

Note:

My case manager did work in the campo recently. I do not know when he will come. I send my respond first, I will ask him to send you the certification that why I cannot comply with the electronic filing requirements.

The type machine was broken. I have to write with my hand.

Thank you!

Respondent, Daliang Guo TO SEC.

SEC. V. Daliang Guo

Case NO. 13-cv-5584

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1. Background:

I am fifty-nine years old. My friend and family describe me as a kind and thoughtful man; I would make the effort gently remove a spider from my home rather than cause it harm, or purchase a turtle from the local seafood market in order to take it home and set it free. As a devout Buddhist, my deep faith allows me to see the best in people. I'm vegetarian. There is a red heart sign on my ID card for donated organs. Sadly, my earnest nature and eagerness to please combined with my almost youthful naiveté, allow me to be easily manipulated by others. After my criminal case, I have been diagnosed with major depressive disorder with severely mentally ill. I had been in mental hospital for 3 times. I believe United Nations showcased CKB products. Hundreds of media outlets that the products good. The biggest company in China, Alibaba, invested CKB. I believed the founder Santose. She owns a big foundation in U.N. and U.N promote the products of CKB in the worldwide teacher meeting. There were a lot of famous people support CKB. I'm so regret to join the CKB. I just want to do something good for the world. I really didn't know anything inside the CKB.

2. I was not the Top Sales in New York.

I was introduced by John Joe (a manager of a big company in New York) and Jason He (Ph.D degree

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in U.S.A). They earn more real money than me. Jason He get the same title with me. They are good friends of CKB founder before CKB Business and all the meeting and training in U.S.A was arranged by them. SEC did not charge them.

3. About the E-wallet point.

My initial investment was \$30,000. I brought in people, mostly family and friends. Most of the time I was in China taking care my father in the hospital. I couldn't see my father last eyes because my criminal case. I had visit two schools of CKB in China and its give me more confidence.

The real money went to CKB, the virtual E-wallet went to investor. The investor invested the E-wallet point to CKB again and again and earn more E-wallet point and prpt. point. You can earn a lot of E-wallet point even you do not sponsor anybody. Most E-wallet point come from their own investment. The E-wallet point is not real money. It's unfair to use the E-wallet point as real money to punish me. There are still a lot of E-wallet point in many investors back office in the CKB'S computer now. The SEC plus my family member's E-wallet point into my account. Every people believed the CKB would go public and E-wallet point would have high value in future.

3.

During the discovery the defence requested that government provide the back office data. The defence was provided with a drive that purported contained the raw data. But this was virtually inaccessible without the CKB operating system which was in Shern's control, and never provide the master database.

Shern had told Yao Lin: "The Government will never understand the database!"

The Dirt in this case is in the database. We just could use the E-wallet point to buy products to sell to some customers to earn a little money. Nobody could sell a lot of products. Most E-wallet have to invest again and again and earn more and more new E-wallet point. Most name in the program is not real people. That's why we can't find more victims. There was not one victims in my sentence meeting.

My total E-wallet point was about 2.6 million. I learn English in prison. I have no computer skill, I worked in Chinese restaurant before. My income in 2 years totally less 400,000, Most of the money used to return to the customer and business. I got stroke and seizure in prison. My family, my wife, my kids have a lot of disaster now. I can't help them. I'm a really poor man. I need help, mercy and justice.

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4. About My Leadership.

The governments oversimplification of the complex sales network of CKB in the United States has created the misleading impression that I was important people to CKB. I just joined CKB earlier than other people. I was nothing more than a downstream seller of the CKB product.

As we learned at trial, I have no managerial or decision-making authority within CKB. My sales volume was inflated by those who joined after me.

As Wendy Lee observed at trial, there were many different groups or pods each doing "their own thing" to generate sales volume. Many of the sales figures attributed to the E-wallet was based on the virtual valuation generated by Sherrn. A large amount of real money was sent to Compan and CKB use the money to build 5 schools and to buy 9 companies.

The probation office concedes that because of CKB's accounting structure, "loss can not be reasonably determined". (PSR 154). There was no lifestyle presented at trial to establish that I was living lavishly. The opposite to be true. I lived modestly during the relevant. I have no air-condition in the kitchen. The officer in the NY Court know about that.

I object to the 4 level organizer/leader enhancement. Nothing could be more untrue especially given the fact that true master mind behind CKB was never charged with a crime.

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5. About obstruction of Justice Enhancement.

I object to the obstruction of Justice Enhancement. The Probation office contend that my failure to provide CKB back office to SEC amounts to obstruction of justice. It was a limited value because Shern failed to provide the operation system for the back office. It also appears that at the time of the SEC investigation I was frozen out of the back office by Shern. I provided what documents I could. I was not a participant in the months of recovered Wechat (Social Media) conversations between shen, chang, chen and others. It can not be said I knowingly joined in a conspiracy with them. This is especially true that it was shen who was true holder of the back office.

6. About my trail:

At Page 140, in my trail transcription, Ms. Kim, the Government lawyer said: "You will learn that CKB's investors rarely got any money from CKB directly for the commissions in their cash wallet or for the profit."

It's true. I'm also an investor, I also rarely got money from the cash wallet.

Ms. Kim said at Page 334: "Don't think about the company. If there's no Salesman, there would be no sales volume for the company"

The DNA of the CKB in in the CKB's back office — The black box.

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At page 714. Wendy said: "Guo didn't speak English and didn't use computer." "Different team had their own way of doing things." "I had a high title but I was not involved CKB's policy".

At p872, FBI agent said: "I know Guo had upline named John Joa."

At p1027~p1062: My lawyer Browns said: "where is the life style evidence that Guo was power player? why don't we have a witness: 'Guo talk to me, he lied to me' ? FBI agent said: 'I don't know who change of CKB. I don't know where the headquarters are ...'. This is FBI. Is that the type of evidence that we're ... in a criminal case when a man's very life is on the line? — The SEC sat down and talked with Santos, why didn't FBI? ... Guo's SEC testimonial ... , Government has a lot of slicing and cutting and mixing. Can you really trust a case like this, when you are not getting the full information? As the court indicated, we have the best jury system in the world, and the founding father know that power accumulated in hand of prosecutors had the risk of being abused ... If anyone should be arrested, it should be Sherrn. where is the evidence that Guo had secret bank accounts?"

7. About My sentence position From Federal public Defender.

Santos held herself out as an education missionary

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and former UN emissary whose vision was the education of children worldwide. She spoke at CKB events and on online video to her followers and future investors. Her presentations promulgated the myth of CKB as a company whose goal was the education of children based on cultural values central to the community.

Moward Shern was the master of the CKB universe.

I had no Leadership, managerial or Executive Role within CKB. The government makes the unsubstantiated and baseless claim that I was the "the top promoter" at CKB. I was not in direct communication with the founders of CKB. I merely echoed the same CKB mantra which I learned from those who recruited me. (John Joa and Jason Me).

I object to the loss figure of more than \$305 million. Shern developed a sophisticated system to issue reward points and virtual currency in the seller's e-wallet. Many of the sales were discussions about the often inflated value of their virtual wallets. There was no lifestyle evidence presented at trial to establish that I was living lavishly. Again, the opposite appears to be true. I live modestly during the relevant.

I was not a top promoter. Nothing could be more untrue, especially given the fact that the true mastermind behind CKB were never charged with a crime. The defense was provided with a drive that purported contained the

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raw data, but this was virtually inaccessible without the CKB operating system which was in Shern's control and never provided.

Based on the factors under 18 U.S.C. § 3553(a), the defense submits that a sentence of 24-months' imprisonment.

I am deeply remorseful for any harm I has caused others and recognizes that I should have made myself better informed about CKB.

8. About My Evidentiary and Sentencing Hearing.

At page 24: Q: Did the FBI do a forensic evaluation of the metadata in the back office to determine if somehow Howard Shern had manipulated or changed the data that became the content of yours and the SEC's database?

A. (FBI agent): i'm not entirely sure.

page 28. Q. you did not make any specific finding that Mr. Guo had life-style evidence associated with substantial gains; isn't that true?

A. I think he made in one statement that somebody showed up at hotel room with a million dollars in cash. He showed cash in his his youtube videos.

[My explain to my Lawyer and Government many times. Q. Somebody in china have a Group about 40 people

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in china. they collected money from their family member and friends and they have a meeting in the hotel. It's about one million chinese yuan, not dollars. It's about equal about 100 thousands more dollars. they get together to send the money to CKB in Hong Kong and ~~they~~ they can save the transaction fee. we can find in the Government report that a lot of people send money to CKB in group. we will understand this situation from the data base in the CKB office. The real money go to CKB that why just in 2 years they can build up 5 schools in china, Buy a company and created many products and so on.

I showed cash in the youtube videos just about \$2000 in a small white envelope.

FBI had talk to John Joo. He was my upline and he make more money than me. He orgnize all the meeting in New York and Los angeles. I don't know why he had no civil and criminal charge.

P28. Q. what I'm asking you is what did you specifically find in the course of your investigation. Did you go to Mr. Guo's home in New York?

A. I did not, no.

Q. - Did you send an agent to Mr. Guo's home?

A. I don't know wether or not we did.

Q: ...do you recall the testimony at trial

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that a lot of people were trying to inflate the value of their e-wallet so they could convert that evaluation into future stock shares?

A. I'm not sure I understand what you're saying.

Q. Let me ask you a different and perhaps better question. ... the PRPT point system, was generated by Howard Shern out of Hong Kong; isn't that true?

A. I don't know who generated. but this points equated to a cash value when you looked in the back office.

[my explain: The cash value is estimate about the stock share in future] [It's not value at this time].

P32. A. ... you got your own commissions in to your e-wallet which is what they wanted.

[my explain: That's true: Every people use the false name to invest the e-wallet again ~~and~~ and again and earn more and more e-wallet point].

P35. The Court: did you understand it?

The Defendant: there were a lot of errors in the PSR report.

P35-48. Mr. Brown:

the codefendants received a year, two years.

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I think this case is unique. This is not a typical pyramid scheme despite the government's efforts to paint it that way.

It was rooted in education and Chinese culture. It was known as Cyber Kids Best. It promoted character, knowledge, and balance. ... you're going to be doing something good for children and you're going to be educating your community.

... I think perfectly, how Mr. Guo could find himself in a situation where he thinks he's doing something good.

If Mr. Guo is guilty, he's guilty is being a promoter but he's also like everyone else in his situation equally misled by the company itself, Your Honor.

Mr. Guo joined the company earlier in time does not make him more culpable than the people who joined downstream and were engaged in activity that was not foreseeable to him.

So I think that that's one of the ultimate question in a case that's this complex and this layered is how do we determine culpability?

... economic harm. well, what's the loss? what did the victims loss in this case?

We don't have any concrete evidence of direct economic victim loss directly attributable to Mr. Guo.

The government relies on this back office that we got ... that they got directly from Shern but that's of dubious provenance. Your Honor, when Shern is

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on wechat talking with other codefendants about how they're going to manipulate the back office data. Mr. Guo was never a part of those conversations.

There's no lifestyle evidence, there's no concrete independent evidence aside from this dubious, mysterious, black back office that the government is trying to hang its hat on that directly connects Mr. Guo to ill-gotten gains, your Honor.

The government is trying to assign coconspirator liability in a complex, multi-level marketing scheme that ranged from Hong Kong to Canada to Japan to the United States -- the SEC says 65,000. The FBI is saying 10,000 individuals involved.

And the government, the prosecutor, the agent wants to say: well, Mr. Guo, he's responsible for half of all that based on what we determined from the back office.

Howard Shern, after he was held in contempt by the SEC, sent a locked hard drive that didn't contain an operating system. It was just raw data.

Who knows where that raw data came from? We knew that Howard Shern was trying to avoid going in front of the SEC.

The raw data -- and according to the SEC analyst's declaration, there are millions and millions of fields that were part of this -- the content of this information was undigestible.

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So we have this black box that the government is relying on to attribute ~~loss~~^{Gain} to my client.

This is from Shern himself, the main architect of this entire worldwide fraud who's never been brought to justice.

I think for lack of a better word from my humble perspective.

The government wants a leadership role enhancement. The trial testimony was clear that he had no leadership role.

I think the back office is the Rosetta stone. It's the Rubik's cube. It's the black box. -- the secret to CKB is hidden in the back office, in the true back office.

Where were those funds transferred? Where did all the money go? It went to Shern in Hong Kong. It didn't go to Mr. Guo.

But the back office is really the troubling heart of this case.

... that there issues regarding the e-wallet and whether that was virtual money or how those monies were generated.

... as well as under 3553, the sentence that government is asking for is far, far greater than necessary to further the interests of justice.

Mr. Guo has learned his lesson. He will never do this again.

page 58:

page 54. Mr. Guo: during two years period, I even haven't purchased one new furniture. My family, eight of us, we don't even have a sofa. We have no dining room. In the kitchen, we don't even have an ~~AC~~ A.C. I have a small and broken dining table, not even enough to accommodate my whole family.

We also didn't have the money to hire a babysitter. My wife's ex-husband pays \$3000 per month to raise for the children. I also reported this as part of my CKB income.

↳ In the beginning I was provided with a free civil attorney and she told me if I reported more income, then I can avoid the dreadful ~~new~~ SEC hearing. She said if I speak one thing wrong, I might become mad or end up being in jail.

I feel so sad I trust CKB too much. I have no ability to invest in the company deeper.

9. The issues my direct appeal:

- 1). Insufficiency of the evidence for counts 1, 3, 6-7, 9, 11-12 to sustain convictions;
- 2). Insufficiency of the evidence for count 3 concerning the wire transfer of \$47,000;
- 3). District court incorrectly charged the jury on Pinkerton's requirement;
- 4). District court committed abused its discretion

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in excluding a statement made by co-defendant Tonichen when she was arrested; and

5. District Court erred in imposing 4-level role in the offense enhancement.

10. About My Self-defence on pre-trial report:

Most e-wallet point being repeatedly invested. We can see in the SEC report that Kiki Lin loaned a 180,000 E-wallet point to somebody, she only took back a few pieces of clothing from her friend. The 180,000 E-wallet point can create a large number of fake heads and new E-wallet point and prpt, and to help more people to a higher level. I also lent a lot of virtual E-wallet point to help downlin up grade, but I didn't take anything from anyone else. This is one of the reasons why so few people have lost their money.

The company's commission is issued by virtual E-wallet points. Most of the virtual E-wallet points are returned, loaned, re-invested and so on.

I have only a very small part of the virtual points into real money. It's not enough to maintain basic living and business expenses.

He Guozhi, Pang Xingmin, Ms Hu, Chen Ai Xin have proof letter to my lawyer that I ~~refund~~ refund

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Cash to them. The CKB no refund money after one week. I refund money to many people. That's why I haven't bought a new piece of furniture. I don't have a sofa at home. My wife drives an old car more than 10 years old. ~~any~~ Chang admitted at the trial that he didn't have ~~and~~ contact method with me. What I said to Lee for a few minutes was the basic rule of the company.

I stopped the business after SEC indicted. I always believed the the company would go public in 2014 to solve all problems. When the company has negative news, there is more positive news. Shern said the CKB had passed the Hong Kong government's investigation and everything was fine. CKB ready to go to public.

Lee admitted at the SEC hearing that I rarely answer her phone calls.

The CKB founded the CKBmax Group is because CKB buy ~~a~~ another 9 companies.

So far only one people complained to me for \$1000. There are a lot of CKB member write letter to my lawyer that I am a good people. They just believe the CKB company.

There's a lot of story I want to say. My English no good. I just began to learn English in prison.