

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-21225

In the Matter of

DALIANG “DAVID” GUO,

Respondent.

**DIVISION OF ENFORCEMENT’S
REPLY IN SUPPORT OF ITS MOTION
FOR SUMMARY DISPOSITION
AGAINST RESPONDENT DALIANG
“DAVID” GUO**

The Division of Enforcement submits this Reply in further support of its Motion for Summary Disposition (“Motion”) against Respondent Daliang “David” Guo. Because, as explained below, Guo’s Opposition does nothing more than attack the outcome of his criminal trial, the Division’s Motion should be granted.

I. Background

The Division filed its Motion on April 19, 2023. On June 26, 2023, the Commission issued an order summarizing the background for his proceeding and deeming a June 1, 2023 submission from Guo to be “his opposition to the Division’s motion for summary disposition.” The Commission further ordered that the Division’s reply would be due July 17, 2023.

Guo’s June 1, 2023 submission consists of dozens of handwritten pages attacking his criminal conviction and sentence in *United States v. Chang, et al.*, No. 2:15-cr-00475-DSF-4 (C.D. Cal.), which was based on the same conduct described in *SEC v. CKB168 Holdings, Ltd., et al.*, No. 13-cv-5584 (E.D.N.Y.). Broadly, Guo claims that, in deceiving investors, he relied on information provided by the pyramid scheme’s architects. He contends that he is a “scapegoat,” and that, despite admitting that he collected “\$600,000” (the true figure is much higher), he

“became the biggest victim in this case.” (Page 29 (final page) of “Part 2” of the Guo Reply). More specifically, Guo appears to argue that various purported errors in his criminal trial, including evidentiary rulings and jury instructions, warrant having his conviction and sentence overturned. Among his complaints are that his efforts to conceal his misconduct, which he coordinated with other promoters, should not support a conspiracy conviction. (Page 14 of “Part 1” of the Guo Reply).

II. Argument

As explained in the Division’s Motion, at 4, a respondent cannot use a follow-on proceeding to relitigate previous federal court orders. As a result, Guo’s Reply does not create a genuine dispute of material fact. Guo addresses only his criminal case, in which he was convicted by a jury in federal court for the same conduct at issue in the SEC’s civil case. This follow-on proceeding is not the place to contest the jury’s conclusions. Moreover, Guo does not even attempt to contest the Court’s rulings in the civil case granting the Commission’s motion for summary judgment against Guo and imposing injunctions.

The sole question, then, is whether it would be in the public interest for the Commission to impose an associational and penny stock bar on Guo. To make this determination, the Commission weighs such factors as the severity and frequency of a respondent’s misconduct, as well as the degree of his scienter, his acceptance of responsibility and assurances against future violations, the degree of harm to investors, and the standards of conduct in the security industry. (Motion at 4-5, collecting authority). As explained in the Motion, those factors strongly support the Division’s requested relief. (*Id.* at 6-9).

Guo’s Reply only reinforces that conclusion. Not only has Guo failed to address whether the requested bars are in the public interest, but he continues to insist that he is a blameless

“victim” of this fraud. He thus refuses to accept responsibility and provides no assurances against future violations. He also expresses no remorse for his conduct, except to the extent it landed him in prison, and shows no empathy for the victims of this fraud. As the Division explained in the Motion, at 8, Guo’s defiance, heartlessness, and belief that he has done nothing wrong make the requested bars necessary and appropriate. Upon his release from prison, the bars will help prevent Guo from putting investors at further risk.

III. Conclusion

For the foregoing reasons, and for the reasons set forth in its Memorandum in Support of Its Motion, the Division of Enforcement respectfully requests the Commission grant the Motion for Summary Disposition, and impose a permanent associational bar and penny stock bar against Guo under Section 15(b) of the Exchange Act.

Dated: July 8, 2023

Respectfully submitted,

/s/ Devon L. Staren

Devon L. Staren

Daniel J. Maher

U.S. Securities and Exchange Commission

100 F Street, N.E.

Washington, DC 20549

Tel: (202) 551-5346 (Staren)

Tel: (202) 551-4737 (Maher)

StarenD@SEC.gov

MaherD@SEC.gov

Counsel for Division of Enforcement

CERTIFICATE OF SERVICE

I certify that on July 8, 2023, I caused a copy of the forgoing to be mailed by U.S. Postal Service to Respondent David Guo.

/s/ Devon Leppink Staren
Devon Leppink Staren