

Dear Mr. Fields,

The SEC needs to do more to stop the short-and-distort schemes going on in the market. It is currently happening to Mimedx and Eros International. Both have filed defamation lawsuits and the lead attorney for Eros estimates that this scheme has occurred hundreds of times.

In the case of Longwei Petroleum, a short-seller/fraudster became a whistleblower for the SEC and duped the public and your agency. I wrote a letter to Chairman Clayton (attached) and explained the situation. I trust the matter is being investigated. Below is Longwei's defamation lawsuit and financial recap.

http://a.eqcdn.com/longweipetroleum/files/defamation_lawsuit.pdf

https://www.facebook.com/longwei.petroleum/posts/136510470016101?__tn__=K-R

Reg SHO needs to be vigorously enforced, especially for small and microcaps. Only market makers are supposed to be able to naked short sell but hedge funds routinely do so. The SEC has not done enough to combat naked and abusive/manipulative short-selling, and prosecute those who write defamatory articles. However, it was encouraging to see the first short-and-distort case recently. Hopefully, that will continue so that others are discouraged from engaging in these kinds of acts.

Thank you for your attention to this matter.

Sincerely,

Richard Hamano CPA

June 12, 2018

Mr. Jay Clayton, Chairman
Securities and Exchange Commission
100 F Street, NE
Washington DC 20549

No. 3-17316 In the Matter of Longwei Petroleum Investment Holding Limited

Dear Chairman Clayton,

Longwei Petroleum was a victim of a short and distort scheme by naked short-sellers so they chose to be delisted. They were advised by their attorney that delisted companies do not have to file financial statements or financial information. In fact, I know of other delisted companies that do not. In January 2013, the SEC requested inventory information based on a 'report' written by an anonymous short-seller named Unemon. Because Longwei followed their attorney's advice, do the fraudsters now get to keep all of their ill-gotten gains at the expense of shareholders whose public shares are now worthless? Under the doctrine of substance over form, this makes no sense.

According to Eros International's defamation lawsuit against a group of short-sellers (page 21, paragraph 83 below), a recurrent defendant "paid to settle" their lawsuit with Longwei Petroleum. This is what they were waiting for so it is regrettable that this timing difference will result in the fraudsters walking free, enriched. Please read Longwei's defamation lawsuit if you have not done so (see January 4, 2018 letter).

https://iapps.courts.state.ny.us/nyscef/ViewDocument?docIndex=FcrrNIWrNExp_PLUS_7kZDE6AhQ==

The SEC reversed the Clean Tech Innovations, Inc. decision in 2013, which was represented by the late Senator Arlen Specter in 2012. He was aware of the damage being done to US-China relations. This is a similar case that deserves similar scrutiny because: 1) there are still millions of naked, short shares outstanding (Reg SHO was not enforced), 2) all financial statements were timely filed prior to Longwei being defamed, and 3) the fact that a defendant in Longwei's defamation lawsuit was a *whistleblower* for the SEC would constitute a conflict of interest that would ordinarily be a disqualifying factor. A foreign company defamed and publicly destroyed by American short-sellers deserves empathy and assistance from a somewhat culpable SEC. I realize this was well before your tenure.

Note to Mr. Yongjun: Perhaps you can take the company private like Harbin Electric did or file an appeal in Federal court. Please act promptly for the sake of shareholders who have suffered immeasurably.

Note to Judges Berman and Patil: If you have any suggestions or advice, please comment. The resolution of this case seems unusually harsh when one considers the extenuating circumstances.

Sincerely,

Richard Hamano – Shareholder and unaffiliated CPA

cc: Mr. Cai Yongjun, Chairman and CEO of Longwei Petroleum
Judge Richard M. Berman, US District Court SDNY

Judge Jason S. Patil