

**STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**

TO: Shao Bank
www.shaobank.com

118 Queen's Road Central
Central, Hong Kong

PO Box 4385, 14864917 - COMPANIES HOUSE DEFAULT ADDRESS
Cardiff, CF14 8LH

85 Tottenham Court Road
London, England W1T 4TQ

**DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)**

**CEASE AND DESIST ORDER
(For violations of sections 560, 561, and 562 of the Financial Code)**

The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

1. The Department of Financial Protection and Innovation (Department) regulates the offer and sale of securities in California under the Corporate Securities Law of 1968 (Cal. Corp. Code §§ 25000-25707) (CSL).

2. At all relevant times, Shao Bank was a business entity of unknown type. Shao Bank claimed that it operated under both Shao Limited and Shao Global Future Limited. Shao Bank also claimed to be part of an entity called the Global Future Enterprise Group.

3. Shao Limited is a limited company incorporated in Hong Kong in September 2022, with a purported place of business at 118 Queen's Road Central, Central, Hong Kong.

4. Shao Global Future Limited is a limited company incorporated in the United Kingdom in May 2023, with a registered office address at 85 Tottenham Court Road, London, England W1T 4TQ, and later at PO Box 4385, 14864917 - COMPANIES HOUSE DEFAULT ADDRESS, Cardiff, CF14 8LH.

5. Shao Bank operated the website www.shaobank.com, as well as social media accounts on Telegram (https://t.me/shao_bank), YouTube (<https://www.youtube.com/@shaobank>), LinkedIn

(<https://www.linkedin.com/company/bank-shao>), X (@shaobank), Facebook

(<https://www.facebook.com/shaobank>), and Instagram (<https://www.instagram.com/bankshao>).

6. Beginning at least as early as 2023, Shao Bank offered and sold securities in the form of investment contracts and/or bonds in California through general solicitations on its website.

7. Shao Bank held itself out as a “strictly regulated” “high-tech bank” that was “licensed to legally operate in the areas of lending, securities transactions and raising funds from customers through investments.” The purported purpose of the securities offerings was for Shao Bank to use investor funds to “expand [its] corporate infrastructure,” which Shao Bank claimed would generate returns for investors who purchased its investments.

8. Shao Bank’s website claimed that it offered banking services, accepted deposits, offered mortgage loans, consumer loans, and business loans, and offered insurance policies.

9. Shao Bank further represented that it had a “proven relationship” with the Hong Kong regulatory authorities.

10. In reality, Shao Bank was not a real bank. In fact, on or around March 21, 2023, the Hong Kong Monetary Authority (HKMA) issued an official warning to the public that Shao Bank was not authorized by the HKMA to carry on banking business, or the business of taking deposits, in Hong Kong. On or around June 8, 2023, Hong Kong’s Mandatory Provident Fund Schemes Authority (MPFA) issued a similar public warning that Shao Bank was falsely claiming that it had a relationship with the MPFA.

11. Shao Bank represented that its bonds paid investors “guaranteed returns” of 11.5% per year. The bonds were publicly available to investors in California via Shao Bank’s website: www.shaobank.com.

12. After investors created their accounts on the Shao Bank website, investors could log into their account using their username and password to monitor their purported balance and returns, deposit funds, and request withdrawals.

13. Shao Bank facilitated investor deposits and withdrawals using crypto assets, primarily Tether (USDT) on the TRON network.

14. As part of its solicitation efforts, Shao Bank used a multilevel marketing (MLM) scheme that rewarded promoters for inducing others to purchase Shao Bank's securities. According to this MLM structure, investors were paid a referral commission based on the amount of funds deposited by the investors that they recruited. Investors were also paid an additional referral commission when the investors that they recruited, in turn, recruited new investors.

15. Promoters seeking to take advantage of Shao Bank's referral program created and posted videos to YouTube and posted content on other social media websites to recruit others to invest in Shao Bank.

16. Shao Bank depended on networks of promoters to advertise and offer its securities to prospective investors across the world, including to California residents.

17. In or around May 2024, Shao Bank stopped operating its website and social media profiles, leaving investors without a way to access their accounts or receive information from Shao Bank.

18. The Commissioner has not issued Shao Bank a certificate authorizing it to engage in the banking business in California.

19. The bonds offered by Shao Bank were securities that were neither qualified nor exempt from the qualification requirement under the CSL. The Department has not issued a permit or other form of qualification authorizing Shao Bank to sell these securities in California.

20. In connection with the offer or sale of these securities, Shao Bank made, or caused to be made, untrue statements of material fact and material omissions to investors and potential investors, including but not limited to the following:

- a. falsely representing that its bonds would pay investors guaranteed dividends of 11.5% for three years;
- b. falsely claiming to be a bank;
- c. falsely claiming that it had relationships with regulatory authorities;
- d. holding itself out as a bank, while failing to disclose that it was not authorized to conduct business as a bank in California; and

e. failing to disclose that the offer or sale of Shao Bank's securities is not qualified in California.

Based on the foregoing findings, the Commissioner is of the opinion that Shao Bank solicited or received deposits, or transacted business in the way or manner of a bank without first obtaining a certificate from the Commissioner authorizing it to engage in the banking business in California, in violation of Financial Code section 560.

The Commissioner is of the further opinion that Shao Bank made use of or circulated written words indicating that its business is the business of a bank, or transacted business in a way or manner as to lead the public to believe that its business is that of a bank, without first obtaining a certificate from the Commissioner authorizing it to engage in the banking business in California, in violation of Financial Code section 561.

The Commissioner is of the further opinion that Shao Bank transacted business under a name that contains the word "bank" or acted or advertised in a manner that indicates that its business is the business of a bank, without first obtaining a certificate from the Commissioner authorizing it to engage in the banking business in California, in violation of Financial Code section 562.

Pursuant to Financial Code section 567, Shao Bank is hereby ordered to cease and desist from soliciting or receiving deposits or transacting business in the way or manner of a bank and/or making use of or circulating written words indicating that its business is the business of a bank, or transacting business in a way or manner as to lead the public to believe that its business is that of a bank, and/or transacting business under a name that contains the word "bank" or acting or advertising in a manner that indicates that its business is the business of a bank, without first obtaining a certificate from the Commissioner authorizing it to engage in the banking business in California, or otherwise being exempt.

Based on the foregoing findings, the Commissioner is of the opinion that the securities offered or sold by Shao Bank were subject to qualification under the CSL and have been or are being offered or sold without first being qualified in violation of Corporations Code section 25110.

Pursuant to Corporations Code section 25532, Shao Bank is hereby ordered to desist and refrain from the further offer or sale of securities in California, including but not limited to

1 investment contracts and/or bonds, unless and until the qualification requirements of the CSL have
2 been met.

3 In addition, the Commissioner is of the opinion that Shao Bank offered or sold securities in
4 California by means of oral or written communications which included untrue statements of material
5 facts or omitted to state material facts necessary in order to make the statements made, in the light of
6 the circumstances under which they were made, not misleading, in violation of Corporations Code
7 section 25401.

8 Pursuant to Corporations Code section 25532, Shao Bank is hereby ordered to desist and
9 refrain from offering or selling or buying or offering to buy any security in California, including but
10 not limited to investment contracts and/or bonds, by means of any written or oral communication
11 which includes an untrue statement of a material fact or omits to state a material fact necessary in
12 order to make the statements made, in the light of the circumstances under which they were made, not
13 misleading.

14 Any person who with knowledge directly or indirectly controls and induces another person to
15 violate any provision of the CSL, or knowingly provides substantial assistance to another person to
16 violate any provision of the CSL, is deemed to be in violation of that provision to the same extent as
17 the other person. Cal. Corp. Code § 25403(a) and (b).

18 This Order is necessary, in the public interest, for the protection of investors, and is consistent
19 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

20 Dated: August 13, 2025
21 San Diego, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



22 By _____
23 MARY ANN SMITH
24 Deputy Commissioner
25 Enforcement Division
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