

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10725 / November 4, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19597

In the Matter of

**BETHANY LIOU AND
GOLDEN CALIFORNIA
REGIONAL CENTER, LLC**

Respondents.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 8A OF THE SECURITIES ACT
OF 1933, MAKING FINDINGS, AND
IMPOSING A CEASE-AND-DESIST
ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), against Bethany Liou and Golden California Regional Center, LLC (collectively, “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds¹ that:

Summary

1. Respondents sold to investors at least \$45,000,000 in limited partnership interests in GCRC Cupertino Fund, LP ("Cupertino Fund"). Instead of deploying those funds to the developer in accordance with the Cupertino Fund offering documents, Respondents transferred the investor funds to accounts in Liou's name and then pledged those funds as collateral for a line of credit, thereby violating Section 17(a)(2) of the Securities Act.

Respondents

2. Bethany Liou ("Liou"), 55, is a resident of San Mateo County, California. She is the sole owner and operator of Golden California Regional Center, LLC.

3. Golden California Regional Center, LLC ("Golden California") is a California limited liability company located in Palo Alto, California. Golden California was authorized by the United States Citizenship and Immigration Services to serve as an approved regional center under the EB-5 Immigrant Investor Program. During the relevant time period, Golden California was the General Partner of GCRC Cupertino Fund, LP.

Background

4. The United States Congress created the Immigrant Investor Program, also known as the "EB-5 Program," in 1990 to stimulate the U.S. economy through job creation and capital investment by foreign investors. The EB-5 Program is administered by the United States Citizenship and Immigration Services ("USCIS"). The EB-5 Program offers EB-5 visas to foreign individuals who invest \$1 million in a new commercial enterprise that creates or preserves at least 10 full-time jobs for qualifying U.S. workers (or \$500,000 in a new enterprise located in a rural area or an area of high unemployment). A certain number of EB-5 visas are set aside for foreign investors in designated regional centers. A regional center is defined as "any economic unit, public or private, which is involved with the promotion of economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment." 8 C.F.R. § 204.6(e) (2015).

¹ The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

Respondents Sold Partnership Interests in the Cupertino Fund

5. Beginning in July 2016, Respondents offered EB-5 securities in the form of limited partnership interests in the Cupertino Fund. Each partnership unit cost \$500,000, plus up to \$55,000 for an administrative fee. Investors were instructed to pay their \$500,000 investment by wiring funds to an account in the name of GCRC Cupertino Fund, LP (the “Cupertino Account”). Liou had sole and exclusive access to the Cupertino Account. Respondents raised funds from at least 90 investors pursuant to this offering.

Respondents Made Improper Transfers and Encumbrances of Investment Funds

6. According to the Cupertino Fund offering documents, the proceeds of the offering would be used to partially finance the acquisition, development, and operation of a mixed-use residential, commercial, and hotel development in Cupertino, California. Liou never transferred the investment funds to the developer of the Cupertino-based project.

7. Beginning in December 2016, Liou transferred investor funds from the Cupertino Account to a bank account in her name, and later into a securities investment account also in her name. Liou then pledged that investment account as collateral for a line of credit for purposes other than the project identified in the Cupertino Fund offering documents.

8. As a result of the conduct described above, Respondents violated Section 17(a)(2) of the Securities Act, which prohibits a person, in the offer or sale of any securities, from obtaining money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

9. The Commission considered Liou’s meaningful cooperation in determining to accept the Offer.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Golden California’s and Respondent Liou’s Offers.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 8A of the Securities Act, Respondents shall cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) of the Securities Act.

B. Respondents shall pay, jointly and severally, disgorgement of \$49,306,893 and prejudgment interest of \$988,339 to the Securities and Exchange Commission. The staff of the Commission will seek to distribute the money to the Cupertino Fund investors. Payment shall be

made in the following installments: (1) \$48,244,816.15 within ten (10) days of the entry of this Order, (2) \$1,000,000 within one hundred eighty (180) days of the entry of this Order, (3) \$1,000,000 within two hundred seventy (270) days of the entry of this Order, and (4) the remainder within three hundred sixty (360) days of the entry of this Order. Payments shall be applied first to post order interest, which accrues pursuant to SEC Rule of Practice 600. Prior to making the final payment set forth herein, Respondents shall contact the staff of the Commission for the amount due. If Respondents fail to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Golden California and Liou as Respondents in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Melissa R. Hodgman, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5553.

Respondents acknowledge that the Commission is not imposing a civil penalty based upon their cooperation in a Commission investigation and related enforcement action. If at any time following the entry of the Order, the Division of Enforcement ("Division") obtains information indicating that Respondents knowingly provided materially false or misleading information or materials to the Commission, or in a related proceeding, the Division may, at its sole discretion and with prior notice to the Respondents, petition the Commission to reopen this matter and seek an order directing that the Respondents pay a civil money penalty. Respondents may contest by way of defense in any resulting administrative proceeding whether they knowingly provided materially

false or misleading information, but may not: (1) contest the findings in the Order; or (2) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondents, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondents under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondents of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary