



U.S. Securities and Exchange Commission

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 23556 / June 2, 2016

Securities and Exchange Commission v. Charles C. Liu; Xin Wang a/k/a Lisa Wang; Pacific Proton Therapy Regional Center, LLC; Pacific Proton EB-5 Fund, LLC; and Beverly Proton Center, LLC f/k/a Los Angeles County Proton Therapy, LLC, Civil Action No. SA CV 16 - 00974 CJC (AGRx) (C.D. Cal.)

The Securities and Exchange Commission today announced fraud charges and an asset freeze against a husband and wife accused of misusing two-thirds of the money they raised from investors for the purpose of building and operating a new cancer treatment center that would use proton beam radiation to help oncology patients in Southern California.

According to the SEC's complaint unsealed today in federal court in Los Angeles, Charles C. Liu and Xin "Lisa" Wang raised \$27 million for the proton therapy cancer treatment center from 50 investors in China through the EB-5 immigrant investor program. They touted in promotional materials that the project would create more than 4,500 new jobs and have a substantial impact on the local economy while giving foreign investors an opportunity for future U.S. residency. But presently there is no construction at the proposed site after more than 18 months of collecting investments. Liu meanwhile has transferred \$11 million in investor funds to three firms in China and diverted another \$7 million to his and his wife's personal accounts.

In granting the SEC's request to freeze the assets and accounts of Liu, Wang, and related entities, the court's order prohibits them from raising further money from investors or spending remaining funds.

According to the SEC's complaint, one of the websites Liu and Wang have used to promote investments in the cancer center project includes a section entitled "Government Support" with photos of former president George Herbert Walker Bush and former California governor Arnold Schwarzenegger. Their photos are accompanied by what appear to be letters they wrote in support of proton therapy in general rather than the depicted EB-5 project, which had not even been initiated at the time the letters were written.

The SEC's complaint names Liu and Wang along with the companies behind the EB-5 project: Pacific Proton Therapy Regional Center, Pacific Proton EB-5 Fund, and Beverly Proton Center LLC. They are charged with violating antifraud provisions of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5. The

SEC seeks preliminary and permanent injunctions as well as the disgorgement of ill-gotten gains plus interest and penalties.

The SEC's investigation was conducted by Tony Regenstein and Lorraine L. Pearson and supervised by Victoria A. Levin of the Los Angeles office. The SEC's litigation will be led by John Berry. The SEC appreciates the assistance of U.S. Citizenship and Immigration Services.

▶ [SEC Complaint](#)

<http://www.sec.gov/litigation/litreleases/2016/lr23556.htm>