

Top 7 Indefensible Lies Chicago Stock Exchange/China Casin Have Misled the SEC

**"Fool me once, shame on you; fool me twice, shame on me." The SEC was
fooled at least 7 times by CHX, China Casin...**

**LIE #1: China Casin is a "large, publicly traded \$1 billion market capitalization company listed
on the ShenZhen Stock Exchange" ¹**

THE "INCONVENIENT" TRUTH: Casin is worth ZERO. Casin stock has remained halted on the ShenZhen Stock Exchange since May 2017 for failing to disclose hundreds of millions of dollars in related party loans and "pump and dump" stock manipulation associated with Casin's Chairman ShengJu Lu. Casin's share price is \$0, as seen on Google Finance.² CHX has deliberately hidden this reality from the SEC.³

LIE #2: "China Casin is investing in the Chicago Stock Exchange to grow jobs in Chicago"⁴

THE "INCONVENIENT" TRUTH: Not a single dollar of Casin's purported \$23 million would go to CHX. Not a penny of the opaque Chinese money would be invested in Chicago. All of it would go to the pockets of CHX shareholders including Goldman Sachs, JP Morgan, Bank of America.

**LIE #3: "CFIUS, SEC Division of Trading and Markets staff have reviewed and approved the
Casin acquisition"⁵**

THE "INCONVENIENT" TRUTH: The SEC's Division of Trading and Markets staff was grossly misled and heavily lobbied by CHX's hired gun - DC lobbyist **Michael Borden**⁶ of Sidley Austin⁷. CHX paid Mr. Borden and Sidley Austin \$500,000 to lobby Washington and SEC bureaucrats.⁸ Why did CHX spend large sums of money on shady lobbying if this CHX/China Casin tie-up were so good? It smells like a dead rat.

¹ Yong Xiao, CEO, North America Casin Holdings, comment letter to the SEC, March 1, 2017:

<https://www.sec.gov/comments/sr-chx-2016-20/chx201620-1606533-135666.pdf>

² Google finance, Casin stock is worth \$0: <https://finance.google.com/finance?cid=703305&hl=en>

³ Comment letter from Michael Johnson, Google Finance: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-2262918-160962.pdf> ; <https://finance.google.com/finance?cid=703305&hl=en>

⁴ Chicago Tribune: Stop Stalling, SEC: <http://www.chicagotribune.com/news/opinion/editorials/ct-edit-exchange-china-sec-0831-20170830-story.html>

⁵ John Kerin, CEO, Chicago Stock Exchange's comment letter to the SEC: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-2247572-160909.pdf>

⁶ CHX's lobbyist, Michael E. Borden of Sidley Austin: <https://www.sidley.com/en/people/b/borden-michael-e>

⁷ Timothy Watson, Investigator, DeepDive Background Research: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-2281752-161024.pdf>

⁸ OpenSecrets.org, DC lobbying records: CHX paid Michael Borden of Sidley Austin \$300,000 in 2016 and \$130,000 in 2017: <https://www.opensecrets.org/lobby/firmsum.php?id=D000022249&year=2016> ; <https://www.opensecrets.org/lobby/firmsum.php?id=D000022249&year=2017>

LIE #4: "Casin buyers are all non-related, real investors"⁹

THE "INCONVENIENT" TRUTH: 75% of the so-called Casin "investors" are located in small, empty apartments in New York's Chinatown. It's highly suspicious these "modest" Chinese folks, who can hardly make ends meet suddenly have many millions of dollars in cash to buy a piece of CHX.¹⁰¹¹

LIE #5: "Casin is a large company in China, affiliated with a publicly listed company" - said Anthony Saliba, a CHX board member¹²

THE "INCONVENIENT" TRUTH: Casin has a bankrupt, opaque business. Its share trading has been halted by Chinese regulators and its web of shady businesses are controlled by the Chinese government.¹³

LIE #6: "CHX has provided transparency about me and my motivations to sell CHX to China Casin"¹⁴ - Anthony Saliba, a CHX board member

THE "INCONVENIENT" TRUTH: Selling CHX to the Chinese government-controlled, bankrupt Chinese Casin is an inside job orchestrated by Anthony Saliba, a CHX board member and the mastermind behind the bizarre, risk-free "Saliba Put."¹⁵ (*Anthony Saliba could sell his CHX shares to Casin at any time for a premium in a risk-free "investment" scheme*). Anthony "Tony" Saliba bought CHX stock for \$1 a share at the end of 2015 while he was sitting on CHX's board approving the Acquisition. Anthony Saliba would reap a 1400% return, nearly half a million dollars in profit. A great gig for an inside job.¹⁶

LIE #7: "The CHX acquisition has been approved by CFIUS."¹⁷

THE "INCONVENIENT" TRUTH: The CFIUS approval does not permit Casin and CHX to lie to the SEC.

⁹ John Kerin, CEO, Chicago Stock Exchange, comment letter to the SEC: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-1463514-130293.pdf>

¹⁰ John Ciccarelli comment letter to the SEC: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-1457034-130154.pdf>

¹¹ Michael Brennan, market commentator, letter to the SEC: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-1587761-132084.pdf>

¹² CHX board member Anthony Saliba, the man behind the "Saliba Put" double-dipping scheme, in his comment letter to the SEC: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-1612185-136033.pdf>

¹³ Comment letters: John Carney, Independent investigator: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-2249018-160912.pdf> ; Darrell Simpson, Public Investor: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-2266076-160964.pdf> ; Michael Jonson, investor: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-2262918-160962.pdf> ; <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-2445412-161069.pdf> ; Comment letter from David Farris, The Public Interest Review: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-1584843-132038.pdf>

¹⁴ Anthony Saliba's comment letter to the SEC: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-1612185-136033.pdf>

¹⁵ UCLA Anderson School of Management, comment letter to the SEC: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-1591174-132262.pdf>

¹⁶ Michael Brennan, Independent Market Commentator: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-1587761-132084.pdf>

¹⁷ Comment letter to the SEC from John Kerin, CHX CEO: <https://www.sec.gov/comments/sr-chx-2016-20/chx201620-2247572-160909.pdf>