

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
5 Securities Act of Washington by:

6 UC Asset LP;
UCF Asset LLC;
Xianghong Wu,

7 Respondents.

Order No.: S-22-3466-23-SC01

STATEMENT OF CHARGES AND
NOTICE OF INTENT TO
ENTER ORDER TO CEASE AND DESIST,
TO IMPOSE FINES,
AND TO CHARGE COSTS

8 THE STATE OF WASHINGTON TO:

UC Asset LP
UCF Asset LLC
Xianghong Wu

10 **STATEMENT OF CHARGES**

11 Please take notice that the Securities Administrator of the state of Washington has reason to believe
12 that Respondents UC Asset LP, UCF Asset LLC, and Xianghong Wu have each violated the Securities Act
13 of Washington. The Securities Administrator believes those violations justify the entry of an order against
14 Respondents to cease and desist from such violations and to charge costs pursuant to RCW 21.20.390, and to
15 impose fines pursuant to RCW 21.20.395. The Securities Administrator finds as follows:

16 **TENTATIVE FINDINGS OF FACT**

17 **Respondents**

18 1. UC Asset LP is a Delaware limited partnership incorporated in February of 2016, with its
19 principal place of business in Atlanta, Georgia. UC Asset LP invests in real estate for development and
20 redevelopment.

21 2. UCF Asset LLC (“UCF Asset”) is a Georgia domestic limited liability company incorporated
22 in January of 2016. UCF Asset maintains a principal place of business in Atlanta, Georgia. UCF Asset is the
23 general partner of UC Asset LP, responsible for operating and managing the activities of UC Asset LP.

STATEMENT OF CHARGES AND NOTICE
OF INTENT TO ENTER ORDER TO
CEASE AND DESIST, TO IMPOSE FINES,
AND TO CHARGE COSTS

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 3. Xianghong “Larry” Wu (“Wu”) is the founder of UC Asset LP, Member of Majority Interest
2 for UCF Asset, and a resident of Georgia.

3 **Nature of the Conduct**

4 ***Washington Offering***

5 4. In 2017, Xianghong Wu authored a blog, sharing that he was raising money for acquisition of
6 various distressed properties that his team would renovate and then sell.

7 5. On February 8, 2018, UC Asset LP filed a Form 1-A with the United States Securities and
8 Exchange Commission (“SEC”) and subsequently added a URL link to the offering statement on their website.

9 6. In the spring of 2018, based on Wu’s blog postings, Washington resident *T.Z.* emailed UC
10 Asset LP directly and requested additional information regarding its business dealings and investment
11 opportunities.

12 7. On May 28, 2018, in response to his request, *T.Z.* received a response from a UC Asset LP
13 associate, offering to set up a call between *T.Z.* and Wu.

14 8. Sometime between May 28, 2018 and June 14, 2018, *T.Z.* spoke with Wu on the phone about
15 UC Asset LP and its general business plan. Wu pitched *T.Z.* on why Atlanta is superior to the Greater Seattle
16 area to employ the UC Asset LP real estate investment strategy. At the time, there was no set offering price,
17 as UC Asset LP had not yet been qualified by the SEC.

18 9. Subsequent to the phone call, *T.Z.* also interacted with Wu and others, concerning UC Asset
19 LP, on WeChat¹.

20 10. *T.Z.* related the information about UC Asset LP to his wife, the individual that ultimately
21 invested with UC Asset LP.

22
23 ¹ WeChat is a Chinese instant messaging and social media application popular among Chinese language speakers.

1 *Washington Sale*

2 11. On June 14, 2018, the SEC qualified UC Asset LP's offering under Regulation A - Tier 2. UC
3 Asset LP failed to notice file the offering in Washington pursuant to RCW 21.20.327 and as required by WAC
4 460-18A-200—directing that an issuer planning to offer and sell securities in Washington in an offering that
5 is exempt under Regulation A-Tier 2 must notice file at least twenty-one calendar days prior to the initial sale.

6 12. On June 18, 2018, T.Z. received UC Asset LP's subscription agreement via email and reviewed
7 the agreement with his wife and Washington resident, L.Y.

8 13. On the same day, L.Y. signed the Subscription Agreement for the purchase of 75,000 common
9 units of UC Asset LP at \$2.00 per unit for a total purchase price of \$150,000. The agreement was accepted
10 by UCF Asset and signed by Wu.

11 14. On June 22, 2018, L.Y. wired \$150,000 to UC Asset LP, depositing the funds into a Bank of
12 America account.

13 15. On August 22, 2018, UCF Asset, the general partner of UC Asset LP, approved an extension
14 of the UC Asset LP offering period to October 12, 2018, and a reduction of the offering price. Upon approval,
15 UC Asset LP submitted the final, updated Offering Circular to the SEC, with the extended offering period and
16 amended offering price.

17 16. The SEC qualified the final Offering Circular on September 12, 2018. Again, UC Asset LP
18 failed to notice file the offering in Washington.

19 17. The following day, September 13, 2018, L.Y. received (1) the final Offering Circular, (2) the
20 Amended Subscription Agreement, and (3) Amended LP Agreement, from UC Asset LP and UCF Asset.

21 18. On September 15, 2018, after review of the materials, L.Y. signed the new subscription
22 agreement, allowing UC Asset LP to apply the previous payment for an increased number of common shares
23 at the new offering price of \$1.90 per unit.

1 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

2 **CONCLUSIONS OF LAW**

3 1. The offer and/or sale of the common shares of UC Asset LP described above constitute the
4 offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

5 2. UC Asset LP's security offerings are federally covered securities as defined in RCW
6 21.20.005(5).

7 3. UC Asset LP violated RCW 21.20.140, the securities registration section of the Securities Act
8 of Washington, by offering and/or selling securities for which no filing and fee is on file with the Securities
9 Administrator pursuant to RCW 21.20.327 and as required by WAC 460-18A-200.

10 4. UCF Asset violated RCW 21.20.140, the securities registration section of the Securities Act of
11 Washington, by offering and/or selling securities for which no filing and fee is on file with the Securities
12 Administrator pursuant to RCW 21.20.327 and as required by WAC 460-18A-200.

13 5. Wu violated RCW 21.20.040, the licensee registration section of the Securities Act of
14 Washington, by offering and/or selling said securities while not being registered as a securities salesperson in
15 the state of Washington.

16 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

17 Pursuant to RCW 21.20.390(1), and based upon the above Tentative Findings of Fact and Conclusions
18 of Law, the Securities Administrator intends to order that UC Asset LP, UCF Asset, and their agents and
19 employees, each shall cease and desist from violations of RCW 21.20.140, and that Respondent Wu, and their
20 agents and employees, each shall cease and desist from violations of RCW 21.20.040.

21 **NOTICE OF INTENT TO IMPOSE FINES**

22 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,
23 the Securities Administrator intends to order that:

- a. Respondent UC Asset LP shall be liable for and shall pay a fine of \$10,000;
- b. Respondent UCF Asset shall be liable for and shall pay a fine of \$10,000; and
- b. Respondent Wu shall be liable for and shall pay a fine of \$10,000.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents UC Asset LP, UCF Asset, and Wu shall be jointly and severally liable for and shall pay the costs, fees, and other expenses incurred in the administrative investigation and hearing of this matter, in an amount not less than \$2,500.

AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of Chapter 34.05 RCW. Respondents UC Asset LP, UCF Asset, and Wu may each make a written request for a hearing as set forth in the Notice of Opportunity for Hearing accompanying this Order. If a Respondent does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease and desist as to that Respondent, to impose any fines sought against that respondent, and to charge any costs sought against that Respondent.

Signed and Entered this 27th day of February, 2023.

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/s/
William M. Beatty
Securities Administrator

Approved by:

Presented by:

/s/

/s/

Brian Guerard
Chief of Enforcement

Megan Campbell
Financial Legal Examiner

Reviewed by:

/s/

Holly Mack-Kretzler
Financial Legal Examiner Supervisor