9 held a safety deposit box that contained \$100,000 that was frozen. Through a series  
10 of arcane transactions among Ally, Li Zhao and the Receivership Entities, Li Zhao  
11 received title to a property on Gainsboro Drive in San Marino, California costing  
12 \$2,345,303.75.

13           The Receiver sought authority to pursue claims against Li Zhou. Before  
14 commencing the litigation, the Receiver entered into a settlement with Li Zhao and  
15 as a result took possession of the Gainsboro residence, the frozen funds and the  
16 safety deposit box cash.

17           e.     Luyang Li. Luyang Li is reportedly the current spouse of Chen  
18 and mother of his two young children. Luyang Li received \$295,722 by way of  
19 payroll checks and debit card withdrawals on Receivership Entity bank accounts.  
20 The Receiver could not find any evidence that she was an employee or worked at the  
21 enterprise.

22           f.     Mo Chen. Mo Chen is Steve Chen's son. Mo Chen received  
23 \$379,170 in direct payments, and \$179,171 in personal expenses paid on his behalf.  
24 Steamfont Investment Group, a subsidiary and affiliate controlled by Mo Chen  
25 received \$29,668. Mo Chen was also a principal of Amkey, Inc. and Amkey Global  
26 as discussed in further detail below. Mo Chen directed the payment of \$200,000 of  
27 funds into a real estate venture known as CMP Capital Investment, an asset that  
28 Receiver was unable to recover.

1 g. Qun Yang. Qun Yang is reportedly a friend (and perhaps a  
2 former spouse) of Chen. Qun Yang received direct payments of \$1,302,098. In  
3 addition, Ahome, Inc. purchased a single-family residence at 1261 N. Vosburg in  
4 Arcadia from Qun Yang and vested title in the name of Steamfont. The receivership  
5 entities also funded the purchase of a property located at 42 Alta Street, Unit A,  
6 which was placed in Qun Yang's name for no apparent consideration. On the basis  
7 of these transactions the Receiver demanded turnover of the 42 Alta St. and 1261  
8 N. Vosburg properties. The 42 Alta St. property was sold by Qun Yang and a  
9 portion of the proceeds was paid to the Receiver. The 1261 N. Vosburg property was  
10 similarly sold by the Receiver and the proceeds were retained for the benefit of the  
11 estate.

12 2. Other Recipients of Ill-Gotten Gains.

13 Eiji Sakurada, also known as Solomon Yang and Solomon Sakurada  
14 ("Sakurada"), reportedly a business associate of Steve Chen, received \$3.019 million  
15 from the Receivership Entities. Chen had entered into agreement with Sakurada  
16 wherein Ahome Real Estate, LLC would invest \$10,000,000 for a 50% interest in  
17 J.A.C. Window, which owned land upon which J.A.C. Window would develop a  
18 hotel to be known as the Huntington Palace. It does not appear that the venture ever  
19 went forward, nor could the Receiver find evidence that the funds were returned to  
20 the Receivership Entities.

21 John Wuo, who was a City of Arcadia councilmen and entities controlled by  
22 him, received \$1.805 million from the Receivership Entities. The Receiver could not  
23 ascertain why the money was paid to Mr. Wuo.

24 3. Payments to Overseas or Attenuated Corporate Entities.

25 Significant payments were made to corporate entities with only tenuous  
26 connections to the Receivership Entities. Many of these entities were located in  
27 foreign countries which limited the Receiver's ability to trace or recover proceeds. A  
28 discussion of what is known and not known about these payments follows:

1 a. American Immigration Consultant, Ltd. (\$4,075,000). While the  
2 Receiver does not have a complete understanding of the purpose or nature of the  
3 disbursements made to American Immigration Consultant, Ltd., bank statements and  
4 ledgers for an American Immigration Consultant, Ltd. were maintained in the  
5 Receivership Entities' in-house accountant's office. The records reflect wires to an  
6 HSBC Bank account in Hong Kong and were initiated by Chen or Yan Chen from  
7 either USFIA or Amauction accounts. Moreover, just prior to the appointment of the  
8 Receiver, Chen attempted to wire funds from an Amkey, Inc. bank account in the  
9 amount of \$3,500,000 to American Immigration Consultant, Ltd. The bank's  
10 compliance department would not allow the large transfer overseas. The Receiver  
11 could not discern a valid business purpose for any of these transfers. Based upon the  
12 Receiver's investigation and analysis, it is believed that Chen and his brother were  
13 able to control these funds once they had been transferred overseas. American  
14 Immigration Consultant, Ltd. shared an address with AMN, Ltd. which was an  
15 affiliate of the Receivership Entities.

16 b. AMN, Ltd. (\$3,130,000). The Receiver was not able to determine  
17 the nature or purpose of payments made to AMN, Ltd. The payments of \$3,130,000  
18 were comprised of two wire transfers to Hong Kong banks from Amkey and  
19 Amauction bank accounts. The Receiver was able to determine that AMN, Ltd. was  
20 an affiliate based upon a review of the records and Chen's and/or Receivership  
21 Entities' use of the AMN, Ltd. name on marketing materials, jewelry boxes and  
22 jewelry bags. It is also described in records as the "group's jewelry brand" and held  
23 the USFIA Jewelry Queen Pageants that were part of promotional events held for  
24 Gemcoin investors. AMN, Ltd also shares an address with American Immigration  
25 Consultant, Ltd.

26 c. Amkey International Entities (\$4,648,886). The Receivership  
27 Entities disbursed \$4,648,886.55 to various Amkey entities operating in Korea,  
28 Taiwan, Viet Nam, and Malaysia. Amkey and Amkey Global appear to have

1 operated businesses that sold health and beauty products using a multi-level  
2 marketing structure. The Receiver believes that these payments were for the  
3 operating expense of the overseas Amkey operations and their local executives.

4 The Receiver also notes that Amkey had product sales of \$7,579,382.33 and  
5 spent \$4,469,922 for health and beauty products. However, after payment of payroll  
6 and operating expenses, Amkey appears to have operated at a loss. At the time of the  
7 Receiver's appointment, Amkey Global, which appeared to be a successor to Amkey,  
8 was being managed by Mo Chen who had discussed potentially continuing to operate  
9 Amkey Global after the Receiver's appointment. The financial terms, including  
10 release of certain funds frozen by the Court, were not something the Receiver could  
11 recommend to Court.

12 4. Summary of Real Estate Purchases.

13 Over \$45.5 million of the investor funds was spent on the purchase of real  
14 estate. Most of the properties have been liquidated by the Receiver for the benefit of  
15 the investors. A list of real estate assets purchased by the Defendants is as follows:

16	345 Oak Mountain, Bradbury	6,132,311.55
17	Hills Garden Hotel – Ostrems	5,862,328.85
18	409 Deodar	5,300,000.00
19	1221 S. Atlantic Blvd	5,232,273.03
20	363 Monterey Pines Dr Arcadia	4,424,000.00
21	135 E. Live Oak, Arcadia	3,999,851.87
22	Quail Ranch Golf Course	3,967,093.44
23	2857 Gainsborough	2,345,303.75
24	849 Balboa Dr. Arcadia	1,255,463.56
25	Almond St., Rancho Cucamonga	1,200,000.00
26	919 Fairview Ave, B Arcadia	921,754.01
27	5088 Scholarship, Irvine	910,000.00
28	42 Alta St, Unit A Arcadia	769,900.00

1	1261 N Vosburg Dr Azusa	734,462.16
2	2315 Club Vista Dr, Glendora	631,647.10
3	4116 Lynd Avenue	483,784.83
4	Dominican Republic Land	425,285.27
5	4050 Lynd Avenue	372,649.99
6	8280 Utica Avenue	353,364.03
7	CMP Capital Investment	200,000.00
8	Total Real Estate	45,521,473.44

9 With the exception of the Dominican Republic land, which the Receiver abandoned,  
10 and the CMP Capital Investment, the Receiver took possession and disposed of all of  
11 the foregoing properties.

12 5. Operating Expenses.

13 Approximately 14%, or \$27.5 million of the amount raised from investors was  
14 spent operating the enterprise. Of this amount, payroll expenses were \$8.922  
15 million. Merchant account fees paid to credit card processors that allowed the  
16 Receivership Entities to take investor funds via credit card were \$3.239 million. The  
17 operating expenses also include \$4.146 million in sales and marketing expenses,  
18 including \$3.399 million spent on lavish conferences used to solicit funds from  
19 investors. \$4.921 million was spent on travel expenses which included \$2.979  
20 million for investor prospects and the \$1.943 million for the travel expenses of  
21 distributors and sales personnel. \$2.446 million was spent on rent, office equipment  
22 and office expenses. The remaining operating expenses are as set forth in various  
23 smaller categories on the Profit & Loss Statement found in Exhibit B.

24 6. Commissions and Awards.

25 Commissions of \$14.404 million were paid to approximately 2,100 recipients.  
26 In addition, certain individuals received gifts of ipads, cell phones, retail gift cards,  
27 expensive designer bags, sporting event tickets and other awards valued in total at  
28 \$1.201 million.

1           7.     Ornamental and Semi-Precious Jewelry.

2           The Receivership Entities spent \$11.561 million on ornamental and semi-  
3 precious jewelry. A portion of this amount was spent on hundreds of thousands of  
4 simple rings made of silver and a material appearing to look like turquoise at a cost  
5 of less than \$20 each. The Defendant's marketing materials represented that these  
6 \$20 rings were worth \$10,000 each and were part of the tangible backing for  
7 Gemcoins. The cost category also includes inventory purchases for the benefit of  
8 companies controlled by Yan Chen and Yaqin Jaio.

9           8.     Amber.

10          The heart of Chen's scheme was that the investors' Gemcoins would be backed  
11 by and fluctuate with the value of amber. To further demonstrate this aspect of the  
12 program, Gemcoin investors were given a small amount of amber of very little  
13 pecuniary value in return for their Gemcoin investment. The Receivership Entities  
14 spent \$8.312 million to purchase amber.

15          9.     Vecast Stock.

16          In May, 2010, Alliance NGN, a receivership entity, bought \$6,000,000 in  
17 Vecast, Inc., common stock. Vecast, Inc. was controlled by George Wu and  
18 purported to develop and sell cable television equipment in China. The company is  
19 now defunct.

20          The Receiver learned from company business records, and from investors, that  
21 as early as 2004 Chen had issued stock in Amkey, Inc. In 2010, Chen sent notice  
22 that the shares were being recalled and investors would receive shares in Vecast, Inc.  
23 Some of these investors also bought more Vecast shares. In this manner, Chen raised  
24 \$11.2 million from investors to support his Vecast investment. These funds are  
25 reflected as *Investor Funds Alliance* on the Profit & Loss statement found in  
26 Exhibit B.

27  
28



1           10.   Precious Gems.

2           The Receivership Entities spent \$5.4 million on precious stones including  
3 diamonds, rubies and emeralds. Other than six one carat loose diamonds found in  
4 Chen's desk, the Receiver was not able to recover any of the precious gems.

5           11.   Cost of Goods Sold.

6           The Receivership Entities purchased certain goods for resale. Amkey product  
7 sales were \$7.579 million and there were corresponding purchases of health and  
8 beauty products of \$4.470 million. In addition, while the exact nature of  
9 Amauction's business is not entirely understood, it appears to have had revenue from  
10 a few auctions of goods that generated revenue of \$596,000 with corresponding  
11 product purchases of approximately \$289,000.

12          12.   Real Property Operating Expenses.

13          As noted above, the Receivership Entities purchased over \$45 million in real  
14 estate they spent \$3.2 million maintaining the properties including but not limited to  
15 paying for repairs and maintenance, insurance, and property taxes.

16          13.   Funds Returned to Investors (\$1.7 million).

17          As noted previously, only a small amount of money was returned to investors.  
18 According to the records, the Receiver could only find payments to 37 investors who  
19 received \$1.437 million in the return of their principal. In addition, 19 investors  
20 received a total of \$302,408 in interest and purported dividend payments. It appears  
21 that most, if not all of these payments were to Non-USFIA Package Investors and  
22 many of the payments pre-date USFIA.

23          14.   Credit Card Payments (\$.306 million).

24          The enterprise used credit cards to make certain expenditures. In total  
25 \$350,585 was charged on credit cards. Payments of \$306,452 were made, and credit  
26 card companies were owed \$44,133 at the time the Receiver was appointed.

27  
28

1 15. Mortgage Principal Paid (\$169 million).

2 The Receivership Entities borrowed \$2.4 million on a mortgage to finance the  
 3 purchase of an apartment building located at 1221 S. Atlantic in Alhambra,  
 4 California. Payments of \$169,080.91 had been made on the loan at the time the  
 5 Receiver was appointed.

6 D. Intercompany Transfers and Commingling.

7 Commingling of funds among the various Receivership Entities was  
 8 substantial. Funds in the amount of \$95,509,646 were transferred between and  
 9 among the Receivership Entities as indicated by the following schedule of amounts  
 10 received from and paid to separate Receivership Entities and the net amount by  
 11 which commingling benefitted or hurt that entity.

12 Entity	13 Payments from Affiliates	13 Payments to Affiliates	13 Net benefit/ (contributor)
14 Aborell Advisors	359,017	346,990	12,027
15 Aborell Invesment Assoc.	8,819	6,254	2,565
16 Aborell Investors LP	8,816	6,316	2,500
17 Aborell Mgmt. 1, LLC	576,356	944,000	(367,644)
18 Aborell REIT	500,000	400,000	100,000
19 Aborell REIT II, LLC	2,733,199	1,690,500	1,042,699
20 Ahome Real Estate	10,308,674	15,093,280	(4,784,606)
21 Alliance Financial Group	937,089	515,900	421,189
22 Alliance NGN	12,496,591	8,224,964	4,271,627
23 Ally Investors, LLC	1,521,492	100,000	1,421,492
24 Amauction, Inc.	21,555,027	19,953,300	1,601,727
25 Ameritra	20,000	49,984	(29,984)
26 Amkey, Inc.	3,160,046	29,389,540	(26,229,494)
27 Ammine SRL	12,810,000	-	12,810,000
28 Apollo Advisers I	693,595	683,342	10,253

1	Apollo Investment Assoc.	10,000	8,819	1,181
2	Apollo Investors LP	130,000	128,816	1,184
3	Apollo Mgmt, I, LLC	110,750	294,366	(183,616)
4	Apollo REIT I	5,236,279	2,796,361	2,439,918
5	Apollo REIT II	6,516,681	1,929,273	4,587,408
6	L'Be Group	3,104,000	2,681,687	422,313
7	One World Currency	100,000		100,000
8	Quail Ranch Gold Course	504,946	426,874	78,072
9	Steamfont Capital Inv Grp	2,100,000	4,500,000	(2,400,000)
10	Steamfont Invest Group	1,402,000	400,000	1,002,000
11	Hills Garden	500,000	-	500,000
12	US China Consulation	200,000	174,525	25,475
13	USFIA, Inc.	7,906,268	4,764,555	3,141,713
14	Total	95,509,646	95,509,646	-

15  
 16 Ammine SRL, Ltd. was the largest beneficiary of commingling and received  
 17 \$12,810,000 in intercompany transfers. Amkey, Inc. was the largest contributor and  
 18 made net intercompany transfers of \$28.375 million. It appears from the foregoing  
 19 analysis of intercompany transfers that nearly half the amount collected from  
 20 investors was commingled amongst the Receivership Entities.

21 **IV. CONCLUSION**

22 Chen established an arcane network of entities and bank accounts to facilitate  
 23 the flow of funds from the investors to himself and then commingled cash and assets  
 24 without any regard to corporate formalities whatsoever. The financial records of the  
 25 Receivership Entities indicate Chen's scheme to defraud purported investors of  
 26 nearly \$200 million was vast, and remarkably, it appears that aside from a few  
 27 people, none of the investors received any return on their investment. Nor could  
 28 investors have earned a return because their capital was never deployed for so-called

1 Gemcoins or any other crypto-currency. Instead, Chen and his dependents, relatives  
2 and associates, misappropriated virtually all of the money to support their lavish  
3 lifestyles as well as for their personal real estate and other assorted ventures. Chen  
4 never created a crypto-currency backed the value of vast quantities of amber and  
5 other precious stones. This, like the entire enterprise, was simply a sales pitch  
6 directed to unwitting investors both in the United States and abroad.

7  
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9

10 Dated: December 16, 2019

  
THOMAS A. SEAMAN  
Receiver

11  
12  
13

14 Dated: December 16, 2019

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

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16  
17  
18

By: /s/ David R. Zaro  
DAVID R. ZARO  
Attorneys for Receiver  
THOMAS SEAMAN

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## USFIA Forensic Accounting

#10469

## Balance Sheet

As of Sept. 28, 2015

## ASSETS

## Current Assets

## Checking/Savings

Amkey- Propay Meta Bank xx6584	86,739.28
USFIA - First Data	448,255.00
USFIA -Woodforest National Bank	107,959.78
Aborell Mgmt- BofA xx3688	38,792.77
Aborell REIT-Torrey Pns xx6620	101,122.17
Aborell REIT II -BofA xx3578	59,878.79
Aborell REIT II -Chase xx7101	7,552.43
Ahome Real Estate-BofA xx7811	3,199,031.12
Ahome Real Estate-BofA xx9668	100.00
Alliance Finl Group-BofA xx0086	1,246.87
Alliance NGN-First Ctznz xx6527	238.92
Alliance NGN, Inc -BofA xx0450	226,180.54
Aborell Advisors I- BofA xx3675	7,223.96
Alliance NGN, Inc -HSBC xx1938	155.27
Alliance NGN, Inc -HSBC xx5488	10.94
Alliance NGN, Inc -HSBC xx9610	58.70
Alliance NGN, Inc.-BofA xx9564	223,013.88
Ally Investors LLC -BofA xx6448	100,743.34
Ally Investors LLC -BofA xx7748	2,934,186.76
Amauction, Inc.-BofA xx7980	1,021,610.98
Ameritra, Inc.- BofA xx1564	13,672.74
Amkey-Nat'l Bank of Cal xx3589	4,122,380.92
Amkey Global Corp.-BofA 9167	1,818,341.49
Amkey Global Corp.-BofA 9277	100.00
Amkey, Inc.-BofA xx7970	719,543.70
Amkey, Inc.-BofA xx8413	3,757,476.71
Amkey, Inc.-BofA xx8465	20,000.00
Amkey, Inc.-BofA xx8517	2,525.00
Amkey, Inc.-Far East xx0567	2,093.47
Amkey, Inc.-Far East xx5135	999,843.20
Hills Garden Hotel -BofA xx8868	394,373.73
One Wrld Crrncy Fnd-BofA xx9058	85,000.00
Steamfont Investmt -BofA xx1235	495,305.57
Steamfont Investmt -BofA xx8477	5,953.49
Steamfont Invt-Scttrd/TDAxx7057	1,253,944.98
Steamfont Invt-Scttrd/TDAxx7058	43,084.99
US-China Cons.-BofA xx5788	0.09
US-China Cons.-BofA xx6580	9,479.12
USFIA - Bank of America xx0123	3,834,664.69
USFIA, Inc.-Far East xx4198	1,000,000.00
USFIA, Inc.-Far East xx4228	18,242.36
USFIA, Inc.-Wells Fargo xx0883	69,544.09
USFIA, Inc.-Wells Fargo xx7978	1,522.96

## USFIA Forensic Accounting

#10470

**Balance Sheet**

As of Sept. 28, 2015

USFIA, Inc. -BofA xx5882	100.00
USFIA, Inc. -BofA xx6182	76.00
USFIA, Inc. -BofA xx7578	193,207.65
USFIA, Inc. -First Bank xx3685	9,919.00
<b>Total Checking/Savings</b>	<b>27,434,497.45</b>
<b>Other Current Assets</b>	
Payments to Affiliates	95,509,646.08
<b>Total Other Current Assets</b>	<b>95,509,646.08</b>
<b>Total Current Assets</b>	<b>122,944,143.53</b>
<b>Fixed Assets</b>	
1221 S. Atlantic Blvd	5,232,273.03
1261 N Vosburg Dr Azusa	734,462.16
135 E. Live Oak, Arcadia	3,999,851.87
2315 Club Vista Dr, Glendora	631,647.10
2857 Gainsborough	2,345,303.75
345 Oak Mountain, Bradbury	6,132,311.55
363 Monterey Pines Dr Arcadia	4,424,000.00
4050 Lynd Avenue	372,649.99
409 Deodar	5,300,000.00
4116 Lynd Avenue	483,784.83
42 Alta St, Unit A Arcadia	769,900.00
5088 Scholarship, Irvine	910,000.00
8280 Utica Avenue	353,364.03
849 Balboa Dr. Arcadia	1,255,463.56
919 Fairview Ave, B Arcadia	921,754.01
Almond St., Rancho Cucamonga	1,200,000.00
CMP Capital Investment	200,000.00
Dominican Republic Land	425,285.27
Hills Garden Hotel - Ostrems	5,862,328.85
Quail Ranch Golf Course	3,967,093.44
Vecast, Inc. stock	6,000,000.00
<b>Total Fixed Assets</b>	<b>51,521,473.44</b>
<b>Other Assets</b>	
Company Vehicules	421,296.53
<b>Total Other Assets</b>	<b>421,296.53</b>
<b>TOTAL ASSETS</b>	<b>174,886,913.50</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Credit Cards	

USFIA Forensic Accounting  
#:10471**Balance Sheet**

As of Sept. 28, 2015

Amauction BOFA CC XX6233	7,519.16
USFIA Bank of America Card 5429	36,613.10
<b>Total Credit Cards</b>	<b>44,132.26</b>
<b>Other Current Liabilities</b>	
<b>Payments from Affiliates</b>	95,509,646.08
<b>Total Other Current Liabilities</b>	<b>95,509,646.08</b>
<b>Total Current Liabilities</b>	<b>95,553,778.34</b>
<b>Long Term Liabilities</b>	
<b>Notes Payable</b>	
JP Morgan Chase - Alhambra	2,230,919.09
<b>Total Notes Payable</b>	<b>2,230,919.09</b>
<b>Total Long Term Liabilities</b>	<b>2,230,919.09</b>
<b>Total Liabilities</b>	<b>97,784,697.43</b>
<b>Equity</b>	
<b>Opening Balance Equity</b>	157,207.18
<b>Retained Earnings</b>	76,945,008.89
<b>Total Equity</b>	<b>77,102,216.07</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>174,886,913.50</b>

## USFIA Forensic Accounting

## Profit &amp; Loss

## All Transactions

Sept. 28, 2015

<b>Income</b>	
Amauction Revenue	596,035.40
Amkey Product Sales	7,579,382.33
Dividend and Interest income	301,875.91
<b>Gemcoin Investor Funds</b>	
Ahome for USFIA	46,755,104.60
Amauction for USFIA	18,233,871.81
Amkey for USFIA	48,420,896.81
Investor Funds USFIA	33,559,397.83
<b>Total Gemcoin Investor Funds</b>	<b>146,969,271.05</b>
<b>Other Money Raising</b>	
Investor Funds Aborell	101,582.10
Investor Funds Ahome	2,124,970.42
Investor Funds Alliance	11,211,753.99
Investor Funds Ally	4,448,009.69
Investor Funds Amkey	20,587,910.43
Investor Funds Apollo REIT	6,914,499.75
Investor Funds Steamfont	4,625,274.98
<b>Total Other Money Raising</b>	<b>50,014,001.36</b>
<b>Rental Income</b>	
Alhambra Gardens	1,511,808.40
Commercial	401,335.24
Hills Garden Hotel Revenue	181,771.92
<b>Total Rental Income</b>	<b>2,094,915.56</b>
<b>Total Income</b>	<b>207,555,481.61</b>
<b>Gross Profit</b>	<b>207,555,481.61</b>
<b>Expense</b>	
Amauction Purchases	288,955.53
Ammine Operatng Expenses	2,365,263.81
Ammine Travel Expenses	10,779.50
Ammine Unspecified Disbursement	1,165,875.05
Bank service charges	72,682.57
Consignor Payments	12,001.75
<b>Defendants and Insiders</b>	
AMN, Ltd.	3,130,000.00
American Immigration Consultant	4,075,000.00
Amkey International Entities	4,477,120.38
Ammine BHD account	446,826.14
Eiji Sakurada	3,019,403.41
John Wuo, and entities	1,805,000.00



## USFIA Forensic Accounting

## Profit &amp; Loss

## All Transactions

Sept. 28, 2015

L'BE Commodity Co, LTD	400,523.30
Li (Jennfier) Zhao	3,875,492.52
Luyang Li	295,722.12
Mary Oliva Alvarez Lam	220,568.46
Mo Chen	
Mo Chen Direct	379,170.57
Payments on behalf of Mo Chen	179,182.16
Steamfont Investment Group	29,667.85
<b>Total Mo Chen</b>	<b>588,020.58</b>
Offshore Entities - Use unknown	3,148,740.28
On behalf of Steve Chen	1,165,034.36
Other Insiders	3,871,035.45
Personal Expenses of insiders	2,923,979.17
Political Contributions	14,000.00
Qun Yang	1,302,098.26
Steve Chen	4,039,392.87
Wei (Grace) He	1,538,427.12
Yan Chen	
Chenne Corp	3,598,239.80
Shiny Stones	3,910,600.00
Yan Chen Direct	814,945.78
Yan Chen Mercedes	166,735.87
Yan Chen personal expenses	545,389.22
YaQin Jiao - Yan Chen's Wife	64,881.58
<b>Total Yan Chen</b>	<b>9,100,792.25</b>
<b>Total Defendants and Insiders</b>	<b>49,437,176.67</b>
Employee expense reimbursements	15,431.44
Guns and Ammunition	28,265.72
Immigration related	12,553.95
Insurance	
Auto	34,839.21
Liability	20,353.48
Wokers comp	21,354.73
<b>Total Insurance</b>	<b>76,547.42</b>
Interest Expense	14,887.14
Investors & Distributors	
Awards to distributors	1,200,903.94
Distributor Commissions & Bonus	14,404,018.63
Interest/gain paid to investors	302,408.01
Payments on behalf of investors	104,767.40
Principal Returned to Investors	1,437,256.73

## USFIA Forensic Accounting

## Profit &amp; Loss

## All Transactions

Sept. 28, 2015

<b>Total Investors &amp; Distributors</b>	17,449,354.71
<b>Legal Settlements</b>	80,410.00
<b>Licenses and Fees</b>	62,714.87
<b>Merchant Acct Fees and Discount</b>	3,239,137.77
<b>Mortgage Interest Expense</b>	308,082.70
<b>Office Equipment</b>	384,794.31
<b>Office expense</b>	1,313,598.31
<b>Payroll and Related</b>	
<b>Payroll- Employee Benefits</b>	910,641.42
<b>Payroll Expense</b>	7,825,213.80
<b>Weiwen Zhao</b>	186,745.34
<b>Total Payroll and Related</b>	8,922,600.56
<b>Professional Fees</b>	
<b>Accounting fees</b>	146,338.60
<b>Consulting Fees</b>	71,745.00
<b>Legal</b>	515,503.21
<b>Total Professional Fees</b>	733,586.81
<b>Purchases</b>	
<b>Health/Beauty Products</b>	4,469,922.34
<b>Jewelry/ Materials</b>	
<b>Amber</b>	8,311,846.48
<b>Gems Precious</b>	5,423,311.85
<b>Ornmtl &amp; semi-precious jewelry</b>	11,561,286.56
<b>Supplies/Jewelry Equipment</b>	61,902.98
<b>Total Jewelry/ Materials</b>	25,358,347.87
<b>Shipping &amp; Freight</b>	476,827.30
<b>Total Purchases</b>	30,305,097.51
<b>Real Property Expenses</b>	
<b>Hotel Operating Expenses</b>	163,404.34
<b>Improvements</b>	413,289.96
<b>Insurance</b>	74,940.86
<b>Outside Services</b>	929,339.11
<b>Property Taxes</b>	941,278.24
<b>Repairs &amp; Maintenance</b>	603,195.77
<b>Utilities</b>	174,083.15
<b>Total Real Property Expenses</b>	3,299,531.43
<b>Rent Expense</b>	747,570.64
<b>Sales &amp; Marketing Expense</b>	
<b>Advertising</b>	472,746.04

**USFIA Forensic Accounting****Profit & Loss****All Transactions****Sept. 28, 2015**

<b>Conferences</b>	3,399,045.01
<b>EB5 Related Expenses</b>	29,125.67
<b>Printing and Sales Materials</b>	245,706.42
<b>Total Sales &amp; Marketing Expense</b>	<u>4,146,623.14</u>
<b>Taxes</b>	
<b>Income</b>	179,421.68
<b>Sales Tax</b>	345,428.44
<b>Unsecured Property Tax</b>	28,469.56
<b>Total Taxes</b>	<u>553,319.68</u>
<b>Travel &amp; Entertainment</b>	
<b>Meals &amp; Entertainment</b>	298,560.74
<b>Mileage</b>	82,400.72
<b>Travel expense</b>	
<b>Distributors &amp; Employees</b>	1,942,716.01
<b>Investor propsect</b>	2,978,885.17
<b>Travel expense - Other</b>	169.52
<b>Total Travel expense</b>	<u>4,921,770.70</u>
<b>Total Travel &amp; Entertainment</b>	5,302,732.16
<b>Unspecified expense</b>	260,897.57
<b>Total Expense</b>	<u>130,610,472.72</u>
<b>Net Income</b>	<u><u>76,945,008.89</u></u>

## USFIA Forensic Accounting

## Profit &amp; Loss

## All Transactions

Sept. 28, 2015

<b>Income</b>	
Amauction Revenue	596,035.40
Amkey Product Sales	7,579,382.33
Dividend and Interest income	301,875.91
<b>Gemcoin Investor Funds</b>	
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<b>Total Rental Income</b>	<b>2,094,915.56</b>
<b>Total Income</b>	<b>207,555,481.61</b>
<b>Gross Profit</b>	<b>207,555,481.61</b>
<b>Expense</b>	
Amauction Purchases	288,955.53
Ammine Operatng Expenses	2,365,263.81
Ammine Travel Expenses	10,779.50
Ammine Unspecified Disbursement	1,165,875.05
Bank service charges	72,682.57
Consignor Payments	12,001.75
<b>Defendants and Insiders</b>	
AMN, Ltd.	3,130,000.00
American Immigration Consultant	4,075,000.00
Amkey International Entities	4,477,120.38
Ammine BHD account	446,826.14
Eiji Sakurada	3,019,403.41
John Wuo, and entities	1,805,000.00

## USFIA Forensic Accounting

## Profit &amp; Loss

## All Transactions

Sept. 28, 2015

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Mary Oliva Alvarez Lam	220,568.46
Mo Chen	
Mo Chen Direct	379,170.57
Payments on behalf of Mo Chen	179,182.16
Steamfont Investment Group	29,667.85
<b>Total Mo Chen</b>	<b>588,020.58</b>
Offshore Entities - Use unknown	3,148,740.28
On behalf of Steve Chen	1,165,034.36
Other Insiders	3,871,035.45
Personal Expenses of insiders	2,923,979.17
Political Contributions	14,000.00
Qun Yang	1,302,098.26
Steve Chen	4,039,392.87
Wei (Grace) He	1,538,427.12
Yan Chen	
Chenne Corp	3,598,239.80
Shiny Stones	3,910,600.00
Yan Chen Direct	814,945.78
Yan Chen Mercedes	166,735.87
Yan Chen personal expenses	545,389.22
YaQin Jiao - Yan Chen's Wife	64,881.58
<b>Total Yan Chen</b>	<b>9,100,792.25</b>
<b>Total Defendants and Insiders</b>	<b>49,437,176.67</b>
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## USFIA Forensic Accounting

## Profit &amp; Loss

## All Transactions

Sept. 28, 2015

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<b>Legal Settlements</b>	80,410.00
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<b>Merchant Acct Fees and Discount</b>	3,239,137.77
<b>Mortgage Interest Expense</b>	308,082.70
<b>Office Equipment</b>	384,794.31
<b>Office expense</b>	1,313,598.31
<b>Payroll and Related</b>	
<b>Payroll- Employee Benefits</b>	910,641.42
<b>Payroll Expense</b>	7,825,213.80
<b>Weiwen Zhao</b>	186,745.34
<b>Total Payroll and Related</b>	8,922,600.56
<b>Professional Fees</b>	
<b>Accounting fees</b>	146,338.60
<b>Consulting Fees</b>	71,745.00
<b>Legal</b>	515,503.21
<b>Total Professional Fees</b>	733,586.81
<b>Purchases</b>	
<b>Health/Beauty Products</b>	4,469,922.34
<b>Jewelry/ Materials</b>	
<b>Amber</b>	8,311,846.48
<b>Gems Precious</b>	5,423,311.85
<b>Ornmtl &amp; semi-precious jewelry</b>	11,561,286.56
<b>Supplies/Jewelry Equipment</b>	61,902.98
<b>Total Jewelry/ Materials</b>	25,358,347.87
<b>Shipping &amp; Freight</b>	476,827.30
<b>Total Purchases</b>	30,305,097.51
<b>Real Property Expenses</b>	
<b>Hotel Operating Expenses</b>	163,404.34
<b>Improvements</b>	413,289.96
<b>Insurance</b>	74,940.86
<b>Outside Services</b>	929,339.11
<b>Property Taxes</b>	941,278.24
<b>Repairs &amp; Maintenance</b>	603,195.77
<b>Utilities</b>	174,083.15
<b>Total Real Property Expenses</b>	3,299,531.43
<b>Rent Expense</b>	747,570.64
<b>Sales &amp; Marketing Expense</b>	
<b>Advertising</b>	472,746.04

## USFIA Forensic Accounting

## Profit &amp; Loss

## All Transactions

Sept. 28, 2015

Conferences	3,399,045.01
EB5 Related Expenses	29,125.67
Printing and Sales Materials	245,706.42
<b>Total Sales &amp; Marketing Expense</b>	<b>4,146,623.14</b>
<b>Taxes</b>	
Income	179,421.68
Sales Tax	345,428.44
Unsecured Property Tax	28,469.56
<b>Total Taxes</b>	<b>553,319.68</b>
<b>Travel &amp; Entertainment</b>	
Meals & Entertainment	298,560.74
Mileage	82,400.72
Travel expense	
Distributors & Employees	1,942,716.01
Investor propsect	2,978,885.17
Travel expense - Other	169.52
<b>Total Travel expense</b>	<b>4,921,770.70</b>
<b>Total Travel &amp; Entertainment</b>	<b>5,302,732.16</b>
Unspecified expense	260,897.57
<b>Total Expense</b>	<b>130,610,472.72</b>
<b>Net Income</b>	<b>76,945,008.89</b>

**PROOF OF SERVICE**

*Securities and Exchange Commission v. Steve Chen, USFIA, Inc., et al.,*  
USDC, Central District of California – Case No. 2:15-cv-07425-RGK-PLA

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 865 S. Figueroa Street, Suite 2800, Los Angeles, California 90017-2543.

On **December 19, 2019**, I caused to be served on all the parties to this action addressed as stated on the attached service list, the document entitled:

**RECEIVER'S FORENSIC ACCOUNTING REPORT**

- 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 the firm'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.
- OVERNIGHT DELIVERY:** I deposited in a box or other facility regularly maintained by express service carrier, or delivered to a courier or driver authorized by said express service carrier to receive documents, a true copy of the foregoing document(s) in sealed envelope(s) or package(s) designed by the express service carrier, addressed as indicated on the attached service list, with fees for overnight delivery paid or provided for.
- HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.
- 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 that I am employed in the office of a member of the Bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on **December 19, 2019** at Los Angeles, California.

/s/ Martha Diaz  
Martha Diaz