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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

BY: _____

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

January 2019 Grand Jury

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 ZHONGTIAN LIU,

15 aka "Liu Zhongtian,"

16 aka "Chairman,"

17 aka "Uncle Liu,"

18 aka "UL,"

19 aka "Big Boss,"

20 CHINA ZHONGWANG HOLDINGS
LIMITED,

21 aka "ZW,"

22 aka "Mother Ship,"

23 ZHAOHUA CHEN,

24 aka "Chen Zhaohua,"

25 aka "Uncle Chen,"

26 XIANG CHUN SHAO,

27 aka "Johnson Shao,"

28 PERFECTUS ALUMINIUM INC.,

aka "Perfectus Aluminum
Inc.,"

PERFECTUS ALUMINUM ACQUISITIONS,
LLC,

SCUDERIA DEVELOPMENT, LLC,

1001 DOUBLEDAY, LLC,

VON KARMAN - MAIN STREET, LLC, and

10681 PRODUCTION AVENUE, LLC,

Defendants.

CR No 19CR00282 - RGK

I N D I C T M E N T

[18 U.S.C. § 371: Conspiracy; 18
U.S.C. § 1343: Wire Fraud; 18
U.S.C. § 545: Passing False and
Fraudulent Papers Through
Customhouse; 18 U.S.C.
§ 1956(a)(2)(A): International
Promotional Money Laundering; 18
U.S.C. § 2: Aiding and Abetting
and Causing an Act to Be Done; 18
U.S.C. §§ 545, 981(a)(1)(C), and
982 and 28 U.S.C. § 2461(c):
Criminal Forfeiture]

1 The Grand Jury charges:

2 COUNT ONE

3 [18 U.S.C. § 371]

4 A. INTRODUCTORY ALLEGATIONS

5 At all times relevant to this Indictment, unless otherwise
6 indicated:

7 Defendants ZHONGTIAN LIU and CHINA ZHONGWANG HOLDINGS LIMITED

8 1. Defendant ZHONGTIAN LIU, also known as ("aka") "Liu
9 Zhongtian," aka "Chairman," aka "Uncle Liu," aka "UL," aka "Big Boss"
10 ("defendant LIU"), was a lawful permanent resident of the United
11 States and a citizen of the People's Republic of China ("PRC").

12 2. Defendant LIU controlled defendant CHINA ZHONGWANG HOLDINGS
13 LIMITED, aka "ZW," aka "Mother Ship" ("defendant CHINA ZHONGWANG").
14 Defendant LIU owned Zhongwang International Group Limited ("ZIGL"),
15 which was the parent company of defendant CHINA ZHONGWANG. Through
16 his ownership of ZIGL, defendant LIU was the controlling shareholder
17 of defendant CHINA ZHONGWANG. Defendant LIU was the President of
18 defendant CHINA ZHONGWANG from at least as early as in or about May
19 2009 until his resignation from that position in or about March 2016,

20 and was also the Chairman of the Board of Directors of defendant
21 CHINA ZHONGWANG from at least as early as in or about May 2009 until
22 his resignation from that position in or about November 2017.

23 3. Defendant CHINA ZHONGWANG was an aluminum company
24 headquartered in Liaoyang City, Liaoning Province, in the PRC.
25 Defendant CHINA ZHONGWANG described itself in its 2012 Annual Report
26 as "a leading industrial aluminum extrusion product developer and
27 manufacturer in the world," and was the largest aluminum extrusion
28 manufacturer in Asia and the second largest in the world. Aluminum

1 extrusions result from a process by which aluminum alloy is
2 transformed into objects such as T-bars or tubes.

3 4. Defendant CHINA ZHONGWANG wholly owned Zhongwang China
4 Investment (HK) Limited; Liaoning Zhongwang Group Company, Limited;
5 and Liaoning Zhongwang Import & Export Trade Company Limited; among
6 other wholly-owned subsidiaries (together with defendant CHINA
7 ZHONGWANG and ZIGL, "the ZW Group").

8 5. On or about May 8, 2009, shares of defendant CHINA
9 ZHONGWANG were listed on the Main Board of the Stock Exchange of Hong
10 Kong Limited ("SEHK") through an Initial Public Offering ("IPO").
11 The IPO was one of the world's largest in 2009 and raised capital for
12 defendant CHINA ZHONGWANG of approximately \$1.26 billion.

13 6. The SEHK required defendant CHINA ZHONGWANG to publish its
14 financial reports on a regular basis. These reports were issued to
15 enable investors to make informed investment decisions. Defendant
16 CHINA ZHONGWANG published the required reports in the form of annual
17 reports, which, among other things, reported on the operations and
18 financial performance of defendant CHINA ZHONGWANG, including
19 detailed information about defendant CHINA ZHONGWANG's revenue, cost
20 of sales, gross profit, assets, and liabilities.

21 7. In its annual reports, defendant CHINA ZHONGWANG also
22 reported its significant related party transactions. Defendant CHINA
23 ZHONGWANG defined related parties as, among others: (a) any person,
24 or close member of that person's family, who had control or joint
25 control or significant influence over defendant CHINA ZHONGWANG, or
26 who was a member of the key management personnel of defendant CHINA
27 ZHONGWANG or ZIGL; (b) an entity controlled or jointly controlled by
28 a person identified in (a); or (c) an entity over which a person who

1 had control or joint control over the ZW Group had significant
2 influence or was a member of the key management personnel of the
3 entity or parent of the entity.

4 8. In addition to annual reports, defendant CHINA ZHONGWANG
5 made disclosures to its potential and current investors regarding
6 specific issues, including in response to news reports and certain
7 allegations of wrongdoing made by third parties about defendant CHINA
8 ZHONGWANG ("specific disclosures").

9 Defendant ZHAOHUA CHEN

10 9. Defendant ZHAOHUA CHEN, aka "Chen Zhaohua," aka "Uncle
11 Chen" ("defendant CHEN"), was a resident of the PRC and Hong Kong.
12 Defendant CHEN was a close friend of defendant LIU.

13 Defendants XIANG CHUN SHAO; PERFECTUS ALUMINIUM INC.;
14 and PERFECTUS ALUMINUM ACQUISITIONS, LLC

15 10. Defendant XIANG CHUN SHAO, aka "Johnson Shao" ("defendant
16 SHAO"), was a resident of the Central District of California.

17 11. Beginning at least as early as in or about 2008 and
18 continuing through at least in or about 2014, defendant SHAO, acting
19 at the direction of defendant LIU, managed the following entities
20 (collectively, the "PERFECTUS predecessor entities"), which were
21 incorporated in California between in or about January 2004 and in or
22 about August 2010: Pengcheng Aluminum Enterprise, Inc. ("PCA");
23 Century American Aluminum, Inc. ("CAA"); Global Aluminum (USA), Inc.
24 ("Global Aluminum"); American Apex Aluminum, Inc. ("AAA"); Aluminum
25 Source, Inc. ("Aluminum Source"); Transport Aluminum, Inc.
26 ("Transport Aluminum"); and Aluminum Industrial, Inc. ("Aluminum
27 Industrial").

28 12. The principal office of each of the PERFECTUS predecessor

1 entities was located in Walnut or Ontario, California, within the
2 Central District of California.

3 13. On or about July 28, 2006, a bank account ending in 9191 in
4 the name of PCA was opened at Cathay Bank in the City of Industry,
5 California, within the Central District of California ("PCA Account
6 9191").

7 14. On or about August 26, 2011, a bank account ending in 2058
8 in the name of Transport Aluminum was opened at Cathay Bank in the
9 City of Industry, California, within the Central District of
10 California ("Transport Account 2058").

11 15. On or about December 4, 2014, defendant PERFECTUS ALUMINIUM
12 INC., aka "Perfectus Aluminum Inc." ("defendant PERFECTUS") was
13 incorporated in California by unindicted co-conspirator 1 ("CC-1").
14 CC-1 was a close family member of defendant LIU. Defendant
15 PERFECTUS's principal office was located in Ontario, California,
16 within the Central District of California. In or about 2016,
17 defendant SHAO was appointed as a manager of defendant PERFECTUS.

18 16. On or about December 10, 2014, defendant PERFECTUS ALUMINUM
19 ACQUISITIONS, LLC ("defendant PERFECTUS ACQUISITIONS") was formed in
20 Delaware. Defendant PERFECTUS ACQUISITIONS was a wholly-owned
21 subsidiary of defendant PERFECTUS. On or about December 31, 2014,
22 the PERFECTUS predecessor entities were merged into defendant
23 PERFECTUS ACQUISITIONS. At the time of the merger, all assets,
24 obligations, and liabilities of the PERFECTUS predecessor entities
25 were transferred to and assumed by defendant PERFECTUS ACQUISITIONS.

26 17. At the time of the merger of the PERFECTUS predecessor
27 entities and defendant PERFECTUS ACQUISITIONS, CC-1 was the sole
28 officer of each of the PERFECTUS predecessor entities and defendant

1 PERFECTUS, as well as the manager of defendant PERFECTUS
2 ACQUISITIONS.

3 18. Following the merger: (a) defendant PERFECTUS continued the
4 business operations of the PERFECTUS predecessor entities and in some
5 instances, operated under the name of one or more of the PERFECTUS
6 predecessor entities; (b) defendants PERFECTUS and PERFECTUS
7 ACQUISITIONS were separated only by corporate form and acted as one
8 entity; (c) defendant PERFECTUS ACQUISITIONS was a disregarded entity
9 for tax purposes; (d) defendant PERFECTUS included all of the
10 PERFECTUS predecessor entities' assets and liabilities on defendant
11 PERFECTUS's financial statements and tax returns; and (e) regardless
12 of the corporate form and names of the entities, the PERFECTUS
13 predecessor entities and defendants PERFECTUS and PERFECTUS
14 ACQUISITIONS were all effectively owned and controlled by defendant
15 LIU and were all operated pursuant to his directions.

16 Defendants SCUDERIA DEVELOPMENT, LLC; 1001 DOUBLEDAY, LLC;
17 VON KARMAN - MAIN STREET, LLC; and 10681 PRODUCTION AVENUE, LLC

18 19. On or about October 22, 2007, defendant SCUDERIA
19 DEVELOPMENT, LLC ("defendant SCUDERIA DEVELOPMENT") was formed in
20 Delaware. On or about October 28, 2014, defendant SCUDERIA
21 DEVELOPMENT purchased a 600,000 square foot warehouse located at
22 14600 Innovation Drive, Riverside, California, within the Central
23 District of California (the "Riverside Warehouse"). Defendant LIU
24 effectively owned and controlled defendant SCUDERIA DEVELOPMENT and
25 the Riverside Warehouse.

26 20. On or about October 27, 2008, defendant 1001 DOUBLEDAY, LLC
27 ("defendant 1001 DOUBLEDAY") purchased a 394,000 square foot
28 warehouse located at 1001 South Doubleday Avenue, Ontario,

1 California, within the Central District of California (the "Ontario
2 Warehouse"). Defendant LIU effectively owned and controlled
3 defendant 1001 DOUBLEDAY and the Ontario Warehouse.

4 21. On or about March 31, 2009, defendant VON KARMAN - MAIN
5 STREET, LLC ("defendant VON KARMAN - MAIN STREET") purchased a
6 260,000 square foot warehouse located at 2323 Main Street, Irvine,
7 California, within the Central District of California (the "Irvine
8 Warehouse"). Defendant LIU effectively owned and controlled
9 defendant VON KARMAN - MAIN STREET and the Irvine Warehouse.

10 22. On or about September 11, 2009, defendant 10681 PRODUCTION
11 AVENUE, LLC ("defendant 10681 PRODUCTION AVENUE") purchased a 1.1
12 million square foot warehouse located at 10681 Production Avenue,
13 Fontana, California, within the Central District of California (the
14 "Fontana Warehouse"). Defendant LIU effectively owned and controlled
15 defendant 10681 PRODUCTION AVENUE and the Fontana Warehouse.

16 Other Aluminum Companies Controlled by Defendant LIU

17 23. From at least as early as in or about November 2010, and
18 continuing at least to the date of this Indictment, Aluminicaste
19 Fundición de México ("Aluminicaste") was an aluminum company
20 headquartered in Mexico. Aluminicaste was effectively owned and
21 controlled by defendant LIU.

22 24. On or about December 1, 2012, Global Aluminum purchased an
23 entity later known as Aluminum Shapes LLC, aka "Shapes LLC," aka
24 "Delair Aluminum, LLC" ("Aluminum Shapes"), an aluminum company
25 located in Delair, New Jersey. Following the merger of Global
26 Aluminum and the remaining PERFECTUS predecessor entities into
27 defendant PERFECTUS ACQUISITIONS, Aluminum Shapes was wholly owned
28 by, and became an asset of, defendants PERFECTUS and PERFECTUS

1 ACQUISITIONS. Defendant LIU effectively owned and controlled
2 Aluminum Shapes.

3 25. From at least as early as in or about 2013, Global Vietnam
4 Aluminum ("GVA") was an aluminum company headquartered in Vietnam.
5 GVA was effectively owned and controlled by defendant LIU.

6 The 2011 Anti-Dumping and Countervailing Duties Orders
7 Regarding Aluminum Imported By ZW Group

8 26. The United States Department of Commerce ("DOC") and the
9 United States International Trade Commission ("USITC") regulated
10 commerce in the United States, and, as part of their
11 responsibilities, had the authority to impose duties on certain
12 foreign imports. Among other duties, the DOC and USITC imposed anti-
13 dumping and countervailing duties ("AD/CVD"). AD/CVD orders were
14 formal determinations issued by the DOC and USITC that AD/CVD duties
15 should be collected by U.S. Customs and Border Protection ("CBP") on
16 imports of a particular product from specified countries and
17 companies. AD/CVD orders were intended to ensure fair competition
18 between United States companies and foreign industry, and to counter
19 international price discrimination that caused injury to United
20 States domestic industries.

21 27. In or about April 2010, the USITC and DOC initiated an
22 investigation of whether AD/CVD duties should be imposed on imports
23 of certain aluminum extrusions from the PRC.

24 28. On or about May 26, 2011, the DOC issued an AD order and a
25 CVD order ("2011 AD/CVD Orders") that imposed enhanced CVD duties of
26 374.15% on certain aluminum extrusions imported from the ZW Group and
27 AD duties of 33.28% on certain aluminum extrusions imported from the
28 PRC. The 2011 AD/CVD Orders exempted from AD/CVD duties any finished

1 merchandise, which was defined by DOC as products that were fully and
2 permanently assembled and completed at the time of entry, such as
3 finished windows with glass, doors with glass or vinyl, picture
4 frames with glass pane and backing material, and solar panels.

5 29. CBP was responsible for, among other things, the
6 examination of merchandise entering the United States through ports
7 and other points of entry to ensure that the merchandise was
8 admissible under, and in compliance with United States laws; and the
9 assessment and collection of all applicable taxes, fees, and duties,
10 including AD/CVD duties, on imported merchandise.

11 30. CBP Form 7501 ("Form 7501" or "Entry Summary") required
12 importers, or their agents, to provide truthful information relating
13 to imported merchandise, including: a description of the merchandise;
14 the identity of the merchandise's manufacturer, its value, and
15 country of origin; the entry type; and the AD/CVD rate, if any. A
16 customhouse broker or agent normally handled the process of entering
17 goods into the United States on behalf of an importer, which process
18 included completing entry documents, including Form 7501, based on
19 information provided by the importer, and filing the completed Form
20 7501 with CBP on behalf of the importer. Entry type "01" was the
21 entry type to be used when the goods at issue in the Form 7501 were
22 free and dutiable. Entry type "03" was the entry type to be used
23 when the goods at issue in the Form 7501 were subject to applicable
24 AD/CVD orders.

25 31. The Port of Los Angeles and the Port of Long Beach
26 (collectively referred to by CBP as the "Los Angeles/Long Beach
27 Seaport") were ports located within the Central District of
28 California.

1 B. THE OBJECTS OF THE CONSPIRACY

2 32. Beginning in or about July 2008 and continuing to at least
3 the date of this Indictment, in Los Angeles, Orange, Riverside, and
4 San Bernardino Counties, within the Central District of California,
5 and elsewhere, defendants LIU, CHINA ZHONGWANG, CHEN, SHAO,
6 PERFECTUS, PERFECTUS ACQUISITIONS, SCUDERIA DEVELOPMENT, 1001
7 DOUBLEDAY, VON KARMAN - MAIN STREET, and 10681 PRODUCTION AVENUE, and
8 others known and unknown to the Grand Jury, knowingly combined,
9 conspired and agreed with each other to: (I) knowingly and
10 intentionally defraud the United States and an agency thereof by
11 impeding, impairing, obstructing, and defeating the lawful functions
12 of a government agency, namely, CBP, by deceitful and dishonest
13 means; and (II) commit offenses against the United States, namely:

14 a. Wire Fraud, in violation of Title 18, United States
15 Code, Section 1343;

16 b. Passing False and Fraudulent Papers Through
17 Customhouse, in violation of Title 18, United States Code, Section
18 545; and

19 c. International Promotional Money Laundering, in
20 violation of Title 18, United States Code, Section 1956(a)(2)(A).

21 C. MEANS BY WHICH THE OBJECTS OF THE CONSPIRACY WERE TO BE
22 ACCOMPLISHED

23 33. The objects of the conspiracy were carried out, and were to
24 be carried out, in substance as follows:

25 a. Defendants LIU, CHINA ZHONGWANG, CHEN, SHAO,
26 PERFECTUS, PERFECTUS ACQUISITIONS, SCUDERIA DEVELOPMENT, 1001
27 DOUBLEDAY, VON KARMAN - MAIN STREET, and 10681 PRODUCTION AVENUE,
28 would agree to, and would, engage in deceptive acts in order to:

1 i. Fraudulently induce investors in defendant CHINA
2 ZHONGWANG to purchase and hold shares of defendant CHINA ZHONGWANG
3 by:

4 (I) falsely inflating the value of defendant
5 CHINA ZHONGWANG at the time of the IPO through false representations,
6 including that an independent third party had made a \$200 million
7 loan to ZIGL in advance of the IPO;

8 (II) falsely inflating the sales revenue of
9 defendant CHINA ZHONGWANG through false representations and
10 pretenses, including the false representation that the vast majority
11 of defendant CHINA ZHONGWANG's sales were made at arm's length, and
12 the concealment of material facts, including that defendant CHINA
13 ZHONGWANG's sales to the PERFECTUS predecessor entities, defendant
14 PERFECTUS, and certain aluminum shell companies in the PRC were not
15 arms-length transactions and were funded by money ultimately provided
16 by defendants LIU, CHINA ZHONGWANG, and CHEN;

17 (III) falsely inflating the volume of
18 defendant CHINA ZHONGWANG's exports to the United States and the
19 strength of the demand in the United States for its products through
20 false representations and pretenses, including the false
21 representation and pretense that market demand for certain aluminum
22 products manufactured by defendant CHINA ZHONGWANG was the reason for
23 defendant CHINA ZHONGWANG's increased exports to the United States
24 after the 2011 AD/CVD Orders, and the concealment of material facts,
25 including that the PERFECTUS predecessor entities and defendant
26 PERFECTUS's purchases from defendant CHINA ZHONGWANG were not based
27 on market demand from third-party customers and the purchased
28 aluminum was simply being stockpiled; and

1 (IV) falsely inflating the overall financial
2 position of defendant CHINA ZHONGWANG through the concealment of
3 material facts, including that defendant CHINA ZHONGWANG's revenues
4 included purchases that defendants LIU, CHINA ZHONGWANG, and CHEN had
5 funded, and that its related parties had liabilities arising from the
6 related parties' purported purchases from defendant CHINA ZHONGWANG,
7 namely, approximately \$1.8 billion in AD/CVD duties due to CBP.

8 ii. Fraudulently conceal from the CBP and the United
9 States Treasury that aluminum that the PERFECTUS predecessor entities
10 and defendants LIU, CHINA ZHONGWANG, and SHAO were importing and
11 causing to be imported into the United States was subject to duties
12 imposed by the 2011 AD/CVD Orders, thereby evading approximately \$1.8
13 billion in duties owed to the United States; and

14 iii. Engage in monetary transactions that allowed
15 defendant CHINA ZHONGWANG to secretly fund the purchases of aluminum
16 imported into the United States from defendant CHINA ZHONGWANG,
17 thereby enabling: (a) defendants to maintain the false pretense that
18 defendant CHINA ZHONGWANG was obtaining significant revenue from
19 sales of aluminum to United States-based customers even though there
20 were few, if any, such sales; (b) defendants to continue to evade
21 applicable AD/CVD duties; and (c) defendant LIU to transfer valuable
22 assets, namely bulk quantities of aluminum, from defendant CHINA
23 ZHONGWANG in the PRC to entities in the United States that defendant
24 LIU controlled.

25 The Fraudulent Inflation of Defendant CHINA ZHONGWANG's

26 Financial Statements

27 b. Defendants LIU and CHINA ZHONGWANG would cause
28 defendant CHINA ZHONGWANG's shares to be listed on the Main Board of

1 the SEHK. In order to induce investors to purchase and hold shares
2 of defendant CHINA ZHONGWANG, both at the time of the IPO and
3 thereafter, defendants LIU and CHINA ZHONGWANG would cause defendant
4 CHINA ZHONGWANG to issue an IPO prospectus, annual reports, and
5 specific disclosures that would contain materially false statements
6 regarding, among other things, defendant CHINA ZHONGWANG's sales,
7 revenue, U.S. export program, and related party transactions.

8 c. In order to complete the IPO and falsely inflate the
9 value of defendant CHINA ZHONGWANG, defendant LIU would direct an
10 unindicted co-conspirator ("CC-2") to transfer approximately \$200
11 million to ZIGL as a purported loan when, in fact, ZIGL did not
12 intend to repay the loan and the transfer of the funds was identified
13 as a loan in order to conceal that the funds for the purported loan
14 had originated from accounts controlled by defendants LIU, CHINA
15 ZHONGWANG, and CHEN. Defendants LIU and CHINA ZHONGWANG would cause
16 the IPO prospectus to falsely state that the purported loan
17 originated from an independent third party.

18 d. Defendants LIU, CHINA ZHONGWANG, and SHAO, and other
19 co-conspirators, would use the PERFECTUS predecessor entities and
20 defendant PERFECTUS to purchase aluminum from defendant CHINA
21 ZHONGWANG, the ZW Group, and the aluminum shell companies, as defined
22 below in paragraph 33(g), that had been manufactured by defendant
23 CHINA ZHONGWANG and the ZW Group.

24 e. Defendants LIU and CHINA ZHONGWANG would conceal their
25 connection to the PERFECTUS predecessor entities and defendants
26 PERFECTUS and PERFECTUS ACQUISITIONS by, among other means,
27 purporting to transfer ownership and control of the PERFECTUS
28 predecessor entities and defendant PERFECTUS to defendant SHAO, CC-1,

1 and/or other purported third parties when, in fact, defendant LIU
2 effectively owned and controlled the PERFECTUS predecessor entities
3 and defendants PERFECTUS and PERFECTUS ACQUISITIONS.

4 f. In order to conceal defendants LIU and CHINA
5 ZHONGWANG's connection to the PERFECTUS predecessor entities and
6 defendants PERFECTUS and PERFECTUS ACQUISITIONS, defendants LIU,
7 CHINA ZHONGWANG, SHAO, and PERFECTUS, the PERFECTUS predecessor
8 entities, and other co-conspirators, would falsely represent the
9 nature of the relationships among the PERFECTUS predecessor entities
10 and defendants CHINA ZHONGWANG and PERFECTUS in communications with,
11 and in documents submitted to, among others, the USITC, the few
12 third-party customers who purchased aluminum extrusions from the
13 PERFECTUS predecessor entities and defendant PERFECTUS, and the
14 Internal Revenue Service ("IRS").

15 g. In order to conceal that defendant CHINA ZHONGWANG
16 and/or the ZW Group was the source of the aluminum being sold to the
17 PERFECTUS predecessor entities, defendants LIU, CHINA ZHONGWANG, and
18 CHEN, and other co-conspirators, would identify shell companies (the
19 "aluminum shell companies") as the nominal sellers of this aluminum.
20 The names of the shell companies would conceal and not disclose the
21 connection between defendants LIU and CHINA ZHONGWANG and the
22 aluminum shell companies. The aluminum shell companies were
23 controlled by defendants LIU, CHINA ZHONGWANG, and CHEN. The
24 aluminum shell companies included, but were not limited to: Dalian
25 Liwang Trade Co., Ltd. ("Dalian Liwang"); Tianjin Boruixin Co., Ltd.
26 ("Boruixin"); Yingkou Qianxiang Trade Co. Ltd. ("Qianxiang"); and
27 Gran Cabrio Capital Pte. Ltd. ("Gran Cabrio").

28 h. Following the issuance of the 2011 AD/CVD Orders,

1 defendants LIU and CHINA ZHONGWANG would cause the aluminum
2 extrusions being imported by the PERFECTUS predecessor entities to be
3 shipped to the United States in the form of pallets (the "aluminum
4 pallets"). Because there were no customers for these aluminum
5 pallets, defendants LIU and CHINA ZHONGWANG would sometimes cause
6 emails to be sent to defendant SHAO to enable him to create fake
7 purchase orders for the aluminum pallets. The emails would state the
8 form and quantity of the aluminum pallets that defendants LIU and
9 CHINA ZHONGWANG already intended to, and would, export to the United
10 States to be imported by the PERFECTUS predecessor entities for the
11 purported sale to the PERFECTUS predecessor entities' supposed
12 customers. In other instances, defendants SHAO and the PERFECTUS
13 predecessor entities would create purchase orders after being told by
14 defendant CHINA ZHONGWANG that a shipment of aluminum extrusions in
15 the form of pallets was already en route to the Ports of Los Angeles
16 and Long Beach. Although prior to the 2011 AD/CVD Orders, defendants
17 LIU and CHINA ZHONGWANG had not exported, and defendant SHAO and the
18 PERFECTUS predecessor entities had not imported, any aluminum
19 extrusions in the form of pallets, defendants LIU, CHINA ZHONGWANG,
20 CHEN, and SHAO would cause the PERFECTUS predecessor entities to
21 import into the United States approximately 2,200,000 such pallets
22 between in or about 2011 and in or about 2014. At the direction of
23 defendant LIU, none of these pallets was ever sold.

24 i. At the direction of defendant LIU, defendants SCUDERIA
25 DEVELOPMENT, 1001 DOUBLEDAY, VON KARMAN - MAIN STREET, and 10681
26 PRODUCTION AVENUE would purchase the Riverside, Ontario, Irvine, and
27 Fontana Warehouses, respectively.

28 j. At the direction of defendant LIU, defendants SHAO,

1 PERFECTUS, SCUDERIA DEVELOPMENT, 1001 DOUBLEDAY, VON KARMAN - MAIN
2 STREET, and 10681 PRODUCTION AVENUE, and the PERFECTUS predecessor
3 entities, would stockpile and cause to be stockpiled the aluminum
4 extrusions in the form of pallets purchased from the ZW Group and the
5 aluminum shell entities at the Irvine, Ontario, Fontana, and
6 Riverside Warehouses, and at Aluminum Shapes in New Jersey. By
7 stockpiling and causing to be stockpiled the aluminum extrusions in
8 the form of pallets, defendants LIU, SHAO, PERFECTUS, SCUDERIA
9 DEVELOPMENT, 1001 DOUBLEDAY, VON KARMAN - MAIN STREET, and 10681
10 PRODUCTION AVENUE maintained the pretense that the sales of the
11 aluminum pallets to the PERFECTUS predecessor entities were actual
12 sales to customers in the United States.

13 k. In order to maintain the pretense that the PERFECTUS
14 predecessor entities and defendant PERFECTUS were purchasing the
15 aluminum from defendant CHINA ZHONGWANG and/or the ZW Group and
16 thereby generating revenue for defendant CHINA ZHONGWANG, defendants
17 LIU and CHINA ZHONGWANG would cause invoices for the aluminum to be
18 sent to defendants SHAO and PERFECTUS, and the PERFECTUS predecessor
19 entities. Defendant CHINA ZHONGWANG would also direct employees of
20 the ZW Group to email defendant SHAO and others seeking payment on
21 outstanding invoices.

22 l. The value of the aluminum purportedly purchased by the
23 PERFECTUS predecessor entities from the ZW Group and the aluminum
24 shell companies greatly exceeded the revenue the PERFECTUS
25 predecessor entities obtained from actual sales. As a result, the
26 PERFECTUS predecessor entities did not have sufficient funds to pay
27 for the aluminum they were importing. Accordingly, defendants SHAO
28 and PERFECTUS, and the PERFECTUS predecessor entities, would request

1 funding from defendant CHINA ZHONGWANG to pay the invoices from
2 defendant CHINA ZHONGWANG and/or ZW Group.

3 m. After receiving funding requests from defendants SHAO
4 and PERFECTUS, defendants LIU, CHINA ZHONGWANG, and CHEN, and other
5 co-conspirators, would transfer and cause the transfer by wire of
6 funds worth hundreds of millions of dollars to bank accounts
7 controlled by defendants SHAO, PERFECTUS, and PERFECTUS ACQUISITIONS,
8 and the PERFECTUS predecessor entities. The funds would originate in
9 bank accounts controlled by defendants LIU, CHINA ZHONGWANG, and
10 CHEN, but held in the names of shell companies in order to conceal
11 the origin, ownership, and control of the funds (collectively, the
12 "financial shell companies"). These financial shell companies
13 included, but were not limited to, Anhe Trading Co.; Best Success
14 Holdings Limited; Bright Rich Investments Limited; DNH Trading Co.
15 Limited; Easy Able International (HK); Fast Growth Co.; Grand Famous
16 Trading Limited; Guanghui Great Exploit (HK) Limited; Guocang Trade
17 Limited; HK De Ming Trade Co. Limited; Kingson Co.; Kingnuo
18 Communication Electronics Co., Ltd.; Kong Yum Trading Co.; Kun Hong
19 Trade Co., Ltd.; Money Top Trading, Ltd.; Porter (International)
20 Supplies; Rainbow Bright Inc. Limited; Rui Yin Co.; and SNS Great
21 Cause Investment Ltd.

22 n. Defendant SHAO would cause the receipt of funds from
23 the financial shell companies to be recorded as loans on the books
24 and in the records of the PERFECTUS predecessor entities and
25 defendant PERFECTUS when, in truth and in fact, the funds were not
26 loans and the PERFECTUS predecessor entities and defendant PERFECTUS
27 never intended to repay the funds. As of on or about December 31,
28 2014, the PERFECTUS predecessor entities had recorded on their

1 balance sheets a cumulative total of at least approximately \$1.2
2 billion in purported loans, the vast majority of which originated
3 from the financial shell companies.

4 o. After receiving funds from the financial shell
5 companies, defendants SHAO and PERFECTUS, and the PERFECTUS
6 predecessor entities, would cause funds to be transferred by wire
7 from bank accounts in the name of defendant PERFECTUS and the
8 PERFECTUS predecessor entities, located within the Central District
9 of California, to bank accounts in the name of entities within the ZW
10 Group, located in Hong Kong and the PRC, and the bank accounts of the
11 aluminum shell companies, located in Hong Kong and the PRC.

12 p. Defendant LIU would cause defendant CHINA ZHONGWANG to
13 falsely record the sales to defendant PERFECTUS and the PERFECTUS
14 predecessor entities made directly by the ZW Group and through the
15 aluminum shell companies on defendant CHINA ZHONGWANG's financial
16 statements as arms-length transactions. Defendant CHINA ZHONGWANG
17 would further falsely record the funds received from defendant
18 PERFECTUS, the PERFECTUS predecessor entities, and the aluminum shell
19 companies as revenue, thereby fraudulently increasing the overall
20 revenue recorded by defendant CHINA ZHONGWANG and making it appear as
21 though defendant CHINA ZHONGWANG's financial position and export
22 program were stronger than they, in fact, were.

23 q. Defendant LIU would cause defendant CHINA ZHONGWANG to
24 issue annual reports containing materially false statements and
25 omissions. These false statements and omissions would be material to
26 investors in defendant CHINA ZHONGWANG.

27 r. At the direction of defendant LIU, defendant CHINA
28 ZHONGWANG's annual reports would falsely state, among other things,

1 that:

2 i. all of the purported sales to the PERFECTUS
3 predecessor entities and defendant PERFECTUS and aluminum shell
4 companies were arms-length sales to customers;

5 ii. there was high demand for deep-processed aluminum
6 products, namely, aluminum pallets, that resulted in increasing sales
7 and exports to the United States; and

8 iii. all funds received from defendants SHAO and
9 PERFECTUS, and the PERFECTUS predecessor entities, and the aluminum
10 shell companies, were revenue.

11 s. Further, at the direction of defendant LIU, defendant
12 CHINA ZHONGWANG would fail to disclose, among other things, that:

13 i. defendant LIU effectively owned and controlled
14 the PERFECTUS predecessor entities and defendants PERFECTUS and
15 PERFECTUS ACQUISITIONS;

16 ii. defendants LIU and CHINA ZHONGWANG controlled the
17 aluminum shell companies;

18 iii. defendants LIU and CHINA ZHONGWANG had directed
19 the PERFECTUS predecessor entities to purchase aluminum manufactured
20 and sold by defendant CHINA ZHONGWANG and the ZW Group;

21 iv. defendants LIU and CHINA ZHONGWANG had directed
22 that, after the 2011 AD/CVD Orders, the aluminum be imported as
23 aluminum extrusions in the form of pallets, for which there was no
24 customer demand;

25 v. purported sales to the PERFECTUS predecessor
26 entities and aluminum shell companies were related party
27 transactions; and

28 vi. defendants LIU and CHINA ZHONGWANG had provided

1 the funds for the purchase of the aluminum.

2 t. After allegations of fraud were publicly made against
3 defendants LIU and CHINA ZHONGWANG, defendants LIU and CHINA
4 ZHONGWANG would cause false specific disclosures to be issued to
5 investors and potential investors. In particular, defendant CHINA
6 ZHONGWANG would issue specific disclosures falsely stating that:
7 defendant LIU did not control defendant PERFECTUS and the PERFECTUS
8 predecessor entities, Dalian Liwang, Boruixin, Qianxiang, GVA, and
9 Aluminicaste; all sales not reported as related party transactions
10 were arms-length transactions; and defendant CHINA ZHONGWANG had not
11 provided the funding for the aluminum purchased by any of its
12 customers. These false statements were material to investors in
13 defendant CHINA ZHONGWANG.

14 u. After allegations of fraud were publicly made against
15 defendants LIU and CHINA ZHONGWANG, and in order to impede any
16 investigations into the allegations, defendants LIU, SHAO, PERFECTUS,
17 SCUDERIA DEVELOPMENT, 1001 DOUBLEDAY, VON KARMAN - MAIN STREET, and
18 10681 PRODUCTION AVENUE would cause the aluminum stored at the
19 Irvine, Ontario, Fontana, and Riverside Warehouses to be exported to
20 GVA.

21 v. After allegations of fraud were publicly made against
22 defendants LIU and CHINA ZHONGWANG and in order to lull investors
23 into believing defendant CHINA ZHONGWANG's prior disclosures,
24 defendant LIU would cause unindicted co-conspirators to falsely claim
25 ownership of defendant PERFECTUS, the aluminum imported by the
26 PERFECTUS predecessor entities, and the Ontario, Irvine, Fontana, and
27 Riverside Warehouses.

28 w. By causing defendant CHINA ZHONGWANG to make the

1 above-described material false statements regarding defendant CHINA
2 ZHONGWANG's assets, revenue, and overall financial position to
3 investors, defendant LIU fraudulently inflated the value of his own
4 shares in defendant CHINA ZHONGWANG as well as his creditworthiness
5 and the creditworthiness of defendant CHINA ZHONGWANG. Through the
6 above-described material false statements and concealment of material
7 facts, defendants LIU and CHINA ZHONGWANG also exposed the remaining
8 shareholders of defendant CHINA ZHONGWANG to the risk that defendant
9 CHINA ZHONGWANG would plummet in value when defendant CHINA
10 ZHONGWANG's fraudulent business practices were discovered.

11 The Evasion of Duties under the 2011 AD/CVD Orders

12 x. Prior to the AD/CVD investigation and 2011 AD/CVD
13 Orders, defendants LIU and CHINA ZHONGWANG would direct defendant
14 SHAO and the PERFECTUS predecessor entities to purchase aluminum
15 extrusions from the ZW Group and aluminum shell companies and import
16 them into the United States through the Ports of Los Angeles and Long
17 Beach. Although the PERFECTUS predecessor entities sold some of the
18 aluminum extrusions imported from the ZW Group and aluminum shell
19 companies to third-party customers, the PERFECTUS predecessor
20 entities would stockpile the vast majority of the aluminum extrusions
21 at the Irvine, Ontario, and Fontana Warehouses.

22 y. The 2011 AD/CVD Orders imposed substantial costs on
23 the importation of certain aluminum extrusions into the United States
24 from certain Chinese companies, including the ZW Group. To
25 circumvent the AD/CVD duties, defendants LIU, CHINA ZHONGWANG, and
26 CHEN, and other co-conspirators, would export, and defendants SHAO
27 and PERFECTUS and the PERFECTUS predecessor entities would import,
28 aluminum extrusions in the form of pallets, that is, the extrusions

1 would be tack-welded into the shape of pallets, which would then
2 enter the United States through the Ports of Los Angeles and Long
3 Beach, as well as the Port of New York and New Jersey, as purported.
4 finished merchandise not subject to duties under the 2011 AD/CVD
5 Orders.

6 z. In order to ensure that the plan to circumvent the
7 AD/CVD duties would work, defendants LIU and CHEN would cause several
8 test shipments containing aluminum extrusions in the form of pallets
9 to be imported by entities other than the PERFECTUS predecessor
10 entities, including Berlinetta Trading, LLC ("Berlinetta Trading").

11 aa. Defendants LIU, CHINA ZHONGWANG, CHEN, and SHAO, and
12 other co-conspirators, would cause the PERFECTUS predecessor entities
13 to falsely identify on Form 7501 the aluminum extrusions in the form
14 of pallets as finished merchandise that would not be subject to the
15 2011 AD/CVD Orders, when, in truth and in fact, and as defendants
16 LIU, CHINA ZHONGWANG, CHEN, and SHAO then well knew, the aluminum
17 extrusions in the form of pallets were not finished merchandise. By
18 falsely identifying the pallets as finished merchandise, the
19 PERFECTUS predecessor entities were able to evade paying
20 approximately \$1.8 billion in AD/CVD duties.

21 bb. By stockpiling and causing to be stockpiled the
22 aluminum fraudulently imported as finished merchandise not subject to
23 duties under the 2011 AD/CVD Orders, defendants LIU, SHAO, PERFECTUS,
24 SCUDERIA DEVELOPMENT, 1001 DOUBLEDAY, VON KARMAN - MAIN STREET, and
25 10681 PRODUCTION AVENUE maintained the pretense that the aluminum
26 extrusions in the form of pallets were finished merchandise that had
27 been sold to customers in the United States and prevented the CBP
28 from discovering that it was extrusions subject to AD/CVD duties.

1 cc. Knowing that the aluminum imported as pallets was, in
2 fact, nothing more than extrusions that had been tack-welded together
3 to enable defendants LIU, CHINA ZHONGWANG, CHEN, and SHAO, and other
4 co-conspirators, to falsely claim it was finished merchandise not
5 subject to the 2011 AD/CVD Orders, and that there were no customers
6 for the aluminum extrusions in the form of pallets, the vast majority
7 of which were too heavy to be usable as pallets, defendants LIU and
8 CHINA ZHONGWANG would direct that aluminum melting facilities be
9 built and acquired to be used to reconfigure the aluminum imported as
10 pallets into a form with commercial value.

11 D. OVERT ACTS

12 34. On or about the following dates, in furtherance of the
13 conspiracy and to accomplish its objects, defendants LIU, CHINA
14 ZHONGWANG, CHEN, SHAO, PERFECTUS, PERFECTUS ACQUISITIONS, SCUDERIA
15 DEVELOPMENT, 1001 DOUBLEDAY, VON KARMAN - MAIN STREET, and 10681
16 PRODUCTION AVENUE, together with others known and unknown to the
17 Grand Jury, committed and willfully caused others to commit the
18 following overt acts, among others, in Los Angeles, Orange,
19 Riverside, and San Bernardino Counties, within the Central District
20 of California and elsewhere:

21 Overt Act No. 1: In or about July 2008, defendant LIU caused
22 approximately \$195,633,053 to be transferred through intermediary
23 entities to a bank account held at United Commercial Bank in the name
24 of Scuderia Capital Partners, LLC ("the Scuderia Capital Partners
25 Account").

26 Overt Act No. 2: On or about July 28, 2008, CC-1 resigned as
27 a manager of Scuderia Capital Partners, LLC ("Scuderia Capital").

28 Overt Act No. 3: On or about July 28, 2008, defendant LIU

1 directed CC-2 to transfer approximately \$100,000,000 to ZIGL from the
2 Scuderia Capital Partners Account.

3 Overt Act No. 4: In or about August 2008, defendant LIU
4 caused approximately \$4,999,960 to be transferred through
5 intermediary entities to the Scuderia Capital Partners Account.

6 Overt Act No. 5: On or about August 5, 2008, defendant LIU
7 directed CC-2 to transfer approximately \$90,000,000 to ZIGL from the
8 Scuderia Capital Partners Account.

9 Overt Act No. 6: On or about August 7, 2008, defendant LIU
10 directed CC-2 to transfer approximately \$10,000,000 to ZIGL from the
11 Scuderia Capital Partners Account.

12 Overt Act No. 7: On or about October 27, 2008, defendant LIU
13 caused defendant 1001 DOUBLEDAY to purchase the Ontario Warehouse for
14 the purpose of stockpiling aluminum.

15 Overt Act No. 8: On or about December 3, 2008, defendants LIU
16 and SHAO caused to be filed with the California Secretary of State a
17 PCA Statement of Information identifying defendant SHAO as the CEO,
18 Secretary, CFO, and sole director of PCA.

19 Overt Act No. 9: On or about March 31, 2009, defendant LIU
20 caused defendant VON KARMAN - MAIN STREET to purchase the Irvine
21 Warehouse for the purpose of stockpiling aluminum.

22 Overt Act No. 10: On or about April 24, 2009, defendants LIU
23 and CHINA ZHONGWANG caused an IPO prospectus to be issued. The IPO
24 prospectus falsely stated that ZIGL had obtained a \$200 million loan
25 from Scuderia Capital for the purposes of completing the IPO. The
26 prospectus falsely stated that the shareholder and director of
27 Scuderia Capital were not "connected persons" to defendant CHINA
28 ZHONGWANG. The prospectus failed to disclose that defendant LIU

1 controlled Scuderia Capital and that defendant LIU, through
2 intermediaries, had provided Scuderia Capital the funds for its
3 purported \$200 million loan to ZIGL.

4 Overt Act No. 11: On or about May 8, 2009, defendant LIU
5 caused defendant CHINA ZHONGWANG to be listed on the Main Board of
6 the SEHK.

7 Overt Act No. 12: On or about September 11, 2009, defendant
8 LIU caused defendant 10681 PRODUCTION AVENUE to purchase the Fontana
9 Warehouse for the purpose of stockpiling aluminum.

10 Overt Act No. 13: On or about January 8, 2010, defendant SHAO
11 sent an email to defendant CHEN and attached a record of previous
12 wire transfers for Global Aluminum. The attachment listed wire
13 transfers to and from some of the financial shell companies,
14 including, Kong Yum Trading Co. and Kingson Co.

15 Overt Act No. 14: In or about April 2010, defendant LIU caused
16 defendant CHINA ZHONGWANG to release its 2009 annual report, which
17 stated that sales to the United States accounted for 40.8% of
18 defendant CHINA ZHONGWANG's overall revenue in 2009, up from just
19 1.9% in 2008.

20 Overt Act No. 15: On or about April 21, 2010, an unindicted
21 co-conspirator ("CC-3") falsely testified before the USITC that PCA
22 was owned and operated independently from the company's suppliers in
23 the PRC.

24 Overt Act No. 16: In or about late 2010, defendants LIU and
25 CHEN met with CC-2 at the Irvine Warehouse to discuss ways to
26 circumvent the DOC and USITC's likely imposition of AD/CVD orders.

27 Overt Act No. 17: On or about October 28, 2010, defendant SHAO
28 sent an email to an employee of the ZW Group updating the ZW Group

1 about the DOC's preliminary AD/CVD order imposed against Chinese
2 aluminum.

3 Overt Act No. 18: On or about October 28, 2010, defendant SHAO
4 called defendant LIU to update him about the DOC's preliminary AD/CVD
5 order, but did not reach defendant LIU.

6 Overt Act No. 19: On or about December 7, 2010, defendant
7 SHAO, using text provided to him by an employee of the ZW Group, sent
8 an email to an employee of Zhongwang China Investment (HK) Limited
9 requesting a quote for an order of 520 aluminum pallets.

10 Overt Act No. 20: On or about January 17, 2011, at the
11 direction of an employee of the ZW Group, defendant SHAO sent an
12 email to an employee of Zhongwang China Investment (HK) Limited
13 stating that PCA was satisfied with the quality of the aluminum
14 pallets and intended to place additional orders soon.

15 Overt Act No. 21: On or about January 29, 2011, a then-
16 Executive Director of defendant CHINA ZHONGWANG sent an email to
17 defendant SHAO asking for documents previously submitted to the USITC
18 by the PERFECTUS predecessor entities. The requested documents
19 falsely claimed that the PERFECTUS predecessor entities were not
20 related to any Chinese extrusion companies.

21 Overt Act No. 22: On or about February 9, 2011, defendant SHAO
22 submitted documents to the USITC falsely claiming that PCA was not
23 related to any Chinese extrusion companies.

24 Overt Act No. 23: In or about March 2011, defendant LIU caused
25 defendant CHINA ZHONGWANG to release its 2010 annual report, which
26 stated that sales to the United States accounted for 29.1% of
27 defendant CHINA ZHONGWANG's overall revenue in 2010, and that the
28 decline in revenue from 2009 was attributable to the USITC and DOC's

1 AD/CVD investigation.

2 Overt Act No. 24: On or about June 30, 2011, at the direction
3 of defendants LIU and CHEN, an unindicted co-conspirator caused a
4 customs broker to submit to CBP on behalf of Berlinetta Trading the
5 Form 7501 for the importation of a test shipment from Dalian Liwang
6 of approximately 1,422 aluminum pallets valued at approximately
7 \$406,617. The Form 7501 falsely claimed that the aluminum pallets
8 were not subject to the 2011 AD/CVD Orders.

9 Overt Act No. 25: On or about July 13, 2011, at the direction
10 of defendants LIU and CHEN, an unindicted co-conspirator caused a
11 customs broker to submit to CBP on behalf of Berlinetta Trading the
12 Form 7501 for the importation of a second test shipment from Dalian
13 Liwang of approximately 1,530 aluminum pallets valued at
14 approximately \$338,218. The Form 7501 falsely claimed that the
15 aluminum pallets were not subject to the 2011 AD/CVD Orders.

16 Overt Act No. 26: On or about July 21, 2011, at the direction
17 of defendants LIU and CHEN, an unindicted co-conspirator caused a
18 customs broker to submit to CBP on behalf of Berlinetta Trading the
19 Form 7501 for the importation of a third test shipment from Dalian
20 Liwang of approximately 756 aluminum pallets valued at approximately
21 \$290,769. The Form 7501 falsely claimed that the aluminum pallets
22 were not subject to the 2011 AD/CVD Orders.

23 Overt Act No. 27: On or about September 28, 2011, defendant
24 SHAO caused PCA's customs broker to submit to CBP the Form 7501 for
25 the importation from Boruixin of approximately 1,764 aluminum pallets
26 valued at approximately \$635,040. The Form 7501 falsely claimed that
27 the aluminum pallets were not subject to the 2011 AD/CVD Orders.

28 Overt Act No. 28: On or about November 25, 2011, defendant

1 SHAO caused PCA's customs broker to submit to CBP the Form 7501 for
2 the importation from Dalian Liwang of approximately 3,024 aluminum
3 pallets valued at approximately \$1,097,712. The Form 7501 falsely
4 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
5 Orders.

6 Overt Act No. 29: On or about January 27, 2012, defendant SHAO
7 caused PCA's customs broker to submit to CBP the Form 7501 for the
8 importation from Dalian Liwang of approximately 6,732 aluminum
9 pallets valued at approximately \$1,279,080. The Form 7501 falsely
10 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
11 Orders.

12 Overt Act No. 30: In or about April 2012, defendant LIU caused
13 defendant CHINA ZHONGWANG to release its 2011 annual report, which
14 stated that sales to the United States accounted for 3.9% of
15 defendant CHINA ZHONGWANG's overall revenue in 2011, and that the
16 decline in revenue from 2010 was the result of the continuing AD/CVD
17 investigation in the United States.

18 Overt Act No. 31: On or about May 10, 2012, defendant SHAO
19 caused PCA's customs broker to submit to CBP the Form 7501 for the
20 importation from Dalian Liwang of approximately 4,590 aluminum
21 pallets valued at approximately \$872,100. The Form 7501 falsely
22 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
23 Orders.

24 Overt Act No. 32: On or about July 9, 2012, defendant SHAO
25 caused PCA's customs broker to submit to CBP the Form 7501 for the
26 importation from Dalian Liwang of approximately 6,552 aluminum
27 pallets valued at approximately \$2,358,720. The Form 7501 falsely
28 claimed that the aluminum pallets were not subject to the 2011 AD/CVD

1 Orders.

2 Overt Act No. 33: On or about September 10, 2012, defendant
3 SHAO sent an email to two employees of the ZW Group falsely stating
4 that PCA would be placing additional aluminum pallet orders due to
5 requests by PCA's customers even though, as defendant SHAO then well
6 knew, PCA had not sold any of the aluminum pallets PCA had previously
7 imported.

8 Overt Act No. 34: On or about September 20, 2012, defendant
9 SHAO caused PCA's customs broker to submit to CBP the Form 7501 for
10 the importation from Qianxiang of approximately 6,048 aluminum
11 pallets valued at approximately \$1,874,880. The Form 7501 falsely
12 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
13 Orders.

14 Overt Act No. 35: On or about December 1, 2012, at the
15 direction of defendant LIU, defendant SHAO used Global Aluminum, a
16 PERFECTUS predecessor entity, to purchase an aluminum mill in Delair,
17 New Jersey.

18 Overt Act No. 36: In or about 2013, defendant LIU directed CC-
19 2 to build an aluminum melting facility on land previously purchased
20 by an entity effectively owned and controlled by defendant LIU in
21 Barstow, California, within the Central District of California, for
22 the purpose of melting the aluminum pallets imported from the PRC.

23 Overt Act No. 37: On or about January 11, 2013, defendant SHAO
24 caused PCA's customs broker to submit to CBP the Form 7501 for the
25 importation from Dalian Liwang of approximately 9,180 aluminum
26 pallets valued at approximately \$1,496,340. The Form 7501 falsely
27 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
28 Orders.

1 Overt Act No. 38: On or about March 14, 2013, defendant SHAO
2 caused PCA's customs broker to submit to CBP the Form 7501 for the
3 importation from Dalian Liwang of approximately 15,120 aluminum
4 pallets valued at approximately \$5,367,600. The Form 7501 falsely
5 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
6 Orders.

7 Overt Act No. 39: On March 24, 2013, defendant SHAO sent an
8 email to an employee of the ZW Group requesting the transfer of funds
9 to the PERFECTUS predecessor entities. Defendant SHAO asked for the
10 request to be approved as directed by the Board of Directors.

11 Overt Act No. 40: In or about April 2013, defendant LIU caused
12 defendant CHINA ZHONGWANG to release its 2012 annual report, which
13 stated that sales to the United States accounted for 8.32% of
14 defendant CHINA ZHONGWANG's overall revenue in 2012. Defendant CHINA
15 ZHONGWANG attributed the increase in sales to the United States in
16 2012 to defendant CHINA ZHONGWANG's plan to focus on deep-processed
17 industrial aluminum products, namely, aluminum pallets, which could
18 be sold as finished products and were not subject to 2011 AD/CVD
19 Orders.

20 Overt Act No. 41: On or about April 8, 2013, defendant SHAO
21 sent an email to an employee of the ZW Group attaching a spreadsheet
22 detailing the funding needs of the PERFECTUS predecessor entities.

23 Overt Act No. 42: On or about August 8, 2013, defendant SHAO
24 caused PCA's customs broker to submit to CBP the Form 7501 for the
25 importation from Dalian Liwang of approximately 6,804 aluminum
26 pallets valued at approximately \$2,381,400. The Form 7501 falsely
27 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
28 Orders.

1 Overt Act No. 43: On or about September 23, 2013, defendant
2 SHAO caused PCA's customs broker to submit to CBP the Form 7501 for
3 the importation from Dalian Liwang of approximately 2,520 aluminum
4 pallets valued at approximately \$882,000. The Form 7501 falsely
5 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
6 Orders.

7 Overt Act No. 44: On or about October 18, 2013, defendant SHAO
8 caused PCA's customs broker to submit to CBP the Form 7501 for the
9 importation from Qianxiang of approximately 3,276 aluminum pallets
10 valued at approximately \$1,058,148. The Form 7501 falsely claimed
11 that the aluminum pallets were not subject to the 2011 AD/CVD Orders.

12 Overt Act No. 45: In or about April 2014, defendant LIU caused
13 defendant CHINA ZHONGWANG to release its 2013 annual report, which
14 stated that sales to the United States accounted for 11.8% of
15 defendant CHINA ZHONGWANG's overall revenue in 2013. Defendant CHINA
16 ZHONGWANG attributed the increase in sales to the United States in
17 2013 to defendant CHINA ZHONGWANG's efforts to expand production of
18 deep-processed products, namely, aluminum pallets, to meet increasing
19 demand for these products in the United States.

20 Overt Act No. 46: On or about May 5, 2014, defendant SHAO
21 caused PCA's customs broker to submit to CBP the Form 7501 for the
22 importation from Dalian Liwang of approximately 16,128 aluminum
23 pallets valued at approximately \$5,644,800. The Form 7501 falsely
24 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
25 Orders.

26 Overt Act No. 47: On or about May 5, 2014, defendant SHAO
27 caused PCA's customs broker to submit to CBP the Form 7501 for the
28 importation from Dalian Liwang of approximately 8,568 aluminum

1 pallets valued at approximately \$2,998,800. The Form 7501 falsely
2 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
3 Orders.

4 Overt Act No. 48: On or about May 9, 2014, defendant SHAO
5 caused PCA's customs broker to submit to CBP the Form 7501 for the
6 importation from Dalian Liwang of approximately 13,356 aluminum
7 pallets valued at approximately \$4,674,600. The Form 7501 falsely
8 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
9 Orders.

10 Overt Act No. 49: On or about May 19, 2014, defendant SHAO
11 caused PCA's customs broker to submit to CBP the Form 7501 for the
12 importation from Dalian Liwang of approximately 14,364 aluminum
13 pallets valued at approximately \$5,027,400. The Form 7501 falsely
14 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
15 Orders.

16 Overt Act No. 50: On or about May 22, 2014, defendant SHAO
17 caused PCA's customs broker to submit to CBP the Form 7501 for the
18 importation from Dalian Liwang of approximately 4,032 aluminum
19 pallets valued at approximately \$1,411,200. The Form 7501 falsely
20 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
21 Orders.

22 Overt Act No. 51: On or about May 23, 2014, defendant SHAO
23 caused PCA's customs broker to submit to CBP the Form 7501 for the
24 importation from Dalian Liwang of approximately 10,584 aluminum
25 pallets valued at approximately \$3,704,400. The Form 7501 falsely
26 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
27 Orders.

28 Overt Act No. 52: On or about May 28, 2014, defendant SHAO

1 caused PCA's customs broker to submit to CBP the Form 7501 for the
2 importation from Zhongwang China Investment (HK) Limited of
3 approximately 1,530 aluminum pallets valued at approximately
4 \$244,800. The Form 7501 falsely claimed that the aluminum pallets
5 were not subject to the 2011 AD/CVD Orders.

6 Overt Act No. 53: On or about May 30, 2014, defendant SHAO
7 caused PCA's customs broker to submit to CBP the Form 7501 for the
8 importation from Dalian Liwang of approximately 10,584 aluminum
9 pallets valued at approximately \$3,704,400. The Form 7501 falsely
10 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
11 Orders.

12 Overt Act No. 54: On or about June 5, 2014, defendants LIU,
13 CHINA ZHONGWANG, and CHEN caused the transfer of approximately
14 \$999,975 from an account in the name of Rainbow Bright Inc. Limited
15 held in Hong Kong to PCA Account 9191.

16 Overt Act No. 55: On or about June 6, 2014, defendant SHAO
17 caused PCA's customs broker to submit to CBP the Form 7501 for the
18 importation from Dalian Liwang of approximately 6,048 aluminum
19 pallets valued at approximately \$2,116,800. The Form 7501 falsely
20 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
21 Orders.

22 Overt Act No. 56: On or about June 19, 2014, defendant SHAO
23 directed the transfer of approximately \$1,126,080 from PCA Account
24 9191 to an account in the name of Zhongwang China Investment (HK)
25 Limited held in Hong Kong as payment for the purchase of
26 approximately 7,038 aluminum pallets.

27 Overt Act No. 57: On or about June 27, 2014, defendant SHAO
28 caused PCA's customs broker to submit to CBP the Form 7501 for the

1 importation from Dalian Liwang of approximately 10,080 aluminum
2 pallets valued at approximately \$3,528,000. The Form 7501 falsely
3 claimed that the aluminum pallets were not subject to the 2011 AD/CVD
4 Orders.

5 Overt Act No. 58: On or about July 3, 2014, defendants LIU,
6 CHINA ZHONGWANG, and CHEN caused the transfer of approximately
7 \$989,975 from an account in the name of Rainbow Bright Inc. Limited
8 held in Hong Kong to PCA Account 9191.

9 Overt Act No. 59: On or about July 11, 2014, defendant SHAO
10 directed the transfer of approximately \$4,463,359 from PCA Account
11 9191 to an account in the name of Dalian Liwang held in the PRC as
12 payment for the purchase of approximately 12,096 aluminum pallets.

13 Overt Act No. 60: On or about July 16, 2014, defendants LIU,
14 CHINA ZHONGWANG, and CHEN caused the transfer of approximately
15 \$1,539,975 from an account in the name of Grand Famous Trading
16 Limited held in Hong Kong to PCA Account 9191.

17 Overt Act No. 61: On or about July 21, 2014, defendant SHAO
18 directed the transfer of approximately \$8,558,512 from PCA Account
19 9191 to an account in the name of Dalian Liwang held in the PRC as
20 payment for the purchase of aluminum products, including
21 approximately 34,002 aluminum pallets.

22 Overt Act No. 62: On or about July 25, 2014, defendants LIU,
23 CHINA ZHONGWANG, and CHEN caused the transfer of approximately
24 \$1,699,976 from an account in the name of Grand Famous Trading
25 Limited held in Hong Kong to PCA Account 9191.

26 Overt Act No. 63: On or about August 5, 2014, defendants LIU,
27 CHINA ZHONGWANG, and CHEN caused the transfer of approximately
28 \$599,975 from an account in the name of Kun Hong Trade Co., Limited

1 held in Hong Kong to PCA Account 9191.

2 Overt Act No. 64: On or about August 5, 2014, defendants LIU,
3 CHINA ZHONGWANG, and CHEN caused the transfer of approximately
4 \$949,975 from an account in the name of Grand Famous Trading Limited
5 held in Hong Kong to the PCA Account 9191.

6 Overt Act No. 65: On or about August 5, 2014, defendants LIU,
7 CHINA ZHONGWANG, and CHEN caused the transfer of approximately
8 \$1,049,975 from an account in the name of Grand Famous Trading
9 Limited held in Hong Kong to PCA Account 9191.

10 Overt Act No. 66: On or about August 5, 2014, defendants LIU,
11 CHINA ZHONGWANG, and CHEN caused the transfer of approximately
12 \$3,099,975 from an account in the name of Kun Hong Trade Co., Limited
13 held in Hong Kong to PCA Account 9191.

14 Overt Act No. 67: On or about August 5, 2014, defendant SHAO
15 directed the transfer of approximately \$244,800 from PCA Account 9191
16 to an account in the name of Zhongwang China Investment (HK) Limited
17 held in Hong Kong as payment for the purchase of approximately 1,530
18 aluminum pallets.

19 Overt Act No. 68: On or about August 6, 2014, defendant SHAO
20 directed the transfer of approximately \$5,027,807 from PCA Account
21 9191 to an account in the name of Dalian Liwang held in the PRC as
22 payment for the purchase of approximately 13,860 aluminum pallets.

23 Overt Act No. 69: On or about August 20, 2014, defendant SHAO
24 sent an email to an employee of the ZW Group requesting funds for the
25 rent and operational expenses of Aluminum Industrial and CAA.

26 Overt Act No. 70: In or about October 2014, defendants LIU and
27 CHEN caused a total of approximately \$28,899,700 to be transferred
28 from Easy Able International (HK) to a bank account in the name of

1 defendant SCUDERIA DEVELOPMENT.

2 Overt Act No. 71: On or about October 9, 2014, defendants LIU
3 and CHEN caused approximately \$3,099,975 to be transferred from Kun
4 Hong Trade Co. Limited to a bank account in the name of defendant
5 SCUDERIA DEVELOPMENT.

6 Overt Act No. 72: On or about October 10, 2014, defendants LIU
7 and CHEN caused approximately \$1,269,975 to be transferred from Best
8 Earning Trading Limited to a bank account in the name of defendant
9 SCUDERIA DEVELOPMENT.

10 Overt Act No. 73: On or about October 10, 2014, defendants LIU
11 and CHEN caused approximately \$1,389,975 to be transferred from Group
12 Like Limited to a bank account in the name of defendant SCUDERIA
13 DEVELOPMENT.

14 Overt Act No. 74: On or about October 10, 2014, defendants LIU
15 and CHEN caused approximately \$3,199,958 to be transferred from
16 Golden Shield Investment Limited to a bank account in the name of
17 defendant SCUDERIA DEVELOPMENT.

18 Overt Act No. 75: On or about October 14, 2014, defendants LIU
19 and CHEN caused approximately \$639,979 to be transferred from Group
20 Like Limited to a bank account in the name of defendant SCUDERIA
21 DEVELOPMENT.

22 Overt Act No. 76: On or about October 14, 2014, defendants LIU
23 and CHEN caused approximately \$6,499,975 to be transferred from Kun
24 Hong Trade Co., Limited to a bank account in the name of defendant
25 SCUDERIA DEVELOPMENT.

26 Overt Act No. 77: On or about October 17, 2014, defendants LIU
27 and CHEN caused the transfer of approximately \$1,299,975 from an
28 account in the name of Easy Able International (HK) held in Hong Kong

1 to PCA Account 9191.

2 Overt Act No. 78: On or about October 28, 2014, defendant LIU
3 caused defendant SCUDERIA DEVELOPMENT to purchase the Riverside
4 Warehouse for the purpose of stockpiling aluminum.

5 Overt Act No. 79: On or about October 29, 2014, defendant LIU
6 caused defendant SCUDERIA DEVELOPMENT to transfer by means of wire
7 approximately \$42,864,450 to a title company in connection with the
8 purchase of the Riverside Warehouse.

9 Overt Act No. 80: On or about November 25, 2014, CC-1 caused
10 to be filed with the California Secretary of State a PCA Statement of
11 Information indicating that CC-1 had replaced defendant SHAO as the
12 CEO, Secretary, and CFO of PCA. Defendant LIU continued to
13 effectively own and control PCA.

14 Overt Act No. 81: On or about December 8, 2014, at the
15 direction of defendant SHAO, an employee of PCA submitted a funding
16 request to an employee of the ZW Group for the rent and expenses for
17 AAA, Aluminum Industrial, Aluminum Source, and CAA for the period of
18 October 2014 through January 2015.

19 Overt Act No. 82: On or about December 31, 2014, at the
20 direction of defendant LIU, CC-1 caused the PERFECTUS predecessor
21 entities to be merged into defendants PERFECTUS and PERFECTUS
22 ACQUISITIONS. Defendant LIU effectively owned and controlled
23 defendants PERFECTUS and PERFECTUS ACQUISITIONS.

24 Overt Act No. 83: In or about early 2015, defendant SHAO
25 caused Aluminum Shapes to provide to CBP a presentation purportedly
26 from PCA falsely claiming, among other things, that PCA manufactured
27 the aluminum pallets, the pallets were suitable for use in chemical
28 and metal industries, and the pallets had fully-sealed welds.

1 Overt Act No. 84: In or about January 2015, at the direction
2 of defendant LIU, CC-1 purported to transfer ownership of defendant
3 PERFECTUS to a third-party when, in fact, defendant LIU retained
4 control of defendant PERFECTUS.

5 Overt Act No. 85: On or about March 6, 2015, defendant
6 PERFECTUS transferred approximately \$493,308 from Transport Account
7 2058 to an account in the name of Liaoning Zhongwang Import & Export
8 Trade Co., Ltd. held in the PRC, as payment for the purchase of
9 aluminum products.

10 Overt Act No. 86: In or around April 2015, defendant LIU
11 caused defendant CHINA ZHONGWANG to release its 2014 annual report,
12 which stated that sales to the United States accounted for 11.67% of
13 defendant CHINA ZHONGWANG's overall revenue in 2014. Defendant CHINA
14 ZHONGWANG stated that this revenue was the result of defendant CHINA
15 ZHONGWANG's expansion of its production of deep-processed products,
16 namely, aluminum pallets, to meet increasing demand for these
17 products in the United States.

18 Overt Act No. 87: On or about April 6, 2015, defendant
19 PERFECTUS transferred approximately \$1,947,140 from Transport Account
20 2058 to an account in the name of Dalian Liwang held in the PRC as
21 payment for the purchase of aluminum products.

22 Overt Act No. 88: On or about June 4, 2015, defendant SHAO
23 falsely told the IRS that Global Aluminum's creditors were not
24 related to any of its suppliers or manufacturers and that defendant
25 SHAO was not related to the ZW Group or Dalian Liwang.

26 Overt Act No. 89: On or about July 31, 2015, defendant LIU
27 caused defendant CHINA ZHONGWANG to suspend trading of defendant
28 CHINA ZHONGWANG's shares pending the release of defendants CHINA

1 ZHONGWANG and LIU's response to allegations of fraud made against
2 defendants CHINA ZHONGWANG and LIU by a short seller of defendant
3 CHINA ZHONGWANG's shares.

4 Overt Act No. 90: On or about August 12, 2015, defendant LIU
5 caused defendant CHINA ZHONGWANG to resume trading of defendant CHINA
6 ZHONGWANG's shares and issued a specific disclosure responding to the
7 short seller's allegations. In the specific disclosure, defendants
8 CHINA ZHONGWANG and LIU stated that the allegations made against
9 defendants LIU and CHINA ZHONGWANG were groundless and contained
10 misrepresentations and false allegations that defendant CHINA
11 ZHONGWANG stated were designed to affect the price of defendant CHINA
12 ZHONGWANG's shares. In this announcement, defendant LIU caused
13 defendant CHINA ZHONGWANG to make material false statements,
14 including the following: (1) except for .04% of its total revenues,
15 all revenue was generated from sales to independent third parties;
16 (2) any stake in PCA and Aluminicaste briefly held by defendant LIU's
17 family had been disposed of to an independent third party; and
18 (3) Dalian Liwang, Qianxiang, and Boruixin were independent third
19 parties.

20 Overt Act No. 91: On or about September 10, 2015, defendant
21 LIU caused defendant CHINA ZHONGWANG to issue a specific disclosure.
22 In this specific disclosure, defendants LIU and CHINA ZHONGWANG made
23 material false statements, including that defendant PERFECTUS, PCA,
24 Aluminicaste, and GVA were third parties independent of defendants
25 LIU and CHINA ZHONGWANG.

26 Overt Act No. 92: In or about 2016, defendants LIU, SHAO, and
27 PERFECTUS exported approximately 6,337 containers of aluminum pallets
28 that were being held at the Irvine, Fontana, Ontario, and Riverside

1 Warehouses to GVA.

2 Overt Act No. 93: In or about April 2016, defendant LIU caused
3 defendant CHINA ZHONGWANG to release its 2015 annual report, which
4 stated that sales to the United States accounted for 11.1% of
5 defendant CHINA ZHONGWANG's overall revenue in 2015.

6 Overt Act No. 94: On or about December 27, 2016, defendant
7 SHAO submitted and caused to be submitted to the U.S. District Court
8 for the Central District of California a declaration falsely stating
9 that the PERFECTUS predecessor entities originally intended to sell
10 or lease the aluminum pallets in the United States, but none were
11 sold due to changes in market conditions and an unsuccessful
12 marketing strategy.

13 Overt Act No. 95: On or about May 12, 2017, defendant LIU
14 caused defendant CHINA ZHONGWANG to issue a specific disclosure. In
15 this disclosure, defendants LIU and CHINA ZHONGWANG falsely stated
16 that defendant CHINA ZHONGWANG's sales to third parties were
17 completed on an arms-length basis and that it had no arrangements
18 with these third parties to finance the purchase of its own products.

19 Overt Act No. 96: On or about September 17, 2017, defendant
20 LIU caused defendant CHINA ZHONGWANG to issue a specific disclosure
21 stating that, after having spoken with defendant LIU, defendant CHINA
22 ZHONGWANG had re-affirmed that defendant LIU did not control and was
23 not the beneficial owner of defendant PERFECTUS.

24 Overt Act No. 97: On or about October 2, 2017, an unindicted
25 co-conspirator and close family member of defendant LIU ("CC-4")
26 signed declarations filed with the U.S. District Court for the
27 Central District Court of California falsely claiming to be the
28 ultimate beneficial owner of the Irvine, Ontario, Fontana, and

1 Riverside Warehouses.

2 Overt Act No. 98: On or about December 12, 2017, defendant
3 CHEN falsely testified in a deposition that defendant CHEN was the
4 ultimate beneficial owner of the Ontario, Irvine, and Fontana
5 Warehouses and that CC-2 was acting on defendant CHEN's behalf.

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COUNTS TWO THROUGH TEN

[18 U.S.C. §§ 1343, 2(a)]

35. The Grand Jury hereby realleges and incorporates by reference paragraphs 1 through 31, 33, and 34 of this Indictment as though fully set forth herein.

A. SCHEME TO DEFRAUD

36. Beginning in or about July 2008 and continuing to at least the date of this Indictment, within the Central District of California, and elsewhere, defendants ZHONGTIAN LIU, also known as ("aka") "Liu Zhongtian," aka "Chairman," aka "Uncle Liu," aka "UL," aka "Big Boss" ("defendant LIU"), CHINA ZHONGWANG HOLDINGS LIMITED, aka "ZW," aka "Mother Ship" ("defendant CHINA ZHONGWANG"), ZHAOHUA CHEN, aka "Chen Zhaohua," aka "Uncle Chen" ("defendant CHEN"), XIANG CHUN SHAO, aka "Johnson Shao" ("defendant SHAO"), defendant PERFECTUS ALUMINIUM INC., aka "Perfectus Aluminum Inc." ("defendant PERFECTUS"), PERFECTUS ALUMINUM ACQUISITIONS, LLC ("defendant PERFECTUS ACQUISITIONS"), SCUDERIA DEVELOPMENT, LLC ("defendant SCUDERIA DEVELOPMENT"), 1001 DOUBLEDAY, LLC ("defendant 1001 DOUBLEDAY"), VON KARMAN - MAIN STREET, LLC ("defendant VON KARMAN - MAIN STREET"), and 10681 PRODUCTION AVENUE, LLC ("defendant 10681 PRODUCTION AVENUE"), and others known and unknown to the Grand Jury, aiding and abetting each another, knowingly and with intent to defraud, devised, participated in, executed, and attempted to execute a scheme to defraud investors in defendant CHINA ZHONGWANG as to material matters, and to obtain money from such investors by means of material false and fraudulent pretenses, representations, and promises, and the concealment of material facts.

37. The scheme operated, in substance, as set forth in

1 paragraphs 33 and 34 of this Indictment.

2 B. USE OF WIRES

3 38. On or about the following dates, in Los Angeles, Orange,
4 Riverside, and San Bernardino Counties, within the Central District
5 of California, and elsewhere, defendants LIU, CHINA ZHONGWANG, CHEN,
6 SHAO, PERFECTUS, PERFECTUS ACQUISITIONS, SCUDERIA DEVELOPMENT, 1001
7 DOUBLEDAY, VON KARMAN - MAIN STREET, and 10681 PRODUCTION AVENUE, and
8 others known and unknown to the Grand Jury, aiding and abetting each
9 other, for the purpose of executing the above-described scheme to
10 defraud, transmitted and caused the transmission of the following
11 items by means of wire communication in interstate and foreign
12 commerce:

<u>COUNT</u>	<u>DATE</u>	<u>INTERSTATE AND FOREIGN WIRING</u>
TWO	05/13/2014	Email from an employee of the ZW Group, sent by means of interstate and foreign wires, to defendant SHAO in the Central District of California, asking for payment for aluminum.
THREE	06/19/2014	Transfer of approximately \$1,126,080 from PCA Account 9191, by means of interstate and foreign wires, to an account in the name of Zhongwang China Investment (HK) Limited held in Hong Kong.
FOUR	07/11/2014	Transfer of approximately \$4,463,369 from PCA Account 9191, by means of interstate and foreign wires, to an account in the name of Dalian Liwang held in the PRC.
FIVE	07/21/2014	Transfer of approximately \$8,558,512 from PCA Account 9191, by means of interstate and foreign wires, to an account in the name of Dalian Liwang held in the PRC.

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<u>COUNT</u>	<u>DATE</u>	<u>INTERSTATE AND FOREIGN WIRING</u>
SIX	08/05/2014	Transfer of approximately \$244,800 from PCA Account 9191, by means of interstate and foreign wires, to an account held in the name of Zhongwang China Investment (HK) Limited held in Hong Kong.
SEVEN	08/06/2014	Transfer of approximately \$5,027,807 from PCA Account 9191, by means of interstate and foreign wires; to an account in the name of Dalian Liwang held in the PRC.
EIGHT	08/20/2014	Email from defendant SHAO sent, from the Central District of California, by means of interstate and foreign wires, to an employee of ZW Group in the PRC requesting funds for rent and operational expenses of Aluminum Industrial and CAA.
NINE	03/06/2015	Transfer of approximately \$493,308 from Transport Account 2058, by means of interstate and foreign wires, to an account in the name of Liaoning Zhongwang Import & Export Trade Co., Ltd. held in the PRC.
TEN	04/06/2015	Transfer of approximately \$1,947,140 from Transport Account 2058, by means of interstate and foreign wires, to an account Dalian Liwang held in the PRC.

COUNTS ELEVEN THROUGH SEVENTEEN .

[18 U.S.C. §§ 545, 2]

39. The Grand Jury hereby realleges and incorporates by reference paragraphs 1 through 31, 33, and 34 of this Indictment as though fully set forth herein.

40. On or about the dates set forth below, in Los Angeles, Orange, Riverside, and San Bernardino Counties, within the Central District of California, and elsewhere, defendants ZHONGTIAN LIU, also known as ("aka") "Liu Zhongtian," aka "Chairman," aka "Uncle Liu," aka "UL," aka "Big Boss," CHINA ZHONGWANG HOLDINGS LIMITED, aka "ZW," aka "Mother Ship," ZHAOHUA CHEN, aka "Chen Zhaohua," aka "Uncle Chen," XIANG CHUN SHAO, aka "Johnson Shao," defendant PERFECTUS ALUMINIUM INC., aka "Perfectus Aluminum Inc.," PERFECTUS ALUMINUM ACQUISITIONS, LLC, SCUDERIA DEVELOPMENT, LLC, 1001 DOUBLEDAY, LLC, VON KARMAN - MAIN STREET, LLC, and 10681 PRODUCTION AVENUE, LLC, and others known and unknown to the Grand Jury, aiding and abetting each other, knowingly, willfully, and with intent to defraud the United States, made out and passed, and caused to be made out and passed, through a customhouse of the United States, the false and fraudulent documents set forth below, in order to influence the actions of the United States regarding the importation into the United States of aluminum pallets:

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<u>COUNT</u>	<u>DATE</u>	<u>FALSE AND FRAUDULENT DOCUMENT</u>
ELEVEN	05/19/2014	Form 7501, bearing entry number W3303379083, falsely declaring that the 14,364 aluminum pallets from the PRC were not subject to the 2011 AD/CVD Orders.
TWELVE	05/22/2014	Form 7501, bearing entry number W3303379737, falsely declaring that the 4,032 aluminum pallets from the PRC were not subject to the 2011 AD/CVD Orders.
THIRTEEN	05/23/2014	Form 7501, bearing entry number HR702108724, falsely declaring that the 10,584 aluminum pallets from the PRC were not subject to the 2011 AD/CVD Orders.
FOURTEEN	05/28/2014	Form 7501, bearing entry number HR702108708, falsely declaring that the 1,530 aluminum pallets from the PRC were not subject to the 2011 AD/CVD Orders.
FIFTEEN	05/30/2014	Form 7501, bearing entry number W3303381550, falsely declaring that the 10,584 aluminum pallets from the PRC were not subject to the 2011 AD/CVD Orders.
SIXTEEN	06/06/2014	Form 7501, bearing entry number HR702109383, falsely declaring that the 6,048 aluminum pallets from the PRC were not subject to the 2011 AD/CVD Orders.
SEVENTEEN	06/27/2014	Form 7501, bearing entry number W3303385676, falsely declaring that the 10,080 aluminum pallets from the PRC were not subject to the 2011 AD/CVD Orders.

COUNTS EIGHTEEN THROUGH TWENTY-FOUR

[18 U.S.C. §§ 1956(a)(2)(A), 2]

41. The Grand Jury hereby realleges and incorporates by reference paragraphs 1 through 31, 33, and 34 of this Indictment as if fully set forth herein.

42. On or about the dates set forth below, in Los Angeles, Orange, Riverside, and San Bernardino Counties, within the Central District of California, and elsewhere, defendants ZHONGTIAN LIU, also known as ("aka") "Liu Zhongtian," aka "Chairman," aka "Uncle Liu," aka "UL," aka "Big Boss," CHINA ZHONGWANG HOLDINGS LIMITED, aka "ZW," aka "Mother Ship," ZHAOHUA CHEN, aka "Chen Zhaohua," aka "Uncle Chen," XIANG CHUN SHAO, aka "Johnson Shao," defendant PERFECTUS ALUMINIUM INC., aka "Perfectus Aluminum Inc.," and PERFECTUS ALUMINUM ACQUISITIONS, LLC, and others known and unknown to the Grand Jury, aiding and abetting each other, transported, transmitted, and transferred, and attempted to transport, transmit, and transfer, and willfully caused others to transport, transmit, and transfer, and attempt to transport, transmit, and transfer funds to a place in the United States from and through a place outside of the United States, with the intent to promote the carrying on of specified unlawful activity, namely, wire fraud, in violation of Title 18, United States Code, Section 1343, and passing false and fraudulent papers through a customhouse, in violation of Title 18, United States Code, Section 545, through the following transactions:

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<u>COUNT</u>	<u>DATE</u>	<u>TRANSACTION</u>
EIGHTEEN	06/05/2014	Wire transfer of approximately \$999,975 to PCA Account 9191 from an account in the name of Rainbow Bright Inc. Limited held in Hong Kong.
NINETEEN	07/03/2014	Wire transfer of approximately \$989,975 to PCA Account 9191 from an account in the name of Rainbow Bright Inc. Limited held in Hong Kong.
TWENTY	07/16/2014	Wire transfer of approximately \$1,539,975 to PCA Account 9191 from an account in the name of Grand Famous Trading Limited held in Hong Kong.
TWENTY-ONE	07/25/2014	Wire transfer of approximately \$1,699,975 to PCA Account 9191 from an account in the name of Grand Famous Trading Limited held in Hong Kong.
TWENTY-TWO	08/05/2014	Wire transfer of approximately \$599,975 to PCA Account 9191 from an account held in the name of Kun Hong Trade Co., Limited held in Hong Kong.
TWENTY-THREE	08/05/2014	Wire transfer of approximately \$3,099,975 to PCA Account 9191 from an account in the name of Kun Hong Trade Co., Limited held in Hong Kong.
TWENTY-FOUR	10/17/2014	Wire transfer of approximately \$1,299,975 to PCA Account 9191 from an account in the name of Easy Able International (HK) held in Hong Kong.

FORFEITURE ALLEGATION ONE

[18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

1. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is hereby given that the United States of America will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of any defendant's conviction of the offenses set forth in any of Counts One through Ten of this Indictment.

2. Any defendant so convicted shall forfeit to the United States of America the following:

a. all right, title, and interest in any and all property, real or personal, constituting, or derived from, any proceeds traceable to the offenses; and

b. To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), any defendant so convicted shall forfeit substitute property, up to the value of the property described in the preceding paragraph if, as the result of any act or omission of said defendant, the property described in the preceding paragraph or any portion thereof

(a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to, or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.

1 FORFEITURE ALLEGATION TWO

2 [18 U.S.C. §§ 982 and 545]

3 1. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal
4 Procedure, notice is hereby given that the United States of America
5 will seek forfeiture as part of any sentence, pursuant to Title 18,
6 United States Code, Sections 982 and 545, and Title 28, United States
7 Code, Section 2461(c), in the event of any defendant's conviction of
8 the offenses set forth in any of Counts Eleven through Seventeen of
9 this Indictment.

10 2. Any defendant so convicted shall forfeit to the United
11 States the following:

12 (a) All right, title, and interest in any and all property,
13 real or personal constituting, or derived from, any proceeds
14 obtained, directly or indirectly, as a result of each such offense;

15 (b) Any and all merchandise introduced into the United
16 States in violation of Title 18, United States Code, Section 545, or
17 the value thereof; and

18 (c) To the extent such property is not available for
19 forfeiture, a sum of money equal to the total value of the property
20 described in subparagraphs (a) and (b).

21 3. Pursuant to Title 21, United States Code, Section 853(p),
22 as incorporated by Title 18, United States Code, Section 982(b) and
23 Title 28, United States Code, Section 2461(c), any defendant so
24 convicted shall forfeit substitute property, up to the total value of
25 the property described in the preceding paragraph if, as the result
26 of any act or omission of said defendant, the property described in
27 the preceding paragraph, or any portion thereof: (a) cannot be
28 located upon the exercise of due diligence; (b) has been transferred,

1 sold to or deposited with a third party; (c) has been placed beyond
2 the jurisdiction of the Court; (d) has been substantially diminished
3 in value; or (e) has been commingled with other property that cannot
4 be divided without difficulty.

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1 FORFEITURE ALLEGATION THREE

2 [18 U.S.C. § 982 and 28 U.S.C. § 2461(c)]

3 1. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal
4 Procedure, notice is hereby given that the United States will seek
5 forfeiture as part of any sentence, pursuant to Title 18, United
6 States Code, Section 982(a)(1) and Title 28, United States Code,
7 Section 2461(c), in the event of any defendant's conviction of the
8 offenses set forth in any of Counts Eighteen through Twenty-Four of
9 this Indictment.

10 2. Any defendant so convicted shall forfeit to the United
11 States of America the following:

12 (a) Any property, real or personal, involved in such
13 offense, and any property traceable to such property; and

14 (b) To the extent such property is not available for
15 forfeiture, a sum of money equal to the total value of the property
16 described in subparagraph (a).

17 3. Pursuant to Title 21, United States Code, Section 853(p),
18 as incorporated by Title 18, United States Code, Section 982(b)(1),
19 and Title 18, United States Code, Section 982(b)(2), any defendant so
20 convicted shall forfeit substitute property, if, by any act or
21 omission of said defendant, the property described in the preceding
22 paragraph, or any portion thereof: (a) cannot be located upon the
23 exercise of due diligence; (b) has been transferred, sold to, or
24 deposited with a third party; (c) has been placed beyond the
25 jurisdiction of the court; (d) has been substantially diminished in
26 value; or (e) has been commingled with other property that cannot be
27 divided without difficulty. Substitution of assets shall not be
28 ordered, however, where the convicted defendant acted merely as an

1 intermediary who handled but did not retain the property in the
2 course of the money laundering offense unless the defendant, in
3 committing the offense or offenses giving rise to the forfeiture,
4 conducted three or more separate transactions involving a total of
5 \$100,000.00 or more in any twelve-month period.

7 A TRUE BILL

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9 151
10 Foreperson

11 NICOLA T. HANNA
12 United States Attorney

13 

14 LAWRENCE S. MIDDLETON
15 Assistant United States Attorney
16 Chief, Criminal Division

17 RANEE A. KATZENSTEIN
18 Assistant United States Attorney
19 Chief, Major Frauds Section

20 POONAM G. KUMAR
21 Assistant United States Attorney
22 Deputy Chief, Major Frauds Section

23 EDDIE A. JAUREGUI
24 Assistant United States Attorney
25 Major Frauds Section

26 JULIAN L. ANDRÉ
27 Assistant United States Attorney
28 Major Frauds Section