

Press Release

SEC Charges Exiled Chinese Businessman Miles Guo and His Financial Advisor William Je in \$850 Million Fraud Scheme

FOR IMMEDIATE RELEASE

2023-50

Washington D.C., March 15, 2023 — The Securities and Exchange Commission today charged exiled Chinese businessman Miles Guo and his financial advisor William Je for their involvement in unregistered and fraudulent offerings that raised more than \$850 million.

According to the SEC's complaint, since April 2020, Guo, also known as Ho Wan Kwok, Miles Kwok, Wengui Guo, and Brother Seven, and his longtime financial advisor, Je, also known as Kin Ming Je, misappropriated a large portion of the funds raised from investors to enrich themselves and their family members, who are named as relief defendants. For example, in connection with a private placement offering of common stock in GTV Media Group, Inc. (GTV), Guo and Je allegedly diverted \$100 million of investor funds to a hedge fund for the sole benefit of a company that is owned by Guo's son. Additionally, Guo allegedly misappropriated investor proceeds in two other offerings to fund his and his family's lifestyle, including misappropriating approximately \$40 million to purchase and renovate a mansion in New Jersey and \$3.5 million to purchase a Ferrari for his son.

The SEC also charged Guo and Puerto Rico and New York-based G Club Operations LLC and New York-based Mountains of Spices LLC with violations of the registration provisions of the securities laws in connection with these offerings. A fourth offering, for which Guo alone is charged, raised hundreds of millions of dollars from investors through a crypto asset security referred to as "H-Coin," "Himalaya Coin," or "HCN" and a related purported stablecoin. In addition, since at least October 2021, Guo allegedly has made material misrepresentations to prospective investors in H-Coin, falsely stating that 20 percent of H-Coin's value was backed by gold and that he would personally compensate investors for any potential losses.

"We allege that Guo was a serial fraudster, who raised more than \$850 million by promising investors outsized returns on purported crypto, technology and luxury good investment opportunities," said Gurbir S. Grewal, Director of the SEC's Division of Enforcement. "In reality, Guo took advantage of the hype and allure surrounding crypto and other investments to victimize thousands and fund his and his family's lavish lifestyle."

The SEC's complaint seeks permanent injunctions against Guo and Je, disgorgement of ill-gotten gains, civil penalties, and officer and director bars. The SEC's complaint also seeks a conduct-based injunction that prohibits Guo from participating in the issuance, purchase, offer, or sale of any securities, including crypto asset securities, other than for his own personal accounts.

In a parallel action, the U.S. Attorney's Office for the Southern District of New York today announced charges against Guo and Je.

In a related matter, in September 2021, the SEC [charged](#) GTV and two other entities with conducting an illegal unregistered offering of the company's common stock and GTV and its parent company with an illegal unregistered offering of a crypto asset security referred to as either G-Coins or G-Dollars. The SEC subsequently collected more than \$454 million in disgorgement, prejudgment interest, and penalties, including

approximately \$70 million previously transferred to the hedge fund discussed above, from GTV and two other charged entities. The SEC is distributing the funds collected to harmed investors.

The SEC's continuing investigation is being conducted by William Conway, Amanda Rios, Kerri Palen, Daniel Loss, and Sandeep Satwalekar. The case is being supervised by Thomas P. Smith, Jr. The SEC's litigation will be led by Mr. Loss, Mr. Conway, and Ms. Rios.

The SEC appreciates the assistance of the U.S. Attorney's Office for the Southern District of New York, the FBI, and multiple international regulators.

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Related Materials

- [SEC Complaint](#)