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◆ WSJ NEWS EXCLUSIVE | U.S.

Fundraising at Company Tied to Steve Bannon and Guo Wengui Faces Probe

Former Trump political adviser and exiled Chinese businessman raised more than \$300 million in private offering, Guo says

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Aug. 19, 2020 1:17 pm ET

A media company linked to former Trump political adviser Steve Bannon and exiled Chinese businessman Guo Wengui raised more than \$300 million in a private offering this spring that is now being investigated by federal and state authorities, say people familiar with the matter.

JPMorgan Chase & Co. and Wells Fargo & Co. have frozen accounts tied to fundraising for the company, GTV Media Group, some of these people said. Bank of America Corp. also closed an account for GTV Media's parent company shortly after it was opened in recent months, another person with knowledge of the situation said.

The federal probe is being conducted by the Federal Bureau of Investigation and the Securities and Exchange Commission, people familiar with the investigation said. The investigators have been examining whether GTV Media or associates of Mr. Guo violated securities laws through the private share placement. The New York state attorney general's office has also been examining the matter, these people said.

Soon after the fundraising, some investors began pushing for refunds after they said they never received official documentation verifying their investments in GTV Media, among other issues that led them to distrust Mr. Guo.

Mr. Guo, a former property tycoon who is now one of China's most-wanted fugitives, and Mr. Bannon were two of the key people behind GTV Media's launch this spring, according to a company fundraising document and interviews. The document identifies Mr. Bannon as a

company director, while Mr. Guo served as the public face for its fundraising. Associates of Mr. Guo are listed as GTV Media executives, while Mr. Guo is described as a company adviser.

Messrs. Guo and Bannon joined forces in the last few years as tough critics of China's Communist Party, and recently have been spending significant time together on Mr. Guo's yacht, according to videos posted on a website affiliated with Mr. Guo. Mr. Guo faces accusations of wrongdoing in China including bribery, fraud and money laundering—allegations he has denied.

GTV Media said in a statement that it had carried out the private placement under the guidance of its lawyers and that “all of the raised funds are intact.”

The company added that it is fully prepared to cooperate with any U.S. agency that has questions about the private placement or its business.

A representative for Mr. Guo didn't provide comment, and Mr. Bannon declined to comment.



Former Trump political adviser Steve Bannon and Guo Wengui joined forces in the last few years as tough critics of China's Communist Party. PHOTO: DON EMMERT/AGENCE FRANCE-PRESSE/GETTY IMAGES

The FBI had been examining Mr. Guo's work with Mr. Bannon even before the private placement this spring. The Wall Street Journal, citing people familiar with the matter, reported last month that FBI agents had been investigating Mr. Guo and the money he used to fund his media efforts in the U.S. for more than six months and that prosecutors from the U.S. attorney's offices in Manhattan and Brooklyn had been involved in the probe.

At that time, representatives for Messrs. Guo and Bannon said neither man had been contacted by the FBI as part of the probe.

Earlier this month, Mr. Guo said in an online video that he had been subpoenaed and that he welcomed authorities' probes. A lawyer for Mr. Guo didn't provide comment on what information the subpoenas were seeking and whether Mr. Guo had complied with them.

Since fleeing China for the U.S. in 2014, Mr. Guo built a large following online, particularly among the Chinese diaspora in the U.S. and elsewhere, and has alleged high-level corruption in China's Communist Party. He has also applied for asylum.

GTV Media sought to capitalize off that popularity. One fundraising document reviewed by the Journal said the venture aimed to be "the only uncensored and independent bridge between China and the Western world."

The company told potential investors it would be a platform for news, social media and e-commerce, with competitors including Amazon.com Inc., Tencent Holdings Ltd.'s WeChat and ByteDance Ltd.'s TikTok. A fundraising memo for potential investors this spring didn't include a detailed business plan for GTV Media. It stated a pre-investment valuation of \$1.8 billion.

The company identified Mr. Bannon as one of several prominent directors. Others included hedge-fund manager and China critic Kyle Bass, Texas venture capitalist Darren Blanton and John A. Morgan, the son of Morgan Stanley's co-founder.



As U.S.-China relations have soured, Guo Wengui has proven divisive among U.S. critics of China. PHOTO: NATALIE KEYSAR FOR THE WALL STREET JOURNAL

Mr. Bass said on Twitter in July that he was no longer serving on GTV Media's board, and a person familiar with the company confirmed he had resigned. Mr. Blanton didn't respond to requests for comment. Mr. Morgan couldn't be reached.

The fundraising documents reviewed by the Journal say GTV Media aimed to sell a 10% stake in the company for as much as \$200 million, with the rest held by another company affiliated with Mr. Guo.

Mr. Guo said in an online video in June that GTV Media had raised more than \$300 million, with demand for shares exceeding expectations.

GTV Media didn't register the deal with the SEC. To avoid registration, companies generally must sell shares only to wealthy "accredited investors" who meet requirements such as having more than \$1 million in assets, excluding the value of a primary residence, or earning more than \$200,000 a year. GTV Media said it sought to sell shares to such accredited investors.

Spokespeople for the SEC, the FBI field office in New York, the Manhattan U.S. attorney's office and New York state attorney general declined to comment.

It couldn't be determined how much money is in the accounts linked to GTV Media. A Chase account for GTV Media collected funds from investors willing to give at least \$100,000 to GTV Media, according to documents reviewed by the Journal.

Separately, smaller investors were told they could invest in the GTV Media offering through another entity called Voice of Guo Media Inc. Several of these investors said they were told that the money sent to Voice of Guo Media would be invested in GTV Media on their behalf.

Mr. Guo said in June that Voice of Guo Media had raised nearly \$120 million. That company didn't respond to requests for comment. GTV Media said in its statement that it didn't issue shares to anyone through Voice of Guo Media.

SEC investigators have been reaching out to conduct interviews with investors who are now pushing GTV Media or Voice of Guo Media to refund their money and are lodging complaints about Mr. Guo and his associates, some of the people familiar with the matter said.

The Journal reviewed documentation from investors including copies of bank transfers, shareholder agreements and text messages.

As U.S.-China relations have soured during the Trump administration, Mr. Guo has proven divisive among U.S. critics of China. Some such as Mr. Bannon have aligned themselves with Mr. Guo, while others say they distrust him. The FBI previously viewed Mr. Guo as a potential agency informant and tried unsuccessfully to cultivate him as one around 2017, say people familiar with the matter.



Guo Wengui, here at an event in New York in 2018, has alleged high-level corruption in China's Communist Party.
PHOTO: DON EMMERT/AGENCE FRANCE-PRESSE/GETTY IMAGES

Some have openly questioned Mr. Guo's loyalty to the U.S. In 2018, a company affiliated with Mr. Guo hired Virginia-based research firm Strategic Vision to investigate individuals Mr. Guo said were tied to top Chinese Communist Party officials, according to court filings.

Strategic Vision had issues with the request and accused Mr. Guo of being a "dissident-hunter" for China. The contract between the companies is now in litigation.

A lawyer for Mr. Guo has denied those claims, saying in a previous statement to the Journal: "Mr. Guo is the most-wanted dissident worldwide by the Chinese Communist Party and has been their most outspoken and vitriolic critic since his arrival in the United States."

A New York state court on June 28 dismissed a lawsuit filed by Mr. Guo against Dow Jones & Co., publisher of the Journal, over its reporting about the litigation between Strategic Vision and the Guo-linked entity. Mr. Guo has indicated he plans to appeal.

The recent fundraising has also drawn scrutiny abroad. In Taiwan, local news media reported that police had prevented one supporter of Mr. Guo from transferring \$43,000 to Voice of Guo because they suspected financial fraud. In New Zealand, dozens of protesters criticized a decision by Australia and New Zealand Banking Group Ltd., or ANZ, to block transfers worth \$2 million to GTV Media, according to another local news-media report. ANZ declined to comment.

Mr. Guo has complained online about banks blocking transfers, alleging they are under the influence of China's Communist Party.

—Rebecca Davis O'Brien and Dave Michaels contributed to this article.

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Appeared in the August 20, 2020, print edition.