

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF BUSINESS OVERSIGHT

4 **TO:** Bing Zhao also known as Bill Zhao
5 2408 Heritage Way
6 Union City, California 94587
7 and
8 Elite Business Group, LLC
9 P.O. Box 2173
10 Fremont, California 94536
11 and
12 2711 Centerville Road, Suite 400
13 Wilmington, Delaware 19808

14 **DESIST AND REFRAIN ORDER**

15 **(For violation of section 25230 of the Corporations Code)**

16 The Commissioner of Business Oversight finds that:

17 1. At all relevant times, Bing Zhao also known as Bill Zhao (Zhao) was a resident of California
18 and formerly did business at the addresses of 3375 Homestead Road, Apt 19, Santa Clara and
19 currently at the address of 2408 Heritage Way, Union City, California. Zhao also did business under
20 the name Elite Business Group, LLC. Elite Business Group, LLC is an entity form unknown, which
21 was represented by Zhao to be a Delaware corporation, with an address of 2711 Centerville Road,
22 Suite 400, Wilmington, Delaware, and a mailing address of P.O. Box 2173, Fremont California. No
23 company by the name Elite Business Group, LLC is currently registered to do business in the State of
24 California according to the records of the California Secretary of State.

25 2. Beginning in or about 2012, Zhao individually and doing business as Elite Business Group,
26 LLC provided services for compensation to persons (clients) that involved the buying and selling of
27 securities on behalf of the client based on Zhao's investment strategies and advice. The clients would
28 provide Zhao their password for their securities account at a registered securities broker dealer which
allowed Zhao to buy and sell securities for the client's account over the internet using the clients'
assets.

3. In exchange for Zhao's services in buying and selling securities using the clients' accounts,
the clients agreed that if Zhao's trades on the client's account earned money during the month, the

1 client would pay Zhao half of the profits earned on the trades. If Zhao's trades lost money, he
2 received no payments from the client, but the client would bear the entire financial loss resulting from
3 the trades made by Zhao. Zhao took no responsibility for the losses caused by his trades and did not
4 refund any money he may have previously been paid by the client for trades that did make money.
5 The high risk leveraged option trading strategies Zhao pursued to attempt to earn big gains in which
6 he would share would sometimes generate profits for a month for which he demanded payment, often
7 in cash. However, over time the high risk trading strategies would usually result in large losses and a
8 loss of most or all of the client's assets in their accounts.

9 4. Neither Zhao, nor Elite Business Group, LLC ever had a valid investment adviser certificate
10 issued by the Department of Business Oversight or the U.S. Securities and Exchange Commission.

11 Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion
12 that Bing Zhao and Elite Business Group, LLC have conducted business as an investment adviser in
13 this state without first applying for and securing from the Commissioner a certificate, then in effect,
14 authorizing them to do so, in violation of section 25230 of the Corporate Securities Law of 1968
15 ("CSL").

16 Pursuant to section 25532 of the CSL, Bing Zhao and Elite Business Group, LLC are hereby
17 ordered to desist and refrain from acting as an investment adviser in the State of California unless and
18 until they have first applied for and secured from the Commissioner a certificate, then in effect,
19 authorizing them to act as an investment adviser.

20 This Order is necessary, in the public interest, for the protection of investors and consistent
21 with the purposes, policies, and provisions of the CSL.

22 Dated: February 12, 2016
23 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

24
25 By _____
26 MARY ANN SMITH
27 Deputy Commissioner
28 Enforcement Division