

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 11297 / August 9, 2024**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 100688 / August 9, 2024**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21989**

**In the Matter of**

**ZHENG (BRUNO) WU,**

**Respondent.**

**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS AND IMPOSING A CEASE-AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Zheng (Bruno) Wu (“Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) 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 him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds<sup>1</sup> that:

#### **SUMMARY**

1. These proceedings involve multiple violations of the anti-fraud and disclosure provisions of the federal securities laws by Bruno Wu, former Chairman and CEO of Ideanomics, Inc. ("Ideanomics" or the "Company"). Beginning in at least 2017 and continuing through at least 2019, Respondent engaged in the following misconduct:

- Wu made false and misleading statements on November 13, 2017, in which he provided \$300 million revenue guidance for Ideanomics's fiscal year 2017. At the time this statement was made, there were numerous facts known to Wu indicating that the Company would not be able to meet this guidance.
- In December 2017 and March 2019, 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. As a result, Ideanomics did not disclose in public filings that Tiger Sports and Beijing Financial were related parties. 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 March 2018, to avoid Ideanomics's reporting an asset impairment, Wu arranged for Ideanomics's auditor to receive a fraudulent letter of intent ("LOI") from a third party that supposedly wanted to purchase Ideanomics's nonexclusive rights to broadcast a catalog of video-on-demand entertainment titles ("Licensed Content") in China. Wu also signed management representation letters that falsely stated that the prospective buyer was qualified to buy the Licensed Content, when in fact the prospective buyer was a shell company.
- Wu caused Ideanomics to materially misstate revenue in its financial statements for the first and second quarters of 2019 by improperly recognizing revenue totaling \$40.7 million from a transaction with Counterparty A. Wu told Ideanomics's then-CFO the amount of profit to report in those quarters, an amount which eliminated the potential tax liability.

#### **RESPONDENTS**

2. 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.

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<sup>1</sup> The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

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 a 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.

### **OTHER RELEVANT ENTITIES**

3. 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.

4. 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 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**

5. 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. In January 2016, Wu became Chairman of Ideanomics's Board of Directors. 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.

6. 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, Wu and Ideanomics Issued False and Misleading Statements Regarding Ideanomics's Expected Revenue**

7. 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, Respondent, then-Chairman

and CEO of Ideanomics, stated that Ideanomics was “on track to reach its top-line revenue guidance of \$300 million.” In a conference call with investors held the same day, Wu reiterated that the Company would meet the \$300 million revenue forecast.

8. 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.

9. 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.

10. 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.

11. In addition, at the time the November 2017 press release was issued, Wu was 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.”

12. 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 that Wu did not attend, 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.

13. 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 his November 13, 2017, statements were misleading because they omitted

material information indicating that Ideanomics would not achieve the \$300 million revenue forecast for 2017.

14. 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. Wu Knowingly Concealed Material Related Party Transactions with Tiger Sports and Beijing Financial**

15. 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. Wu was directly involved in establishing the JV.

16. 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.

17. 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.

18. Wu knew that none of the JV partners had contributed the monetary capital to the JV identified in the JV agreement. Wu signed Ideanomics's 2017 Form 10-K and certifications for its Form 10-Qs for the first, second, and third quarters of 2018.

19. Although Wu had nominally transferred his ownership interest in Tiger Sports to a third party for fifteen dollars 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.

20. 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, without informing Ideanomics, had agreed to purchase the interest in the Malaysian entity on behalf of Beijing Financial for less than \$1 million.

21. 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.

22. 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.

23. 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 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.

24. Wu knew, or was reckless in not knowing, that he had misrepresented his relationships with Tiger Sports and Beijing Financial to Ideanomics management.

**D. Wu Took Fraudulent Steps to Avoid Recognition of a Material Impairment of Licensed Content in Ideanomics's 2017 and 2018 Financial Statements**

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. 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.

**E. Wu Caused Ideanomics’s Financial Statements for the First and Second Quarters of 2019 to be Materially Misstated Due to Improper Accounting for the Transaction with Counterparty A**

30. 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.

31. 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 the tokens was over \$90 billion, and therefore the 3% annual service fee would generate \$2.7 billion of annual revenue for the Company.

32. 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.

33. To accelerate the revenue, Ideanomics management suggested defining some initial services that could be provided on day one. As a result, Ideanomics management, with 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.

34. 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.

35. Upon learning of the potential tax liability, Wu instructed Ideanomics management, including its then-CEO and CFO, to restructure the deal. On April 20, 2019, after speaking with Wu, the corporate controller wrote to the CEO and CFO, "[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.

36. 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.

37. On April 29, 2019, three days prior to the filing of the Form 10-Q for the first quarter of 2019, Wu told the CFO 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 the CFO 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 the CFO 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. The CFO 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 he and Wu had discussed. The numbers the CFO 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.

38. 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. Wu knew the tokens were held in a wallet owned by Counterparty A and not by Ideanomics. Accordingly, Wu knew or should have known that Ideanomics lacked the current ability to successfully convert the tokens to fiat.

39. 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.

40. By engaging in the conduct described above, Wu caused Ideanomics to materially overstate the revenue reported in its financial statements for the first and second quarters of 2019 by \$40.7 million. Eventually, in the fourth quarter of 2019, Ideanomics fully impaired the carrying value of its tokens.

## **VIOLATIONS**

41. 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, Wu violated, and caused violations of, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

42. 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, Wu violated, and caused violations of, Section 17(a)(1) of the Securities Act.

43. 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, Wu violated, and caused violations of, Section 17(a)(2).

44. 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, Wu violated, and caused violations of, Section 17(a)(3).

45. 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, Wu caused violations of Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13, and 12b-20 thereunder.

46. 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, Wu caused violations of Section 13(b)(2)(A) of the Exchange Act.

47. 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. As a result of conduct described above, Wu caused violations of Section 13(b)(2)(B) of the Exchange Act.

48. 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, Wu caused violations of Section 14(a) of the Exchange Act and Rule 14a-9 thereunder.

49. Section 13(b)(5) of the Exchange Act prohibits a person from knowingly circumventing or knowingly failing to implement a system of internal accounting controls, or knowingly falsifying any book, record, or account that an issuer is required to maintain. As a result of conduct described above, Wu violated Section 13(b)(5).

50. 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, Wu violated Rule 13b2-1.

51. 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, Wu violated Rule 13b2-2.

52. 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, Wu violated Rule 13a-14.

### **DISGORGEMENT AND CIVIL PENALTIES**

The disgorgement and prejudgment interest ordered in paragraph IV.C is consistent with equitable principles and does not exceed Respondent's net profits from his violations, and will be distributed to harmed investors to the extent feasible. The Commission will hold funds paid pursuant to paragraph IV.C in an account at the United States Treasury pending distribution. Upon approval of the distribution final accounting by the Commission, any amounts remaining that are infeasible to return to investors, and any amounts returned to the Commission in the future that are infeasible to return to investors, may be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

#### **IV.**

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

Accordingly, pursuant to Section 8A of the Securities Act and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent Wu shall cease-and-desist from committing or causing any violations and any future violations of Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), 13(b)(5), and 14(a) of the Exchange Act; Section 17(a) of the Securities Act; and Exchange Act Rules 10b-5, 12b-20, 13a-1, 13a-13, 13b2-1, 13b2-2, 13a-14, and 14a-9.

B. Wu be, and hereby is, prohibited, pursuant to Section 8A(f) of the Securities Act and Section 21C(f) of the Exchange Act, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act for a period of ten (10) years from the entry of this Order.

C. Wu shall pay disgorgement of \$2,836,612.62, prejudgment interest of \$524,232, and civil penalties of \$200,000 to the Securities and Exchange Commission. Payment shall be paid in the following installments: \$1,000,000 shall be paid within 10 days of the entry of this Order and \$2,560,844.62, plus all accrued interest, shall be paid within 180 days of the entry of this Order. Payments shall be applied first to post order interest, which accrues pursuant to SEC Rule of Practice 600 and pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent 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.

Payment must be made in one of the following ways:

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

2. Wu 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. Wu 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 the relevant 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, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St. N.E., Washington, DC 20549.

D. 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 Ideanomics, et al.*, for the purposes of distribution, if feasible, to harmed investors.

E. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the disgorgement, prejudgment interest and penalties referenced in paragraph IV.C, 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, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, 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 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.

**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 Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent 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 Respondent 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