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March 8, 2026

Mr. William Moreno  
Revere Securities LLC  
560 Lexington Ave, 16th Floor  
New York, NY 10022

Mr. Moreno,

We are writing to request information regarding Revere Securities' underwriting of initial public offerings (IPOS) by Chinese companies. The Chinese Communist Party (CCP) is enabling a systematic assault on American investors through scam centers operated by organized crime networks in the People's Republic of China (PRC) and CCP-aligned nations. These scam centers defraud American households through coordinated "ramp-and-dump" stock manipulation schemes involving Chinese shell companies listed on American exchanges, which your firm appears to facilitate. Bloomberg News estimates that \$16 billion in American wealth has been extracted through these schemes since 2023, with 25% of small-tier Chinese IPOs showing evidence of manipulation.<sup>1</sup>

The scale of this CCP-enabled fraud is staggering. The Federal Bureau of Investigation (FBI) has documented a 300% increase in complaints related to these Chinese stock manipulation schemes.<sup>2</sup> The Department of Justice (DOJ) has secured criminal indictments against ten individuals linked to the PRC, seized over \$214 million in fraudulent proceeds, and obtained a \$37.9 million forfeiture after defendant Ming-Shen Cheng abandoned his claim rather than contest it—tantamount to an admission of guilt.<sup>3</sup> The Securities and Exchange Commission

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<sup>1</sup> Weihua Li, Nicola White, Mathieu Benhamou, and Armand Emamdjomeh, *Wall Street's Stamp of Legitimacy Fuels Suspected Pump-and-Dump Schemes*, *Bloomberg* (Jan. 29, 2026), available at <https://www.bloomberg.com/graphics/2026-wall-street-apparent-pump-and-dump-investor-scam/>.

<sup>2</sup> U.S. Federal Bureau of Investigation, *Fraudsters Target U.S. Stock Investors through Investment Clubs Accessed on Social Media and Messaging Applications* (Jul. 3, 2025), available at <https://www.fbi.gov/investigate/cyber/alerts/2025/fraudsters-target-us-stock-investors-through-investment-clubs-accessed-on-social-media-and-messaging-applications>.

<sup>3</sup> *U.S. v. Cheng et al.*, 1:25-cr-00161 (N.D. Ill. 2025), available at <https://www.justice.gov/usao-ndil/media/1394106/dl?inline>; *United States v. Zhao*, 1:25-cr-00259 (E.D. Va. 2025), available at

(SEC) has issued 12 trading suspensions of Chinese variable interest entity (VIE) companies since September 2025, compared to just two in all of 2024.<sup>4</sup> Charles Schwab has restricted trading in approximately 200 Chinese-linked companies and sent a letter to NASDAQ calling for listing reforms.<sup>5</sup>

The Committee is investigating the role of U.S. financial intermediaries in facilitating these CCP-enabled manipulation schemes. According to Bloomberg, Revere Securities underwrote 40 initial public offerings of Chinese companies since 2020—more than any other firm—of which 12 (30%) subsequently crashed in manipulation patterns<sup>6</sup> Public SEC filings identify Revere as an underwriter for Chinese issuers, including EDHL, RAY, CCTG and others, later associated with suspected manipulation.<sup>7</sup>

A January 2026 FINRA enforcement action against Boustead Securities and Sutter Securities has revealed the precise mechanics of these CCP-enabled schemes, providing the Committee with a detailed roadmap of how PRC stock manipulation operates through U.S. underwriters:<sup>8</sup>

**“Nominee Account” Infrastructure:** Chinese issuers refer dozens of PRC nationals to open brokerage accounts en masse. FINRA documented cases where 10 PRC nationals submitted account forms with virtually identical information—same income ranges, same net worth, same investment objectives, and same risk tolerance—despite all claiming to be “unemployed by personal choice.” These accounts are funded by undisclosed third parties and controlled by hidden PRC principals. Specific examples documented by FINRA include:

- A 22-year-old Chinese student with a claimed net worth of \$300,000 who invested \$2 million after the Chinese issuer’s CEO communicated that “her father decided to increase” the investment;
- A 37-year-old unemployed PRC national with \$0 reported net worth who invested \$100,000;
- A 24-year-old unemployed PRC undergraduate student with no income who claimed \$1.5 million net worth;

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<https://www.justice.gov/criminal/media/1413971/dl>; U.S. v. Funds in the Amount of \$37,905,571.53 Seized from Company Account Number XXX8688 Held in the Name of Ming-Shen-Cheng, No. 25 C 2965 (N.D. Ill. 2025).

<sup>4</sup> Trading Suspensions, U.S. Securities and Exchange Commission, available at <https://www.sec.gov/enforcement-litigation/trading-suspensions#:~:text=Smart%20Digital%20Group%20Limited,16%2C%202021>.

<sup>5</sup> Notice of Filing of Proposed Rule Changes to Modify Certain Initial and Continued Listing Requirements (File No. SR-NASDAQ-2025-068) and to Adopt Additional Initial Listing Criteria for Companies Primarily Operating in China (File No. SR-NASDAQ-2025-069), Charles Schwab & Co., Inc. (Dec. 16, 2025), quoted in Li et al., *Wall Street’s Stamp of Legitimacy Fuels Suspected Pump-and-Dump Schemes*.

<sup>6</sup> Id. at 1.

<sup>7</sup> SEC EDGAR filings.

<sup>8</sup> Financial Industry Regulatory Authority, *Department of Enforcement v. Boustead Securities, LLC, Sutter Securities Incorporated, and Keith Charles Moore*, Proceeding No. 2022075185901 (Jan. 15, 2026).

- An entity that attempted to invest \$4.5-5 million despite having no bank account and a claimed net worth of only \$150,000-\$499,000.<sup>9</sup>

**Coordinated “Aftermarket Support” Manipulation:** FINRA found that underwriters encouraged Chinese issuers to have their referred customers provide “aftermarket support” by placing coordinated limit buy orders at prices above the IPO price. In one documented offering, 31 issuer-referred Chinese customers placed orders to purchase 374,518 shares at prices above the listing price on a single day, using virtually identical order language (orders at \$5.50, \$6.00, \$6.50, and \$7.50). This artificially inflates prices before insiders in the PRC dump their shares on American retail investors.<sup>10</sup>

**WeChat and WhatsApp Coordination:** PRC participants coordinated these schemes using WeChat and WhatsApp messaging applications, including discussions of wire transfers totaling millions of dollars. In one case, three unaffiliated individuals wired \$5 million from the same Hong Kong bank to fund a single entity’s investment in a Chinese IPO. Underwriters received screenshots of WeChat conversations discussing allocations and wire transfers but failed to preserve or review these communications.<sup>11</sup>

**Clearing Firm Warnings Ignored:** One clearing firm, after identifying repeated red flags in Chinese account applications, told the underwriter: “At this time we think it is best to put a hold on opening any accounts for clients who reside in China. As discussed, based on what we have seen lately we are not comfortable with the flow of accounts coming in from China that appear to be related and the source of funds that would ultimately flow through [the clearing firm] in those accounts.”<sup>12</sup>

The pattern across these schemes is striking: Chinese shell companies incorporated in the Cayman Islands are listed on NASDAQ through VIE structures that provide American investors no actual ownership in the underlying Chinese business. Hundreds of millions of shares are issued to anonymous insiders—often through the “nominee account” infrastructure documented by FINRA—immediately before coordinated social media campaigns drive retail investors to purchase the stock. When prices peak, PRC insiders dump their shares in pre-market hours, when ordinary Americans cannot trade, and the stock collapses by 90-99% within hours.<sup>13</sup>

The CCP enables these schemes through four principal mechanisms: (1) refusing law enforcement cooperation with U.S. authorities investigating Chinese nationals; (2) harboring “pig butchering” scam centers that operate openly in China and CCP-aligned nations like

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<sup>9</sup> Id. at ¶¶82-95.

<sup>10</sup> Id. at ¶¶134-140.

<sup>11</sup> Id. at ¶¶ 97-100, 163-167.

<sup>12</sup> Id. at ¶ 126.

<sup>13</sup> U.S. District Attorney’s Office, *Federal Law Enforcement in Chicago Seizes \$214 Million in Alleged “Pump and Dump” Investment Fraud Investigation; Seven Defendants Indicted* (Mar. 21, 2025), available at <https://www.justice.gov/usao-ndil/pr/federal-law-enforcement-chicago-seizes-214-million-alleged-pump-and-dump-investment>.

Cambodia and Myanmar; (3) permitting VIE structures that allow Chinese companies to access U.S. capital markets while denying Americans any actual ownership; and (4) blocking Public Company Accounting Oversight Board (PCAOB) audit access that could expose fraudulent financials.<sup>14</sup>

FINRA has issued multiple warnings specifically about the risks of Chinese IPO fraud that underwriters were obligated to heed:

- **FINRA Regulatory Notice 21-03 (February 2021)** warned about “multiple new customers opening accounts (particularly if they reside overseas and communicate with the firm only through electronic means) who either deposit shares of the same issuer or were introduced by the same individual to the firm.”<sup>15</sup>
- **FINRA’s 2021 Report on Examination and Risk Monitoring** identified as an emerging risk that “certain foreign national and foreign entity nominee accounts appear to have been opened solely to invest in the initial public offerings and subsequent aftermarket trading in one or more exchange-listed issuers based in restricted markets, such as China.”<sup>16</sup>
- **FINRA Regulatory Notice 22-25 (November 2022)** warned of a “heightened threat of fraud” in connection with “small-cap IPOs involving issuers with primary operations in China or other foreign countries” and specifically identified “nominee accounts, primarily accounts opened for foreign nationals” as a key fraud indicator.<sup>17</sup>

Given the documented methods of CCP-enabled manipulation and FINRA’s findings, the Committee requests that Revere Securities provide complete and detailed responses and documents addressing the following questions no later than March 13, 2026. Absent a timely and complete response, the Committee will pursue compulsory process.

### **Definitions and Instructions:**

For purposes of these requests:

- A. “Revere” means Revere Securities LLC, and its parents, subsidiaries, affiliates, predecessors, successors, and assigns, and each of their respective officers, directors,

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<sup>14</sup> DOJ indictments; PCAOB reports on China audit access. U.S. Federal Bureau of Investigation, *Fraudsters Target U.S. Stock Investors through Investment Clubs Accessed on Social Media and Messaging Applications* (Jul. 3, 2025), available at <https://www.fbi.gov/investigate/cyber/alerts/2025/fraudsters-target-us-stock-investors-through-investment-clubs-accessed-on-social-media-and-messaging-applications>.

<sup>15</sup> Financial Industry Regulatory Authority, Regulatory Notice 21-03, 5 (Feb. 10, 2021), available at <https://www.finra.org/sites/default/files/2021-02/Regulatory-Notice-21-03.pdf>.

<sup>16</sup> Financial Industry Regulatory Authority, *2021 Report on Examination and Risk Monitoring Program*, at 7 (Feb 2021), available at <https://www.finra.org/sites/default/files/2021-02/2021-report-finras-examination-risk-monitoring-program.pdf>.

<sup>17</sup> Financial Industry Regulatory Authority, Regulatory Notice 22-25, 1-2 (Nov. 17, 2022), available at <https://www.finra.org/sites/default/files/2022-11/Regulatory-Notice-22-25.pdf>.

partners, employees, agents, contractors, consultants, registered representatives, associated persons, and attorneys, acting or purporting to act on their behalf.

- B. “Chinese issuer,” “Chinese company,” or “China-linked” refers to any issuer that (i) has primary operations, management, assets, employees, or revenue in the People’s Republic of China (“PRC”) or Hong Kong; (ii) is organized or headquartered in the PRC or Hong Kong; or (iii) uses a VIE or similar structure in which a non-PRC holding company (including Cayman Islands or British Virgin Islands entities) relies on contractual arrangements with PRC-based operating companies.
- C. “Offering,” “IPO,” or “initial public offering” means any initial public offering, direct listing, uplisting, or other initial exchange listing transaction for a Chinese issuer for which Revere acted as an underwriter, bookrunner, co-manager, placement agent, financial advisor, or in any syndicate or similar capacity, including any related overallotment/greenshoe, syndicate covering transactions, or stabilization activity.
- D. “Issuer-referred customer/account” means any customer, account holder, beneficial owner, or prospective investor that was referred, introduced, encouraged, directed, or otherwise connected to Revere by (i) an issuer; (ii) any issuer officer, director, employee, shareholder, affiliate, or agent; or (iii) any intermediary, introducer, consultant, promoter, investor-relations firm, placement agent, or other person acting on behalf of (or in coordination with) the issuer, including any instance where the issuer or any such person provided names, contact information, subscription amounts, allocation requests, or similar investor information to Revere.
- E. “Nominee account” means any account opened, funded, or traded in by a person or entity where the true beneficial owner, source of funds, or controlling principal is undisclosed or obscured, including accounts that appear to be funded by third parties, controlled by undisclosed principals, or opened/enrolled as part of a coordinated group for the purpose of participating in an offering and/or aftermarket trading.
- F. “Aftermarket support” means any understanding, instruction, expectation, agreement, or coordination—express or implied—by which persons or accounts place purchase orders, maintain bids, or otherwise trade in a manner intended to support or inflate the post-listing trading price or volume of an issuer’s securities.
- G. “Documents” and “ESI” (electronically stored information) are used in the broadest sense and include all hard-copy and electronic materials, whether stored on Revere systems, personal devices used for business, cloud services, messaging applications, or third-party systems. “Documents” includes without limitation: emails; attachments; calendars; chat and messaging content; texts; direct messages; voice notes; audio messages; call logs; screenshots; photographs; presentations; pitch materials; diligence files; compliance/AML case notes; surveillance alerts and outputs; order/trade blotters; wire

records; databases and spreadsheets; policies; training materials; drafts; and all metadata associated with the foregoing.

- H. “Communications” means any transmission of information in any form, including email, letter, memorandum, text message, instant message, WeChat/WhatsApp/Signal/Telegram messages, Bloomberg chat, Slack, Teams, social media messages, voice notes, and any attachments, screenshots, or files transmitted therewith.
- I. “Identify,” when referring to (i) a person, means to provide the person’s name, title, employer/affiliation, role, and contact information (to the extent known); (ii) an account or customer, means to provide the account number (or a unique account identifier), account type, jurisdiction/residency, date opened, associated representative(s), and (for entities) beneficial owner(s); and (iii) a document, means to provide the date, author/sender, recipients, subject, and document type.
- J. Time Period: Unless otherwise specified, these requests cover the period January 1, 2020, through the date of production. Where requests concern trading activity, order activity, allocations, or funding related to an offering, the relevant period includes at minimum the 30 days before pricing through 90 days after listing (or longer if maintained in the ordinary course of business).
- K. Format of Production: For any request seeking data maintained in spreadsheets, databases, surveillance systems, or other structured repositories, please produce responsive material in native format (e.g., .xlsx/.csv) with all available metadata and any data dictionary sufficient to interpret fields. Do not convert structured data into PDF images.
- L. Third Parties and Agents: These requests include responsive documents and data in the possession, custody, or control of Revere, including materials held by Revere’s clearing firm(s), vendors, contractors, outside consultants, and other agents. If any responsive materials are held by a third party and not produced, please identify the third party and describe the categories of records maintained.
- M. Withholding/Legal Restrictions: If Revere withholds any responsive materials based on any purported privilege or other legal restriction, please provide a privilege log or other description sufficient to identify the nature of the withheld material and the basis for withholding, and produce all non-restricted underlying records. Where any category of material cannot be produced due to a legal prohibition, please state the basis for non-production and produce all responsive information not subject to such restriction.
- N. No Responsive Materials: If Revere contends that no responsive documents exist for any request, please affirmatively state so and describe the steps taken to search for responsive materials, including by identifying the custodians, systems, and repositories searched.

Preservation and Production Instructions: Please immediately take all reasonable steps to preserve documents and electronically stored information (“ESI”) responsive to these requests, including ESI on personal devices and within messaging applications (e.g., WeChat, WhatsApp, Signal, Telegram), whether used on firm-issued or personal phones, and to suspend or prevent deletion (including auto-deletion) of any such responsive materials. Production format, third-party materials, and withholding/privilege requirements are addressed in Paragraphs K–M above.

1. **Due Diligence Policies:** Please produce copies of all documents, records, and materials constituting Revere Securities’ due diligence policies and procedures for underwriting foreign issuers of Financial Securities, including, but not limited to, any specific policies addressing: (a) VIE structures; (b) Cayman Islands incorporated entities; (c) issuers with operations in China or Hong Kong; (d) issuers where insiders own more than 30% of the company; and (e) verification of beneficial ownership.
2. **Issuer-Referred Customers and Allocations:** For each Public Offering by a Chinese company that Revere Securities underwrote since January 1, 2020 (including those identified in public reporting and SEC filings), please provide the following information and documents:

(a) Issuer Referral Lists and Tracking: Produce all documents reflecting the identification, transmission, and tracking of “issuer-referred” customers, including referral lists, spreadsheets, emails, chat messages, or other communications from the issuer, issuer affiliates, or intermediaries transmitting investor names, contact information, expected subscription amounts, or allocation requests; and any internal logs, codes, tags, or designations used by Revere Securities to identify “issuer-referred” accounts.

(b) Identification of Issuer-Referred Accounts: For each offering, identify each issuer-referred customer/account that participated in the offering, including (i) customer name (or unique account identifier if names are withheld), (ii) account number or unique account ID, (iii) account type (natural person/entity), (iv) beneficial owner(s) (for entities), (v) residency/jurisdiction and primary address country, (vi) date account opened, (vii) the Revere Securities representative(s) who handled the account opening and offering participation, and (viii) the person or entity that referred the customer to Revere Securities.

(c) Allocations and Re-Allocations: For each issuer-referred customer/account in each offering, identify the number of shares allocated, the allocation price, the date/time of allocation and any re-allocations, cancellations, or late changes, and produce all allocation memos, syndicate/allocation committee materials, and other documents reflecting the basis for such allocation decisions for issuer-referred customers.

(d) Geographic Concentration: For each offering, identify whether any issuer-referred share recipients were located in mainland China, Hong Kong, Macau, Taiwan, or Southeast Asia, and provide the number and percentage of issuer-referred accounts in each jurisdiction.

(e) **Identity Verification and Know-Your-Customer (KYC):** For issuer-referred customers/accounts, describe the identity verification performed and produce documents sufficient to evaluate Revere Securities' customer identification and due diligence, including account applications, W-8/W-9 documentation, CIP verification results, beneficial ownership forms (for entities), and any enhanced due diligence conducted. This section should include but not be limited to documents obtained and maintained to comply with Department of Treasury regulations applicable to your institution.

(f) **Nominee-Account Indicators and Monitoring:** Produce all documents reflecting any analysis, surveillance, or monitoring of whether issuer-referred accounts exhibited patterns consistent with nominee accounts or undisclosed common control, including internal risk scoring, surveillance alerts, exception reports, compliance case files, escalations, approvals/waivers, and any determinations made.

3. **Nominee Account Red Flags and Escalations:** Produce all documents reflecting any instances in which Revere Securities identified, investigated, monitored, restricted, or escalated red flags that issuer-referred accounts (or other accounts participating in these offerings) may have been nominee accounts controlled by undisclosed principals.
4. **Hong Kong / PRC / Foreign Wire Transfers and Funding Sources:** Produce all documents reflecting funds received from, or transactions facilitated involving, wire transfers or other inbound funding connected to issuer-referred customers (and any entities participating in these offerings) where the originating bank, intermediary bank, or apparent source of funds was located in Hong Kong, the PRC, or any other foreign jurisdiction associated with these offerings.
5. **Regulatory Communications:** Any communications with FINRA, the SEC, DOJ, FBI, or other departments or instrumentalities of the United States government, regarding concerns about Chinese VIE manipulation, nominee accounts, coordinated trading patterns, or any of the specific issuers Revere Securities underwrote. Include all subpoenas, requests for information, or investigative inquiries received.
6. **Declined Offerings:** Any communications about Chinese Company VIE offerings that Revere Securities declined to underwrite since January 1, 2020, and the specific reasons for each declination.
7. **Revenue and Financial Incentives:** Accounting records or their equivalent for fiscal years 2020, 2021, 2022, 2023, 2024, and 2025 showing fees collected by the firm per customer.
8. **Deal Files and Due Diligence Records:** For each offering by a Chinese issuer that Revere Securities underwrote since January 1, 2020, produce all information associated with the underwriting, including engagement letters/mandates, underwriting agreements and amendments/side letters, due diligence checklists, due diligence memoranda, committee approval materials, diligence meeting minutes/notes, communications with

issuer counsel/auditors related to diligence and disclosures, and documents reflecting verification of issuer ownership/insider holdings and beneficial ownership.

9. **Trading Records and Stabilization Activity:** For each offering, produce trading/order records and related trading activity, including (a) orders and executions (with timestamps, order type, limit price, quantity) by issuer-referred accounts for the period beginning 30 days before pricing through 365 days after listing; (b) any Revere Securities proprietary trading, market-making, or stabilization activity in the issuer's securities, including overallotment/greenshoe and syndicate covering transactions; and (c) any surveillance alerts, exception reports, or investigations related to trading in these issuers.
10. **Clearing Firm(s), Vendors, and Account-Opening Restrictions:** Produce contracts, agreements or other documents indicating a business relationship between you and all clearing firms any compliance, archiving, surveillance, or KYC vendors used in connection with these offerings and the relevant accounts, and produce all communications reflecting warnings, restrictions, holds, remediation demands, or other conditions imposed regarding foreign-resident accounts, China-linked offerings, nominee-account concerns, funding patterns, or coordinated trading.

The House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party has broad authority to investigate and submit policy recommendations on countering the economic, technological, security, and ideological threats of the Chinese Communist Party to the United States and allies and partners of the United States under H. Res. 5 Sec. 4(a).

Thank you for your attention to this important matter, and we appreciate your prompt and full reply on or before March 13, 2026. Please direct any questions to Committee staff at 202-997-3664 and 202-225-2489.

Sincerely,



John Moolenaar  
Chairman



Ro Khanna  
Ranking Member

CC:

**The Honorable French Hill**  
Chairman, House Financial Services Committee  
**The Honorable Maxine Waters**  
Ranking Member, House Financial Services Committee