UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 11296 / August 9, 2024

SECURITIES EXCHANGE ACT OF 1934
Release No. 100684 / August 9, 2024

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4512 / August 9, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21988

In the Matter of **IDEANOMICS, INC. (f/k/a SEVEN STARS CLOUD GROUP, INC.), ALFRED POOR, AND FEDERICO TOVAR.** **Respondents.**	**ORDER INSTITUTING PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTIONS 4C AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 102(e) OF THE COMMISSION'S RULES OF PRACTICE, MAKING FINDINGS, IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Sections 4C[1] and 21C of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 102(e)(1)(iii) of the Commission's Rules of Practice[2] against Ideanomics, Inc. (f/k/a Seven Stars Cloud Group, Inc.) ("Ideanomics" or "the Company"), Alfred P. Poor ("Poor"), and Federico Tovar ("Tovar") (collectively, "Respondents").

[1] Section 4C provides, in relevant part, that:

> The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . (1) not to possess the requisite qualifications to represent others; (2) to be lacking in character or integrity, or to have engaged in unethical or improper professional conduct; or (3) to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations issued thereunder.

[2] Rule 102(e)(1)(iii) provides, in pertinent part, that:

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the "Offers") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission's Rules of Practice, Making Findings, Imposing Remedial Sanctions and a Cease-and-Desist Order (the "Order").

III.

On the basis of this Order and Respondents' Offers, the Commission finds[3] that:

SUMMARY

1. These proceedings involve multiple acts of accounting and disclosure fraud by Ideanomics, a publicly traded company, and its senior management. Beginning in at least 2017 and continuing through at least 2019, Ideanomics and its senior executives engaged in the following misconduct:

- Ideanomics issued a false and misleading press release on November 13, 2017, in which it provided $300 million revenue guidance for fiscal year 2017.[4] At the time this press release was issued, there were numerous facts known to Company management indicating that the Company would not be able to meet this guidance.

- In December 2017 and March 2019, Ideanomics's then-Chairman Bruno Wu was substantively involved in negotiating agreements between Ideanomics and Tiger Sports Media, Ltd. ("Tiger Sports") and Beijing Financial Holdings, Ltd. ("Beijing Financial"), Hong Kong-based entities, relating to transactions that benefited Wu personally. Wu falsely told Company management that those entities were not related to him or his companies, and Company management failed to properly investigate Wu's connection to those entities. In fact, Wu exercised control over Tiger Sports and Beijing Financial and used cash and other assets from those companies for his personal benefit. In addition,

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The Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it . . . to any person who is found . . . (iii) to have willfully violated, or willfully aided and abetted the violation of any provision of the Federal securities laws or the rules and regulations thereunder.

[3] The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

[4] Ideanomics's fiscal year is concurrent with the calendar year.

Ideanomics overstated the value of assets acquired in connection with these agreements. As a result, Ideanomics did not disclose in public filings that Tiger Sports and Beijing Financial were related parties and improperly overstated the value of its investments.

- Ideanomics fraudulently and materially misstated the financial statements in its 2017 and 2018 Form 10-K filings, as well as its Form 10-Q filings for the first, second, and third quarters of 2018, by failing to impair the value of certain licensed video content that it valued at $17 million. Ideanomics supported the value of the video content with a non-binding letter of intent to acquire the assets from a shell company. Ideanomics failed to record any impairment of the asset despite having recognized minimal revenue, if any, from the licensed content since 2015. Ideanomics's misstatements resulted from the deliberate actions of Wu, as well as the failure of the Company's then-CFO, Federico Tovar.

- Ideanomics materially misstated revenue in its 2018 Form 10-K, as well as its Form 10-Q filings for the first three quarters of 2018, by improperly accounting for oil transactions on a gross, rather than net, basis. Ideanomics improperly accounted for the transactions as a principal even though it purchased and sold the oil simultaneously and had little or no discretion over the purchase or sale prices. Ideanomics's misstatements resulted from Tovar's failure to understand Ideanomics's oil trading business and the propriety of the oil trading accounting.

- Ideanomics materially misstated revenue in its financial statements for the first and second quarters of 2019 by improperly recognizing revenue totaling $40.7 million in a transaction with Counterparty A. Wu told Tovar the amount of profit to report in those quarters, an amount which eliminated the potential tax liability. Tovar knew, or should have known, that this approach was not consistent with U.S. GAAP. Additionally, CEO Alfred Poor certified the first and second quarter Form 10-Q filings even though he knew or should have known of problems related to the underlying assets received from Counterparty Athat would affect their value and the amount of Ideanomics's reported revenue.

- Ideanomics falsely stated in its 2018 Form 10-K that its principal executive and principal financial officers, Poor and Tovar, had performed evaluations of the Company's internal control over financial reporting ("ICFR") even though the evaluation of ICFR was incomplete. Given their roles and responsibilities as CEO and CFO respectively, Poor and Tovar knew or should have known that these statements were false.

- Ideanomics's Form 10-Q for the second quarter of 2019 was signed by Carla Zhou as interim CFO and attached to it were two SOX certifications that were purportedly signed by Zhou as interim CFO, which Poor facilitated. In fact, Zhou could not speak or read English and had not actually reviewed or signed the Form 10-Q or the certifications prior to the filing. Poor knew or should have known that the certifications purportedly signed by Zhou were inaccurate and that Zhou did not have a chance to review and approve of the Form 10-Q before it was filed.

RESPONDENTS

2. Ideanomics, Inc., is a company incorporated in the State of Nevada, with its principal executive offices in New York, New York. In 2016 and 2017, Ideanomics's principal executive offices were in Beijing, China. Ideanomics is listed on the NASDAQ stock exchange under the ticker symbol "IDEX," and its securities are registered with the Commission under Section 12(b) of the Exchange Act. Ideanomics makes required filings, including annual reports on Form 10-K, with the Commission.

3. Alfred Poor, 54, has been Chief Executive Officer of Ideanomics since February 20, 2019. Poor previously served as Chief Operating Officer of Ideanomics from September 2018 to February 2019, and as Chief Administrative Officer of Ideanomics from August 2018 to September 2018. He is not registered with the Commission in any capacity. Poor currently resides in Montclair, New Jersey.

4. Federico Tovar, 50, served as Chief Financial Officer of Ideanomics from June 1, 2018, to April 30, 2019. Tovar currently resides in Edgewater, NJ. He is not registered with the Commission in any capacity.

OTHER RELEVANT INDIVIDUAL AND ENTITY

5. Zheng (Bruno) Wu, 57, served as Chairman of the Board of Directors of Ideanomics from January 12, 2016, to November 12, 2018, and from February 20, 2019, to December 31, 2020. Wu also served as CEO of Ideanomics from October 9, 2017, to November 12, 2018. At all relevant times, Wu was also the Co-Chairman and CEO of privately held media and investment company located in China, which was the largest investor and shareholder of Ideanomics. Wu resides in China but is an American citizen with a residence in New York. He is not registered with the Commission in any capacity.

6. Beijing Financial Holdings Limited (f/k/a Tiger Sports Media Limited) is a Hong Kong based entity, established in 2012. Its principal activity originally was the promotion of mixed martial arts events. The entity had minimal operations from 2012 through August 2017, when it was sold by an entity controlled by Wu to a business associate of Wu's located in China for approximately $15. Notwithstanding the formal change in ownership, Wu exercised control over the company from 2017 through at least 2020.

FACTS

A. Background on Ideanomics

7. Since its inception in 2004, Ideanomics has sought to engage in a variety of business activities. From 2010 through 2017, Ideanomics's primary line of business was providing video-on-demand services under the brand name "You-on-Demand," with its primary operations in China. Starting in early 2017, the Company changed its name several times, first to "Wecast Network, Inc.," then to "Seven Stars Cloud Group, Inc.," and finally to Ideanomics. It also changed its business model several times, including attempting to develop petroleum trading

products, artificial intelligence, and financial technology. In 2020, the Company pivoted to its current business model, which is to assist businesses and governments transition their fleets from gas to electric vehicles.

8. At all relevant times, Ideanomics offered and sold securities, including by issuing Ideanomics shares as compensation to certain employees, permitting employees to exercise stock options, and by using Company shares to acquire assets.

B. In November 2017, Ideanomics Issued False and Misleading Revenue Guidance for Fiscal Year 2017

9. On November 13, 2017, Ideanomics issued a press release reporting its third quarter revenue and reiterating the fiscal year 2017 revenue guidance of $300 million that it had stated in press releases in March, May, and August 2017. In this press release, then-Chairman and CEO Bruno Wu stated that Ideanomics was "on track to reach its top-line revenue guidance of $300 million." In a conference call with investors held on November 13, Wu reiterated that the Company would meet the $300 million revenue forecast.

10. In each of the two prior fiscal years 2015 and 2016, Ideanomics's annual revenue was approximately $4.6 million. In the November 13, 2017, press release Ideanomics reported $30 million in revenue for the quarter, and a total of $107 million through the first three quarters of 2017. Thus, to meet the guidance, the Company would have needed to obtain an additional $193 million in revenue in the fourth quarter of 2017, nearly double what it had achieved in the first three quarters of the year combined.

11. The vast majority of Ideanomics's revenue in 2017 was projected to come from two sources: (1) an electronics components trading business run through Ideanomics's subsidiary Amer Global Technology Ltd. ("Amer"), a Hong Kong company, and (2) a newly established crude oil trading joint venture called Seven Stars Energy Pte. Ltd. ("SSE"), a Singapore company. At the time Wu and the Company reiterated the $300 million forecast in November 2017, they were aware of material adverse facts relating to each of these revenue sources that would potentially prevent – and in fact did prevent – Ideanomics from achieving its revenue guidance.

12. Specifically, as of November 2017, Amer was the only revenue-generating vehicle for Ideanomics, as SSE had not yet begun operations. However, during the summer of 2017, Amer's bank accounts in Hong Kong and China had been frozen by governmental authorities, which significantly limited Ideanomics's ability to generate revenue from this business. Wu was aware of the frozen Amer accounts prior to the issuance of the November 2017 press release and knew that the freezing of the accounts had a material adverse effect on the Company's revenue.

13. In addition, at the time the November 2017 press release was issued, Wu and other senior personnel at the Company were aware that there had been significant delays in setting up SSE, the entity that was expected to earn much of the revenue in the third and fourth quarters of 2017. As a result of these delays, SSE had not begun to generate any revenue as of mid-November 2017. On November 10, 2017, just three days before the press release was issued, Wu sent a WeChat message to Ideanomics board members and senior executives informing them that SSE's

bank accounts were still in the process of being set up and that the delays in setting up the joint venture had "cost [the Company] dearly."

14. Moreover, in the days leading up to issuance of the November 2017 press release, senior Ideanomics personnel had concerns about the revenue guidance. During a November 9, 2017, board meeting, senior personnel discussed the Company's $300 million revenue guidance, and the consensus of the board was to recommend to Wu that the guidance be lowered because of the facts discussed above. Although Ideanomics's President and Chief Revenue Officer advised Wu that he did not believe the Company should issue guidance, Wu decided to keep the $300 million guidance in place.

15. Despite knowledge of the material adverse facts discussed above, which were not disclosed to investors, Ideanomics and Wu reiterated the $300 million forecast in the November 13 press release and conference call. In light of such knowledge, Wu knew or should have known that Ideanomics's and Wu's November 13, 2017, statements were misleading because they omitted material information indicating that Ideanomics would not achieve the $300 million revenue forecast for 2017.

16. Ultimately, on February 23, 2018, Ideanomics announced that it expected that it would miss the guidance by a wide margin, resulting in a 39% decrease in the price of Ideanomics's stock. On March 30, 2018, the Company reported $144 million in revenue for 2017, a shortfall of $156 million.

C. Ideanomics Failed to Disclose and Improperly Accounted for Related Party Transactions Involving Entities Controlled by Wu

17. In October 2017, Ideanomics created a joint venture whose ownership was shared amongst Tiger Sports Media Limited ("Tiger Sports"), Ideanomics, and a third-party, with interests of 20%, 40% and 40% respectively (the "JV"). The JV was established to provide financial data services and transactional trading platforms for global commodity and energy clients.

18. In December 2017, Ideanomics entered into an agreement with Tiger Sports in which Ideanomics purchased Tiger Sports' 20% interest in the JV for approximately $9.8 million, comprised of $2 million in cash and three million Ideanomics shares valued at approximately $7.8 million. Wu signed the agreement on behalf of Ideanomics and presented the Tiger Sports transaction to Ideanomics's Board of Directors for approval.

19. Ideanomics's 2017 Form 10-K and 2018 Form 10-Q filings, which discussed Ideanomics's acquisition of Tiger Sports' interest in the JV, failed to identify Tiger Sports as a related party as required by U.S. GAAP. Additionally, Ideanomics's 2018 and 2019 Form 10-K filings, which also discussed Ideanomics's acquisition of Tiger Sports' interest in the JV, referred to Tiger Sports as an unrelated party. Further, Ideanomics overstated the value of the acquired 20% interest in its June 30, 2018 Form 10-Q by failing to record an other than temporary loss in value as required by U.S. GAAP. None of the JV partners had contributed the monetary capital to the JV identified in the JV agreement. The JV had no legal rights to the intellectual property being

developed. Wu signed Ideanomics's 2017 Form 10-K and its Form 10-Qs for the first, second, and third quarters of 2018.

20. Although Wu had nominally transferred his ownership interest in Tiger Sports to a third party for $15 just prior to the creation of the joint venture, Wu continued to exercise control over Tiger Sports. For example, under Wu's direction, employees of another Wu-owned entity maintained sole signature authority over Tiger Sports' bank accounts and performed Tiger Sports' bookkeeping. Of the $2 million cash that Ideanomics paid to Tiger Sports pursuant to the December 2017 transaction, more than $1 million was promptly transferred by Tiger Sports at Wu's direction and for his benefit, including to Wu's associates, controlled entities and affiliates, and creditors. Tiger Sports made additional payments to certain of Wu's creditors from 2018 through 2020. Moreover, Wu retained the voting rights over the Ideanomics shares transferred to Tiger Sports and advised Tiger Sports to transfer some of these shares to investors in Wu's private businesses.

21. In 2019, Tiger Sports changed its name to Beijing Financial. In March 2019, Wu was substantively involved with a transaction on behalf of Ideanomics in which Ideanomics paid Beijing Financial 12.2 million Ideanomics shares, valued at approximately $25 million, in exchange for Beijing Financial's interest in a Malaysian entity (the "March 2019 Transaction"). Prior to Ideanomics's announcement of the March 2019 Transaction, Wu had agreed to purchase the interest in the Malaysian entity on behalf of Beijing Financial for less than $1 million. Once again Ideanomics improperly failed to recognize the other than temporary decrease in value of its investment purchased from Beijing Financial as required by U.S. GAAP when filing its Form 10-Q for the third quarter of 2019 by failing to consider the fair value paid for the interest by Wu and other relevant factors.

22. Both before and after the March 2019 Transaction, Wu continued to exercise control and influence over Beijing Financial. In addition, some of the proceeds from Beijing Financial's sale of Ideanomics shares went to pay Wu's debt to various entities, including consultants and lawyers who had provided services to Wu.

23. Ideanomics's 2019 Forms 10-K and 10-Q filings discussed the March 2019 Transaction. Despite Wu's continued control and significant influence over Beijing Financial, Ideanomics failed to disclose it as a related party in its 2019 Form 10-K and Form 10-Q filings. As Chairman of Ideanomics's Board of Directors, Wu was responsible for providing accurate information that was critical to the preparation of these filings, including details about the transaction with Beijing Financial. However, Wu caused the filings to contain false information by telling Ideanomics management that Beijing Financial was not a related party even though he knew that it was under his control.

24. Item 404(a) of Regulation S-K requires disclosure in Forms 10-K and proxy statements of any transaction or series of transactions exceeding $120,000 in which the registrant is a party and in which any director, executive officer, or any member of their immediate families has a direct or indirect material interest. In its 2017, 2018 and 2019 proxy filings, which were filed on December 14, 2018, December 13, 2019, and September 18, 2020, respectively, Ideanomics and Wu failed to disclose Wu's relationship with, and material direct and indirect benefit from,

Ideanomics's transactions with Tiger Sports and Beijing Financial, in contravention of Item 404(a) of Regulation S-K.

D. Ideanomics Misstated Its 2017 and 2018 Financial Statements Due to Improper Accounting Treatment of Licensed Content Assets

25. In November 2015, Ideanomics acquired the non-exclusive rights to broadcast a catalog of video on-demand titles (the "Licensed Content") from Wu's private entity, Beijing Sun Seven Stars Culture Development Ltd., in exchange for Ideanomics shares that were then valued at $17.7 million. Over the next three years, the Licensed Content generated no more than $800,000 in total revenue for Ideanomics. By December 31, 2017, Ideanomics was in the process of exiting the Licensed Content business and no longer focused on generating revenue from the asset.

26. In early March 2018, Ideanomics's independent auditor informed the Company's Director of Finance of its view that the Licensed Content should be written off as impaired in the year-end 2017 financial statement unless the Company could produce a signed letter of intent from a qualified buyer. The Director of Finance promptly informed Wu of this view. Shortly thereafter, Wu caused Ideanomics to provide the independent auditor with a purported letter of intent (the "LOI"), indicating that a Canadian entity would purchase the Licensed Content, along with other assets, for $32 million.

27. In fact, the LOI was part of a fraudulent effort by Wu to avoid having to impair the Licensed Content. On or about March 10, 2018, Wu contacted a Canadian business associate and asked him to do him a favor and sign an LOI provided by Wu so that Ideanomics would not have to impair the Licensed Content. Wu told the associate that the LOI should come from a shell company unrelated to Wu. Wu reassured the business associate that the LOI would be non-binding, provided him with the draft of the LOI, and determined the $32 million price. Wu was aware that the purported purchaser of the Licensed Content was a shell company that did not have any assets, that the business associate did not know specifically which assets were involved, and that the purchaser had not conducted any due diligence. The business associate returned a signed LOI to Wu, who subsequently caused it to be provided to Ideanomics's independent auditor.

28. In its financial statement for the year-end 2017, Ideanomics valued the Licensed Content at $17.0 million, when under U.S. GAAP, it should have been written down to its fair value of $0. In accordance with U.S. GAAP, the Company should have tested the asset for recoverability when indicators of impairment existed, such as a lack of revenue from the asset and the Company's decision to move away from that line of business. Once deemed non-recoverable, the Company should have written down the asset to its fair value of $0 at least as of December 31, 2017. As CEO, Wu signed Ideanomics's 10-K for 2017, which falsely understated Ideanomics's operating loss and overstated its assets by approximately $17 million. This amount represented 62% of Ideanomics's year-end 2017 operating loss and 27% of Ideanomics's year-end 2017 total assets. When he signed the filing, Wu knew, or was reckless in not knowing, that the financial statements were false.

29. In June 2018, Federico Tovar joined Ideanomics as CFO. In that role, Tovar had responsibility for the financial accuracy of the Company's second quarter, third quarter, and year-end 2018 financial statements.

30. Soon after joining the Company, Tovar learned that Ideanomics received little to no revenue from the Licensed Content, which indicated that the Licensed Content might not be recoverable. Tovar knew that U.S. GAAP stated the asset should be tested for recoverability when indicators of impairment existed, yet he failed to do this in either the second or third quarter of 2018. Additionally, although Tovar received a copy of the LOI in June 2018, he was aware that the proposed acquisition still had not occurred as of the date of each of the Company's quarterly filings for the second and third quarters of 2018, filed on August 13, 2018, and November 14, 2018, respectively.

31. For year-end 2018, Tovar commissioned a valuation report of the Licensed Content in connection with its impairment assessment. In preparing its valuation, the valuation firm relied upon a new cash flow forecast provided to it by Ideanomics. However, the cash flow forecast, which projected twenty years' worth of significant revenue from the Licensed Content, was unsupported as Ideanomics had no substantive business plan to achieve the projected revenues. Tovar failed to obtain an understanding of how Ideanomics's cash flow forecasts were prepared, despite knowing that the Company had reported material weaknesses in its ICFR in 2017 and 2018 related to cash flow forecasts for the Licensed Content. The Company then relied upon this valuation report to conclude that there was no impairment to the Licensed Content for year-end 2018.

32. As a result of the false LOI and the failure to test and impair the Licensed Content throughout 2018, Ideanomics's financial statements for the first, second, and third quarters of 2018, and year-end of 2018, all were materially misstated. Specifically, each financial statement overstated Ideanomics's total assets by approximately $17 million or over 10%. As CFO, Tovar signed the 2018 Form 10-K and Form 10-Qs for the second and third quarters. Tovar knew or should have known that the financial statements in those public filings were false.

33. Wu signed management representation letters that Ideanomics provided to its independent auditor in connection with the year-end 2017 audit and its reviews of the first three quarters of 2018. Those letters represented that the LOI had been provided by a third party interested in buying the Licensed Content, and that the potential buyer was qualified to close the deal. These representations were false and misleading, as the purported buyer had no intent to purchase the Licensed Content and, since it had no assets or operations, was not qualified to close the deal. Wu knew, or was reckless in not knowing, that the letters were false, and that the independent auditor would rely upon the LOI and his letters of representation in assessing the value of the Licensed Content and whether it should be impaired.

34. In connection with the independent auditor's quarterly reviews for the second and third quarters of 2018, relying on Wu, Tovar signed management representation letters representing to Ideanomics's independent auditor that the LOI was from a third-party buyer interested and qualified to make the purchase, and that the LOI, along with a valuation report prepared by a third-party firm, provided support for the Company's decision not to impair the

Licensed Content. However, Tovar did not conduct any diligence to verify that the buyer was interested and qualified. Tovar knew or should have known that the statements in the management representation letters were false.

E. Ideanomics Overstated Its 2018 Revenue by 220% Based on Improper Treatment of Oil Trading Revenue

35. As discussed above, SSE began operations in November 2017. Ideanomics's 49% minority partner in SSE was an experienced crude oil trader who owned several oil tankers through his private companies. Ideanomics's role was to purchase crude oil from the minority partner and simultaneously record a sale at substantially the same price to buyers located in Asia. Ideanomics never took physical possession of the crude oil, nor did it handle the financing for the purchase or the transportation of the oil. Further, Ideanomics's 2018 Form 10-K stated that SSE did not enter the oil trading business to generate profits, but rather to learn the business in order to develop an artificial intelligence ("AI") and blockchain-enabled platform for logistics management. Ideanomics exited the oil trading business in the fourth quarter of 2018.

36. The proper accounting treatment of Ideanomics's 2018 oil trading revenue is governed by U.S. GAAP standard ASC 606 "Revenue from Contracts with Customers." Under ASC 606, factors such as primary responsibility for providing goods and services, inventory risk, and price discretion are considered when determining if an entity is acting as a principal or agent in the transaction. ASC 606 specifically states, "An entity does not necessarily control a specified good if the entity obtains legal title to that good only momentarily before legal title is transferred to a customer." Ideanomics had neither inventory risk nor price discretion because it purchased and sold inventory simultaneously and set the customer price of oil at substantially the same price charged by its supplier and did not have other evidence that would support a conclusion that it acted as a principal. Therefore, Ideanomics acted as an agent rather than a principal with regard to the oil trading transactions.

37. Under U.S. GAAP, a principal recognizes revenue on a gross basis, but an agent should recognize revenue on a net basis. Ideanomics, as an agent and not a principal in the oil trading transactions, should have deducted the cost of oil purchases from the sales amounts and reported revenue on a net basis.

38. However, for year-end 2018, Ideanomics recognized the oil trading revenue on a gross basis, determining that Ideanomics was a principal in the transactions. On this improper basis, Ideanomics reported oil trading revenue of $260 million, which constituted 67% of Ideanomics's total revenue for that year, when it should have reported $0 since it earned no net revenue on these transactions.

39. As a result of its improper accounting, Ideanomics overstated its 2018 revenue by $260 million, or 220%. Ideanomics also overstated its revenue in its Form 10-Qs for the first quarter of 2018 by $178 million (2,292%) and second quarter of 2018 by $81.9 million (160%).

40. Despite his role as CFO and responsibility for the accuracy of Ideanomics's financial statements, Tovar failed to take additional steps sufficient to understand the specific role

of Ideanomics's joint venture partner in the pricing, purchase, financing, and delivery of oil, and how its role impacted the agent versus principal considerations under ASC 606. Additionally, Tovar was made aware in 2018 that Ideanomics's former independent auditor had raised concerns the previous year about the recognition of revenue relating to the oil trading business and wanted to perform additional audit procedures.

41. Nevertheless, Tovar signed multiple management representation letters stating that the 2018 financial statements were in accordance with U.S. GAAP and signed the Form 10-Qs for the second and third quarters of 2018 and the 2018 Form 10-K. Tovar knew or should have known that the financial statements were not prepared in accordance with U.S. GAAP and that the revenue was improperly stated in Ideanomics's financial statements and public filings.

F. Ideanomics Made Material Misstatements Regarding Its Internal Control Over Financial Reporting for 2018

42. Ideanomics made material misstatements in its 2018 Form 10-K regarding the company's assessments of its internal control over financial reporting ("ICFR"). First, Ideanomics's Form 10-K represented that "management assessed the effectiveness of ICFR," and that "management used the framework set forth" under the 2013 framework of the Committee of Sponsoring Organizations (COSO). Tovar signed the 2018 Form 10-K and accompanying certifications as CFO, and Poor signed the 2018 Form 10-K and certifications as CEO. Poor and Tovar signed certifications to Ideanomics's 2018 Form 10-K, which stated that the signers "disclosed, based on our most recent evaluation of internal control over financial reporting, to the . . . registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions)…1) All significant deficiencies and material weaknesses … b) Any fraud, whether or not material, that involves management …"

43. Ideanomics did not attempt to assess the effectiveness of ICFR until October 2018 at the earliest when Tovar assigned the responsibility of assessing the effectiveness of ICFR to Ideanomics's Corporate Controller. However, even after the Corporate Controller was assigned this responsibility, she did not identify or test key controls, as she believed that Tovar had responsibility for those areas.

44. At the time he signed the 2018 Form 10-K and certification on April 1, 2019, Tovar knew or should have known that the filing was inaccurate and the evaluation of ICFR was incomplete.

45. Poor became familiar with the accounting and record-keeping problems at Ideanomics when he became CEO in February 2019. In his view, the record-keeping done for Ideanomics, which included tracking the source of all 2018 revenue through a series of Excel spreadsheets, was not appropriate for a public company. Nevertheless, he signed Ideanomics's 2018 Form 10-K which represented that Ideanomics management had evaluated the effectiveness of ICFR, relying solely on his belief that Tovar and the Company's audit committee had performed an evaluation of ICFR. As the Company's CEO with responsibility over ICFR, Poor should have conducted more diligence than relying on Tovar and the audit committee's representations, especially in light of the known weaknesses in the Company's accounting and record-keeping. As

a result, Poor knew or should have known that disclosures stating that management had assessed the effectiveness of ICFR in the 2018 Form 10-K were false.

G. Ideanomics's Financial Statements for the First and Second Quarters of 2019 were Materially Misstated Due to Improper Accounting for the Counterparty A Transaction

46. In March 2019, Ideanomics entered into an agreement with Counterparty A. Created as a digital technology company in 2014, Counterparty A launched a crypto token shortly before its agreement with Ideanomics. At the time it entered into its agreement with Ideanomics, the two were related parties because Counterparty A was a minority shareholder of Ideanomics.

47. The March 2019 agreement, signed by Wu on behalf of Ideanomics, provided that Ideanomics would assist Counterparty A in developing and marketing its token on an exclusive basis for three years. In exchange, Counterparty A would pay Ideanomics 7,083,333 tokens in advance. The contract stipulated a token value of $24 per token for a purported total contract value of $170 million. The contract also provided that Ideanomics would receive an annual service fee equal to 3% of the market value of all tokens. Ideanomics claimed in a March 2019 press release that the total market value of tokens was over $90 billion, and therefore the 3% annual service fee would generate $2.7 billion of annual revenue for the Company.

48. After the agreement was signed, Ideanomics devised a plan to change the terms of the agreement to allow for accelerated revenue recognition as opposed to deferred revenue over time. Pursuant to U.S. GAAP, the type of contractual services provided over the three-year consulting period would generally be recognized ratably over this period, as such services are performed.

49. To accelerate the revenue, Tovar suggested defining some initial services that could be provided on day one. As a result, Poor, with Tovar and Wu's knowledge, sent Counterparty A a supplemental agreement that stated consulting, advisory and management services had been provided to Counterparty A's satisfaction. Ideanomics planned to recognize the entirety of the contract's stipulated $170 million value as revenue in the first quarter of 2019.

50. Shortly thereafter, Ideanomics's tax advisor informed Ideanomics management that this revenue would trigger a corresponding tax liability of $38.7 million, payable in cash, even though the crypto tokens received in payment were not readily convertible to cash. This proved problematic for Ideanomics because as of December 31, 2018, the Company only had approximately $3.1 million in cash on its balance sheet.

51. Upon learning of the potential tax liability, Wu instructed Ideanomics management, including Poor and Tovar, to restructure the deal. On April 20, 2019, after speaking with Wu, the corporate controller wrote to Poor and Tovar, "[Wu] wants to lower the total revenue in Q1 to offset our NOL (tax net operating loss), so we do not need to pay any taxes." Ideanomics's NOL for 2018 was approximately $38 million. Ultimately, through consultation with its tax and

accounting advisors, Ideanomics management determined to discount the value of the tokens that Ideanomics had received from Counterparty A.

52. To calculate the discount, at the recommendation of independent accounting advisers, a put option pricing model was used to determine the appropriate discount rate, whereby such a model would account for the lack of token marketability as the tokens were not widely traded. Such a model would also account for the token's volatility, as volatility was an input into the model.

53. Through this approach, Ideanomics manipulated the revenue from its services agreement to recognize as much revenue as it could without incurring any tax liability. On April 29, 2019, three days prior to the filing of the Form 10-Q for the first quarter of 2019, Wu told Tovar that the Company should book profit from Counterparty A of $20 million and $18 million, respectively, in the first and second quarters of 2019, to offset the $38 million tax loss carryforward. He further told Tovar that "all you needed to do is to adjust the discount to the tokens," and that he "listen[ed] too much to professionals who do not really know [the] company. . ." Wu then left Tovar a voice message in which he told him not to book exactly $20 million profit in the first quarter, but rather to book $19.8 million and leave the remainder for the second quarter. Tovar replied by telling Wu that the Company could adopt a scenario in which pre-tax profit would be $19.8 million. Tovar knew or should have known that the pre-tax profit number was manipulated, yet he then sent a memo to Ideanomics's corporate controller that included an amount in revenue from the Counterparty A transaction that would result in the $19.8 million pre-tax profit that Wu and Tovar had discussed. Tovar resigned prior to the filing of the Form 10-Q, but the numbers he provided to the corporate controller were incorporated into the filing. On May 2, 2019, the Company reported the $19.8 million pre-tax profit, which was fully offset by Ideanomics's tax loss carryforward.

54. In assessing the fair value of the crypto tokens for purposes of recognizing revenue, Ideanomics assumed it could successfully convert the tokens into fiat currency. Ideanomics, however, never obtained the crypto keys for the wallet in which its tokens were held, without which Ideanomics could not convert its tokens into fiat. Poor knew the tokens were held in a wallet owned by Counterparty A and not by Ideanomics. Accordingly, Poor knew or should have known that Ideanomics lacked the current ability to successfully convert the tokens to fiat.

55. Despite the Company's difficulty obtaining ownership of the tokens and effecting conversion, in the earnings call for the second quarter of 2019, Poor stated that Ideanomics planned to convert the tokens to fiat in the second half of the year and told investors that he did not foresee any problems in making the tokens tangible assets. Ideanomics was never successful in obtaining access to the wallet or in converting any of its tokens. Without Ideanomics having the ability to convert the tokens to fiat, they had little or no value.

56. By engaging in the conduct described above, Ideanomics materially overstated the revenue reported in its financial statements for the first and second quarters of 2019 by $40.7 million. Poor signed both filings as CEO and knew, or should have known, that the revenue was overstated because he knew that Ideanomics lacked the ability to convert the tokens to fiat. Poor also signed multiple auditor representation letters representing that the Counterparty A transaction

was properly accounted for and disclosed. Eventually, in the fourth quarter of 2019, Ideanomics fully impaired the carrying value of its tokens.

H. Ideanomics Filed the False Certification of Interim CFO Carla Zhou

57. Ideanomics's Form 10-Q for the second quarter of 2019 identified Carla Zhou as the Company's interim CFO, and Zhou purportedly signed the filing and two attached SOX certifications as interim CFO. Among other things, those certifications stated that Zhou had reviewed the quarterly report, that the report did not contain any untrue statement of a material fact, and that the report fairly presented the financial condition and results of operations of Ideanomics.

58. In fact, Zhou had not reviewed the Form 10-Q or its attachments prior to the filing. Shortly before filing, Poor realized that the Company's then-interim CFO would be unable to review and sign the Form 10-Q because she was on maternity leave. Poor contacted Wu and asked whether Zhou, who had been the chief revenue officer for Ideanomics and financial controller of one of Wu's privately-owned entities, could act as interim CFO for purposes of the filing. Wu represented to Poor that she would do so. However, Poor knew that Zhou could not speak or read English.

59. Shortly thereafter, the Company filed the Form 10-Q, without having sent it to Zhou for her review and signature. Poor did not confirm with Zhou that she had reviewed and approved the Form 10-Q before it was filed. Poor knew or should have known that the certifications purportedly signed by Zhou were inaccurate and that Zhou did not have a chance to review and approve of the Form 10-Q before it was filed.

VIOLATIONS

60. Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5 prohibits, in connection with the purchase or sale of any security, the use of any "device, scheme, or artifice to defraud," "[mak]ing any untrue statement of a material fact or [omission of] a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading," and any "act, practice or course of business which operates or would operate as a fraud or deceit upon any person." As a result of conduct described above, Ideanomics violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

61. Section 17(a)(1) of the Securities Act prohibits "any device, scheme, or artifice to defraud" in the offer or sale of securities. As a result of conduct described above, Ideanomics violated Section 17(a)(1) of the Securities Act.

62. Section 17(a)(2) of the Securities Act prohibits any person from directly or indirectly obtaining money or property in the offer or sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. Negligence is sufficient for liability under Section 17(a)(2). As a result of conduct described

above, Ideanomics violated, and Poor and Tovar caused Ideanomics's violation of, Section 17(a)(2).

63. Section 17(a)(3) of the Securities Act prohibits any person from directly or indirectly engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser in the offer or sale of securities. Negligence is sufficient for liability under Section 17(a)(3). As a result of conduct described above, Ideanomics and Poor violated, Tovar willfully violated,[5] and Poor and Tovar caused Ideanomics's violation of, Section 17(a)(3).

64. Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13, and 12b-20 promulgated thereunder, require public issuers to file annual and quarterly reports with the Commission, and mandate that such reports contain such further material information necessary to make the required statements not misleading. As a result of conduct described above, Ideanomics violated, and Poor and Tovar caused Ideanomics's violations of Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13, and 12b-20 thereunder.

65. Section 13(b)(2)(A) of the Exchange Act requires reporting companies to make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of their assets. As a result of conduct described above, Ideanomics violated, and Poor and Tovar caused Ideanomics's violation of Section 13(b)(2)(A) of the Exchange Act.

66. Section 13(b)(2)(B) of the Exchange Act requires reporting companies to devise and maintain a system of internal accounting controls sufficient, among other things, to permit preparation of financial statements in conformity with U.S. GAAP or any other criteria applicable to such statements. Exchange Act Rules 13a-15(a) and (c) require issuers to maintain and evaluate the effectiveness of internal control over financial reporting. As a result of conduct described above, Ideanomics violated, and Poor and Tovar caused Ideanomics's violation of, Section 13(b)(2)(B) of the Exchange Act and Exchange Act Rules 13a-15(a) and (c).

67. Section 14(a) of the Exchange Act makes it unlawful for any person to solicit any proxy with respect to any security registered pursuant to Section 12 of the Exchange Act in violation of Commission rules and regulations. Rule 14a-9 prohibits the use of proxy statements containing materially false or misleading statements or materially misleading omissions. As a result of conduct described above, Ideanomics violated Section 14(a) of the Exchange Act and Rule 14a-9 thereunder.

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[5] "Willfully," for purposes of imposing relief under Exchange Act Section 4C and Rule 102(e)(1)(iii), "'means no more than that the person charged with the duty knows what he is doing.'" *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term "willfully" for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has "willfully omit[ted]" material information from a required disclosure in violation of Section 207 of the Advisers Act).

68. Rule 13b2-1 under the Exchange Act prohibits any person from, directly or indirectly, falsifying or causing to be falsified, any book, record, or account subject to Exchange Act Section 13(b)(2)(A). As a result of conduct described above, Poor violated, and Tovar willfully violated, Rule 13b2-1.

69. Rule 13b2-2 under the Exchange Act prohibits officers and directors from making (or causing to be made) materially false or misleading statements to an accountant in connection with any audit, review, or examination of a company's financial statements or in connection with the preparation or filing of any document with the Commission. As a result of conduct described above, Poor violated, and Tovar willfully violated, Rule 13b2-2.

70. Rule 13a-14 under the Exchange Act provides that an issuer's annual and quarterly reports shall include certain certifications signed by the principal executive and principal financial officer of the issuer. As a result of conduct described above, Poor violated, and Tovar willfully violated, Rule 13a-14.

FINDINGS

71. Based on the foregoing, the Commission finds that Ideanomics violated Section 17(a) of the Securities Act and Sections 10(b), 13(a), 14(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1, 13a-13, 13a-15(a), 13a-15(c), and 14a-9 thereunder.

72. Based on the foregoing, the Commission finds that Poor violated Section 17(a)(3) of the Securities Act; Exchange Act Rules 13a-14, 13b2-1, and 13b2-2; and caused Ideanomics's violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act; Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-13, 13a-15(a), and 13a-15(c) thereunder.

73. Based on the foregoing, the Commission finds that Tovar willfully violated Section 17(a)(3) of the Securities Act; Exchange Act Rules 13a-14, 13b2-1, and 13b2-2; and caused Ideanomics's violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act; Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-13, 13a-15(a), and 13a-15(c) thereunder.

UNDERTAKINGS

Respondent Ideanomics has undertaken to:

74. Retain, within ninety (90) days of the date of entry of the Order, at its own expense, a qualified independent consultant (the "Consultant") not unacceptable to the Commission staff, to review Respondent's internal accounting controls and internal control over financial reporting. The Consultant's review and evaluation shall include an assessment of the following:

a. the sufficiency of Ideanomics's internal accounting controls in light of Ideanomics's business strategy. The review shall include, but not be limited to, a review of

Ideanomics's policies, procedures, and controls, relating to (i) revenue recognition and (ii) the assessment and testing of assets for impairment;

b. Ideanomics's compliance with Commission requirements related to internal control over financial reporting, including but not limited to, the adequacy of Respondent Ideanomics's control environment and risk assessment based upon criteria established in the Internal Control – Integrated Framework (2013) by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO");

c. Ideanomics's employment of a sufficient number of accounting and finance personnel with an understanding of U.S. GAAP and financial reporting requirements, as well as the reporting lines of accounting and finance personnel to management and the Board of Directors; and

d. Ideanomics's training of its employees on matters related to U.S. GAAP as well as financial reporting requirements.

75. Provide, within 105 days of the issuance of this Order, a copy of the engagement letter detailing the Consultant's responsibilities to Stacy Bogert, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549.

76. Require the Consultant, at the conclusion of the review, which in no event shall be more than 180 days after the entry of the Order, to submit a report of the Consultant to the Respondent Ideanomics and the Commission staff. The report shall address the Consultant's findings and shall include a description of the review performed, the conclusions reached, and the Consultant's recommendations for changes or improvements.

77. Adopt, implement, and maintain all policies, procedures and practices recommended in the report of the Consultant within 120 days of receiving the report from the Consultant. As to any of the Consultant's recommendations about which the Respondent Ideanomics and the Consultant do not agree, such parties shall attempt in good faith to reach agreement within 180 days of the date of the entry of the Order. In the event that the Respondent Ideanomics and the Consultant are unable to agree on an alternative proposal, the Respondent Ideanomics will abide by the determination of the Consultant and adopt those recommendations deemed appropriate by the Consultant.

78. Cooperate fully with the Consultant in its review, including making such information and documents available as the Consultant may reasonably request, and by permitting and requiring the Respondent Ideanomics's employees and agents to supply such information and documents as the Consultant may reasonably request, subject to any applicable privilege.

79. To ensure the independence of the Consultant, the Respondent Ideanomics (i) shall not have received legal, auditing, or other services from, or have had any affiliations with, the Consultant during the two years prior to the issuance of this Order; (ii) shall not have the authority to terminate the Consultant without prior written approval of the Commission staff; and (iii) shall

compensate the Consultant for services rendered pursuant to the Order at their reasonable and customary rates.

80. Require the Consultant to enter into an agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the Consultant shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with Respondent Ideanomics, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement will also provide that the Consultant will require that any firm with which he/she is affiliated or of which he/she is a member, and any person engaged to assist the Consultant in performance of his/her duties under this Order shall not, without prior written consent of the Commission staff, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Respondent Ideanomics, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

81. The reports by the Consultant will likely include confidential financial, proprietary, competitive business or commercial information. Public disclosure of the reports could discourage cooperation, impede pending or potential government investigations or undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except (1) pursuant to court order, (2) as agreed to by the parties in writing, (3) to the extent that the Commission determines in its sole discretion that disclosure would be in furtherance of the Commission's discharge of its duties and responsibilities, or (4) as otherwise required by law.

82. Require the Consultant to report to the Commission staff on its activities as the staff may request.

83. Respondent Ideanomics agrees that the Commission staff may extend any of the dates set forth above at its discretion.

84. Certify, in writing, compliance with the undertaking(s) set forth above. The certification shall identify the undertaking(s), provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable request for further evidence of compliance, and the Respondent agrees to provide such evidence. The certification and reporting material shall be submitted to Stacy Bogert, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549, with a copy to the Office of the Chief Counsel of the Division of Enforcement, no later than thirty (30) days from the date of the completion of the undertakings.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents' Offers.

Accordingly, pursuant to Section 8A of the Securities Act, Sections 4C and 21C of the Exchange Act, and Rule 102(e) of the Commission's Rules of Practice, it is hereby ORDERED that:

A. Respondent Ideanomics cease-and-desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b)(2)(A) and (B), and 14(a) of the Exchange Act, and Rules 10b-5, 12b-20, 13a-1, 13a-13, 13a-15(a) and (c), and 14a-9 thereunder.

B. Respondents Poor and Tovar cease-and-desist from committing or causing any violations and any future violations of Sections 17(a)(2) and (3) of the Securities Act and Sections 13(a), 13(b)(2)(A) and (B) of the Exchange Act, and Rules 12b-20, 13a-1, 13a-13, 13a-14, 13a-15(a) and (c), 13b2-1, and 13b2-2 thereunder.

C. Respondent Ideanomics shall comply with the undertakings enumerated in Paragraphs 74-84 above.

D. Respondent Ideanomics shall pay civil penalties of $1,400,000 to the Securities and Exchange Commission. Payment shall be made in the following installments:

$280,000 shall be paid by September 5, 2024;
An additional $102,000 shall be paid by October 15, 2024;
An additional $102,000 shall be paid by November 15, 2024;
An additional $102,000 shall be paid by December 15, 2024;
An additional $102,000 shall be paid by January 15, 2025;
An additional $102,000 shall be paid by February 15, 2025;
An additional $102,000 shall be paid by March 15, 2025;
An additional $102,000 shall be paid by April 15, 2025;
An additional $102,000 shall be paid by May 15, 2025;
An additional $102,000 shall be paid by June 15, 2025;
An additional $102,000 shall be paid by July 15, 2025;
An additional $100,000, plus all accrued interest, shall be paid within 365 days of the entry of this Order.

Payments shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent Ideanomics shall contact the staff of the Commission for the amount due. If Respondent Ideanomics fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

E. Respondent Poor shall pay civil penalties of $75,000 to the Securities and Exchange Commission. Payment shall be made in the following installments:

$20,000 shall be paid within 30 days of the entry of this Order;

An additional $5,000 shall be paid by October 15, 2024;
An additional $5,000 shall be paid by November 15, 2024;
An additional $5,000 shall be paid by December 15, 2024;
An additional $5,000 shall be paid by January 15, 2025;
An additional $5,000 shall be paid by February 15, 2025;
An additional $5,000 shall be paid by March 15, 2025;
An additional $5,000 shall be paid by April 15, 2025;
An additional $5,000 shall be paid by May 15, 2025;
An additional $5,000 shall be paid by June 15, 2025;
An additional $5,000 shall be paid by July 15, 2025;
An additional $5,000, plus all accrued interest, shall be paid within 365 days of the entry of this Order.

Payments shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent Poor shall contact the staff of the Commission for the amount due. If Respondent Poor fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

F. Respondent Tovar shall pay civil penalties of $75,000 to the Securities and Exchange Commission. Payment shall be made in the following installments:

$30,000 shall be paid within 30 days of the entry of this Order;
An additional $7,500 shall be paid within 180 days of the entry of this Order;
An additional $7,500 shall be paid within 270 days of the entry of this Order; and
An additional $30,000, plus all accrued interest, shall be paid within 365 days of the entry of this Order.

Payments shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent Tovar shall contact the staff of the Commission for the amount due. If Respondent Tovar fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

G. Payment must be made in one of the following ways:

(1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Ideanomics, Alfred Poor, or Federico Tovar as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Stacy Bogert, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

H. Monies paid in this proceeding may be combined with any other Distribution Fund or Fair Fund in a related proceeding arising out of the same underlying facts, including but not limited to, the related action captioned *In the Matter of Zheng (Bruno) Wu*, for the purposes of distribution, if feasible, to harmed investors.

I. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the penalties referenced in Paragraph IV.D. through IV.F., above. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, each Respondents agrees that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of any Respondents' payments of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, each Respondent agrees to, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against any Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

J. Respondent Tovar is denied the privilege of appearing or practicing before the Commission as an accountant.

K. After two years from the date of the Order, Respondent Tovar may request that the Commission consider his reinstatement by submitting an application to the attention of the Office of the Chief Accountant.

L. In support of any application for reinstatement to appear and practice before the Commission as a preparer or reviewer, or a person responsible for the preparation or review, of financial statements of a public company to be filed with the Commission, other than as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Exchange Act, Respondent Tovar shall submit a written statement attesting to an undertaking to have Respondent's work reviewed by the independent audit committee of any public company for which Respondent works or in some other manner acceptable to the Commission, as long as Respondent practices before the Commission in this capacity and will comply with any Commission or other requirements related to the appearance and practice before the Commission as an accountant.

M. In support of any application for reinstatement to appear and practice before the Commission as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Exchange Act, as a preparer or reviewer, or as a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission, Respondent Tovar shall submit a statement prepared by the audit committee(s) with which Respondent Tovar will be associated, including the following information:

1. A summary of the responsibilities and duties of the specific audit committee(s) with which Respondent Tovar will be associated;

2. A description of Respondent Tovar's role on the specific audit committee(s) with which Respondent Tovar will be associated;

3. A description of any policies, procedures, or controls designed to mitigate any potential risk to the Commission by such service;

4. A description relating to the necessity of Respondent Tovar's service on the specific audit committee; and

5. A statement noting whether Respondent Tovar will be able to act unilaterally on behalf of the Audit Committee as a whole.

N. In support of any application for reinstatement to appear and practice before the Commission as an independent accountant (auditor) before the Commission, Respondent Tovar must be associated with a public accounting firm registered with the Public Company Accounting Oversight Board (the "PCAOB") and Respondent Tovar shall submit the following additional information:

1. A statement from the public accounting firm (the "Firm") with which Respondent Tovar is associated, stating that the firm is registered with the PCAOB in accordance with the Sarbanes-Oxley Act of 2002;

2. A statement from the Firm with which the Respondent Tovar is associated that the Firm has been inspected by the PCAOB and that the PCAOB did not identify any criticisms of or potential defects in the Firm's quality control

system that would indicate that Respondent Tovar will not receive appropriate supervision; and

3. A statement from Respondent Tovar indicating that the PCAOB has taken no disciplinary actions against Respondent Tovar since seven (7) years prior to the date of the Order other than for the conduct that was the basis for the Order.

O. If Respondent Tovar is licensed as a certified public accountant ("CPA"), then in support of any application for reinstatement, Respondent Tovar shall provide documentation showing that Respondent Tovar's license is current and that Respondent Tovar has resolved all other disciplinary issues with any applicable state boards of accountancy. If Respondent Tovar's CPA licensure is dependent upon reinstatement by the Commission, then Respondent Tovar shall provide documents reflecting this requirement. If Respondent Tovar has never been licensed as a CPA, then Respondent Tovar shall submit a signed affidavit truthfully stating under penalty of perjury that Respondent Tovar has never been licensed as a CPA.

P. In support of any application for reinstatement, Respondent Tovar shall also submit a signed affidavit truthfully stating, under penalty of perjury:

1. That Respondent Tovar has complied with the Commission suspension Order, and with any related orders and undertakings, including any orders in this proceeding, or any related Commission proceedings, including any orders requiring payment of disgorgement or penalties;

2. That Respondent Tovar undertakes to notify the Commission immediately in writing if any information submitted in support of the application for reinstatement becomes materially false or misleading or otherwise changes in any material way while the application is pending;

3. That Respondent Tovar, since the entry of the Order, has not been convicted of a felony or a misdemeanor involving moral turpitude that would constitute a basis for a forthwith suspension from appearing or practicing before the Commission pursuant to Rule 102(e)(2);

4. That Respondent Tovar, since the entry of the Order:

   (a) has not been charged with a felony or a misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice, except for any charge concerning the conduct that was the basis for the Order;

   (b) has not been found by the Commission or a court of the United States to have committed a violation of the federal securities laws, and has not been enjoined from violating the federal securities laws, except for any finding or injunction concerning the conduct that was the basis for the Order;

(c) has not been charged by the Commission or the United States with a violation of the federal securities laws, except for any charge concerning the conduct that was the basis for the Order;

(d) has not been found by a court of the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof to have committed an offense (civil or criminal) involving moral turpitude, except for any finding concerning the conduct that was the basis for the Order; and

(e) has not been charged by the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, civilly or criminally, with having committed an act of moral turpitude, except for any charge concerning the conduct that was the basis for the Order.

5. That Respondent Tovar's conduct is not at issue in any pending investigation of the Commission's Division of Enforcement, the PCAOB's Division of Enforcement and Investigations, any criminal law enforcement investigation, or any pending proceeding of a State Board of Accountancy, except to the extent that such conduct concerns that which was the basis for the Order.

6. That Respondent Tovar has complied with any and all orders, undertakings, or other remedial, disciplinary, or punitive sanctions resulting from any action taken by any State Board of Accountancy, or other regulatory body.

Q. Respondent Tovar shall also provide a detailed description of:

1. Respondent Tovar's professional history since the imposition of the Order, including:

(a) all job titles, responsibilities and role at any employer;

(b) the identification and description of any work performed for entities regulated by the Commission, and the persons to whom Respondent reported for such work; and

2. Respondent Tovar's plans for any future appearance or practice before the Commission.

R. The Commission may conduct its own investigation to determine if the foregoing attestations are accurate.

S. If Respondent Tovar provides the documentation and attestations required in this Order and the Commission (1) discovers no contrary information therein, and (2) determines that Respondent Tovar truthfully and accurately attested to each of the items required in Respondent Tovar's affidavit, and the Commission discovers no information, including under Paragraph R, indicating that Respondent Tovar has violated a federal securities law, rule or regulation or rule of professional conduct applicable to Respondent since entry of the Order (other than by conduct underlying Respondent Tovar's original Rule 102(e) suspension), then, unless the Commission determines that reinstatement would not be in the public interest, the Commission shall reinstate the respondent for cause shown.

T. If Respondent Tovar is not able to provide the documentation and truthful and accurate attestations required in this Order or if the Commission has discovered contrary information, including under Paragraph R, the burden shall be on the Respondent Tovar to provide an explanation as to the facts and circumstances pertaining to the matter setting forth why Respondent Tovar believes cause for reinstatement nonetheless exists and reinstatement would not be contrary to the public interest. The Commission may then, in its discretion, reinstate Respondent Tovar for cause shown.

U. If the Commission declines to reinstate Respondent Tovar pursuant to Paragraphs S and T, it may, at Respondent Tovar's request, hold a hearing to determine whether cause has been shown to permit Respondent Tovar to resume appearing and practicing before the Commission as an accountant.

V.

IT IS FURTHER ORDERED that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondents Tovar and Poor, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondents Tovar and Poor under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondents Tovar and Poor of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary