

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 11289 / June 6, 2024**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 100288 / June 6, 2024**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 4506 / June 6, 2024**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21959**

**In the Matter of**

**HF FOODS GROUP INC.,**

**Respondent.**

**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, 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”) and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against HF Foods Group Inc. (“HF Foods” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) 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 it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds<sup>1</sup> that:

#### Summary

1. These proceedings concern violations of the antifraud and other provisions of the federal securities laws by Respondent HF Foods, a Nevada-based food service distributor to Asian restaurants in the United States, resulting from materially false and misleading disclosures and other fraudulent conduct implemented by its former Chairman and CEO Zhou Min Ni and former CFO Jian Ming "Jonathan" Ni.

2. From August 2018 through 2020, Zhou Min Ni, with the assistance of Jonathan Ni, misappropriated approximately \$3.4 million from HF Foods, through related party transactions and otherwise, for the benefit of himself and his family, including to purchase and maintain a stable of luxury vehicles for the personal use of Zhou Min Ni and his family. Additionally, in anticipation of a 2018 reverse merger between a predecessor entity to HF Foods and a special purpose acquisition company ("SPAC"), Zhou Min Ni and Jonathan Ni schemed to remove \$7.4 million of liabilities from the predecessor company's books by creating a fictitious line of credit in the name of a purported supplier to conceal future repayments on the liabilities. After the reverse merger, pursuant to which HF Foods became a public company, HF Foods converted the line of credit into promissory notes to continue concealing the fraudulent conduct.

3. As a result of the above misconduct, from 2018 to 2020, HF Foods's public filings contained both materially inaccurate financial statements and other false and misleading statements, including materially false statements regarding related party transactions and executive compensation. Zhou Min Ni, as Chairman and CEO of HF Foods, and Jonathan Ni, as CFO of HF Foods, reviewed and signed filings by HF Foods containing materially false and misleading statements.

4. In 2023, after an internal investigation conducted by a Special Investigation Committee of the Board of Directors ("SIC"), HF Foods announced a restatement of financial statements for fiscal years 2019 and 2020. The company further announced that it had determined, based on factual findings made by the SIC, among other things: certain advances to related parties, including payments for luxury cars, did not occur in the normal course of business, and certain payments should have been counted as compensation for the CEO; the purported supplier to which HF Foods extended a line of credit was not a supplier to HF Foods and there is no evidence that funds from the line of credit were provided to the purported supplier (contrary to what had been represented to the public); and payments to another related party were not commensurate with the services provided.

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<sup>1</sup> The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

## **Respondent**

5. HF Foods Group Inc., a Delaware corporation currently headquartered in Las Vegas, Nevada, is a food service distributor to Asian restaurants in the United States. HF Group Holding Corp. (“HF Group”) was founded in 1997 by Zhou Min Ni and his spouse to distribute food primarily to Chinese restaurants. In August 2018, HF Group became an Exchange Act registrant, HF Foods, through a reverse merger with a SPAC.<sup>2</sup> HF Group included its 2016 and 2017 financial statements in SEC filings as part of its reverse merger. Those financial statements were indicated as having been prepared in accordance with Generally Acceptable Accounting Principles (“GAAP”). HF Foods’s common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and trades on the Nasdaq Capital Market. HF Foods’s fiscal year ends on December 31, and it is required to file periodic reports, including Form 10-K, with the Commission pursuant to Section 13(a) of the Exchange Act and related rules thereunder.

## **Related Individuals**

6. Zhou Min Ni, age 55, resides in Greensboro, North Carolina. Zhou Min Ni co-founded HF Group with his spouse in 1997. He served as CEO of HF Group from 1997 until August 2018, then as CEO of HF Foods from August 2018 until his resignation on February 23, 2021. Zhou Min Ni served as Chairman of HF Foods between August 2018 until February 2021.

7. Jian Ming (“Jonathan”) Ni, CPA, age 51, resides in Greensboro, North Carolina. Jonathan Ni was a consultant to HF Foods from 2003 to approximately 2015. He has been a certified public accountant (“CPA”) licensed to practice in the State of North Carolina since January 2014, but this license currently is in retired status. He was the CFO of HF Foods beginning in 2015 and was CFO when it completed the reverse-merger process and became a public company (August 2018). He resigned from his CFO position in April 2019.

## **Background**

8. Zhou Min Ni and his wife founded HF Group in 1997 in Kernersville, North Carolina, providing wholesale food distribution services to Asian restaurant customers. From the beginning, Zhou Min Ni served as the CEO of HF Group, directing the growth of the business. After joining as a consultant in 2003, Jonathan Ni became CFO of HF Group in 2015.

9. Prior to August 2018, HF Group was primarily owned by Zhou Min Ni and his family. In August 2018, HF Group transformed from a private, wholly-owned corporate entity into HF Foods, a publicly-listed company.

10. In the leadup to the company going public, Jonathan Ni and his financial team helped reorganize the company’s financials in response to comments and questions from its auditors, its attorneys, and an external consultant recommended by Atlantic Acquisition.

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<sup>2</sup> A SPAC has no underlying business operations. A SPAC raises capital through an initial public offering for the purpose of using the proceeds to acquire an unidentified private operating company at a later date through a business combination transaction. After the SPAC combines with the private company via a merger transaction, also called the “de-SPAC process,” it continues operating as a public company.

11. As the company transitioned from the private HF Group to the public HF Foods, Zhou Min Ni and Jonathan Ni knew the company needed to change or eliminate at least three financial practices to effectuate a merger and comport with reporting requirements for a publicly listed company. First, Zhou Min Ni and his family had historically used HF Group's funds to buy, maintain, and insure a stable of exotic and luxury cars. The title to these cars was held by an HF Group subsidiary. Second, HF Group offered its employees a staff loan program, through which the company offered employees what it called a guaranteed rate of return on monetary contributions held in an internal company account, which HF Group commingled with the company's general operating fund. Third, HF Group had an ongoing relationship with UGO, a company owned by Zhou Min Ni and his niece, that contracted with HF Group to provide professional services in exchange for payments far in excess of the value of the services provided.

12. Although Zhou Min Ni and Jonathan Ni understood the problems presented by each of these practices, they continued after HF Foods became a public company in August 2018. HF Foods issued public disclosures, signed by Zhou Min Ni and Jonathan Ni, that misled investors about the fraudulent conduct that was ongoing at the company.

### **The Luxury Vehicles Scheme**

13. As a private company, HF Group purchased and leased cars for the personal use of Zhou Min Ni, his wife, and their children, including luxury cars used as "daily drivers" by Zhou Min Ni and his family, as well as exotic sports cars purchased for the personal use of the then-teenage son of Zhou Min Ni. In preparation for the 2018 de-SPAC transaction, Zhou Min Ni and Jonathan Ni commenced a complex scheme to hide the continued funding of luxury and exotic cars for Zhou Min Ni and his family. As set out below, this scheme was executed via a series of related party transactions with entities owned by Zhou Min Ni and his son.

14. Between mid-2017 and early 2018, at Zhou Min Ni's direction, Jonathan Ni established three entities to facilitate the misappropriation of funds from HF Group Holding Corp.: Revolution Industry, Revolution Automotive, and Revolution Property. Revolution Industry, which was owned by Zhou Min Ni's then-teenage son, became a vendor of HF Group which allowed HF Group to transfer funds to it for related party transactions and to fund the lease and purchase of luxury cars for the son. Revolution Automotive, which was co-owned by Zhou Min Ni and his son, held possession of the luxury vehicles and received its operating funds from HF Foods and Revolution Industry.

15. Between August 2018 and 2020, HF Foods made improper payments of approximately \$2.4 million to Revolution Industry and Revolution Automotive. In its public filings between 2018 and 2020, HF Foods represented that these advances occurred in the normal course of business. In reality, the proceeds of these advances were used to maintain and expand the stable of luxury vehicles owned by Revolution Automotive that were ultimately enjoyed by Zhou Min Ni's family. Although certain business transactions between HF Foods and Revolution Industry may have been legitimate, there were additional "advances" and other payments made by HF Foods to Revolution Industry that were forwarded to Revolution Automotive for the sole purpose of making payments for luxury vehicles. In addition, HF Foods made several direct payments to

Revolution Automotive, even though there was no legitimate commercial relationship between HF Foods and Revolution Automotive.

16. Zhou Min Ni, as the then-CEO of HF Group and co-owner of Revolution Industry, knew, or was extremely reckless in not knowing, that the Revolution entities were created to divert funds from HF Foods to maintain and expand the fleet of luxury vehicles for the benefit of his family.

17. Jonathan Ni, as a CPA and the then-CFO of HF Foods, and as a close business associate of Zhou Min Ni and a personal confidante of Zhou Min Ni's son, knew or was extremely reckless in not knowing that the Revolution entities were used to divert funds from HF Foods to maintain and expand the fleet of luxury vehicles for the benefit of Zhou Min Ni's family. Jonathan Ni worked to execute a series of transactions that established the Revolution entities and transferred the vehicles from HF Group to Revolution Automotive. He directed, reviewed, and authorized certain payments made by HF Group and HF Foods to the Revolution entities that were ultimately used to finance, insure, and maintain the vehicles.

18. As a result of this misconduct by Zhou Min Ni and Jonathan Ni, HF Foods made material misstatements in its public filings. For example, HF Foods later concluded as a result of the SIC's investigation and reflected in its January 2023 restatement that it should have recorded these payments to Revolution Industry and Revolution Automotive as compensation expense to Zhou Min Ni and his spouse but did not. These misstatements were material because reasonable investors would have wanted to know that the company's financials were not prepared in accordance with GAAP and that the company was providing advances to a related party that were being used to pay for luxury cars as that would have significantly altered the total mix of information made available. These misstatements occurred in the company's previously filed financial statements that were included in its quarterly report on Form 10-Q for the 2018 third quarter, as well as in quarterly reports on Form 10-Q for the first three quarters of 2019 and 2020, in addition to its annual reports on Form 10-K for fiscal years 2018 and 2019, and in the company's disclosures of Zhou Min Ni's compensation amounts in the company's proxy filings for 2019 and 2020.

### **The Staff Loan Scheme**

19. Prior to the 2018 de-SPAC transaction, HF Group had what it called a "staff loan program" for its employees, other business associates, and relatives. Participants invested in the program by either making cash contributions or by allowing HF Group to withhold funds otherwise due to the participants and were promised a guaranteed rate of interest. HF Group commingled program funds with its general operating funds, and participants were not told how their funds would be used.

20. In anticipation of the 2018 merger, Zhou Min Ni and Jonathan Ni were advised by consultants and auditors that the staff loan program balance should be removed from the company's books. Ultimately, the staff loan program was removed from HF Group's books prior to the 2018 de-SPAC transaction by offsetting the outstanding program balance partially against assets listed on HF Group's books and recording other credits. These accounting entries included

references to Zhou Min Ni assuming the debt “personally.” However, Zhou Min Ni continued to use the company funds in connection with the staff loan program in 2018 even after HF Group became a public company and its books no longer reflected the staff loan program.

21. To conceal that Zhou Min Ni continued to use HF Foods to make payments to program participants, in September 2017, Jonathan Ni created a line of credit between HF Group and a purported supplier of HF Group. This line of credit was converted into a promissory note in February 2018, and then amended in September 2018 and November 2018, to reflect the increasing amount of credit purportedly made available to this purported supplier. HF Foods did not send any funds to this purported supplier under the promissory note agreement. Instead, it appears that Zhou Min Ni paid the participants of the staff loan program out of HF Foods’s cash-on-hand account and, to conceal the payments, recorded them as payments to the purported supplier under the notes.

22. Moreover, to secure the purported business loan to this alleged supplier, in September 2018, Zhou Min Ni and Jonathan Ni misrepresented the nature of the relationship between HF Foods and the supplier to HF Foods’s board of directors, falsely telling the board that the supplier was providing food containers to HF Foods and a loan was necessary to ensure a reliable supply chain of food containers. In its January 2023 restatement, HF Foods disclosed that it had determined that this supplier was never an actual supplier of HF Foods. In September 2019, Zhou Min Ni used his HF Foods stock to pay HF Foods the amounts purportedly owed to it by the supplier under the notes.

23. Zhou Min Ni and Jonathan Ni knew or were extremely reckless in not knowing that the alleged supplier did not actually supply HF Foods with anything, that the supposed transactions between HF Foods and the alleged supplier only existed on paper, and that the only reason that HF Foods’s line of credit and promissory notes with the alleged supplier existed was to remove the staff loan liability from HF Foods’s books. Zhou Min Ni and Jonathan Ni also knew that HF Foods was recording payments to the purported supplier when the money was not going to that company.

24. As a result of this scheme, HF Foods made material misstatements in its public filings, including in its description of the line of credit with the purported supplier. Despite their knowledge of the scheme to conceal the staff loan program, Zhou Min Ni and Jonathan Ni signed HF Foods’s public filings that omitted material information regarding the staff loan program and the true nature of the promissory notes.

### **The UGO Scheme**

25. During the relevant period, UGO, a wholesaler with the same address as HF Foods, was 30% owned by Zhou Min Ni and 70% by his niece. Filings made in connection with the reverse merger, as well as HF Foods’s 2019 and 2020 proxy statements, disclosed that UGO was a related party of HF Group.

26. Beginning in January 2018, HF Group paid UGO \$50,000 per month for “professional services” to create an online shopping portal for HF Group and a mobile application through which HF Group’s customers could place orders. UGO allegedly subcontracted with a

China-based company that was wholly owned by Zhou Min Ni. Some of the payments booked as UGO payments went from HF Group directly to Zhou Min Ni; others went to UGO but then UGO sent the payments either directly to Zhou Min Ni or to one of Zhou Min Ni's companies. These payments continued after HF Group became a publicly listed company, HF Foods. Between August 2018 and February 2021, HF Foods sent approximately \$1 million to UGO for nominal professional services. In its restatement, HF Foods concluded that the amount of money paid to UGO was not commensurate with the services it received from UGO.

27. Zhou Min Ni directly benefited from the UGO scheme. He knew that HF Foods was paying UGO \$50,000 per month, purportedly for creating and maintaining an online shopping portal for HF Foods, and that he directly received a large portion of these monthly payments. Ultimately, following the SIC's investigation, HF Foods concluded that the amounts paid to UGO which were made to Zhou Min Ni or eventually forwarded to him should have been recorded and disclosed as compensation to him.

28. Jonathan Ni facilitated this scheme. For example, in an email dated March 29, 2018, HF Group's Controller told HF Group's Treasurer that Jonathan Ni would speak to her about preparing monthly invoices for UGO, despite the fact that neither Jonathan Ni, nor the Controller, nor the Treasurer were employees of UGO. In March 2018, Jonathan Ni also directed HF Group's finance personnel to reclassify in HF Group's books and records the payments to UGO from "professional fees" to "advertising expense," which helped to avoid further questions about the payments from HF Group's auditors.

29. Zhou Min Ni and Jonathan Ni knew, or were extremely reckless in not knowing, that certain of HF Foods's payments to UGO constituted compensation to Zhou Min Ni. Zhou Min Ni and Jonathan Ni knew that HF Foods was paying UGO \$50,000 per month and that Zhou Min Ni was receiving a large portion of these monthly payments. Zhou Min Ni and Jonathan Ni knew that Zhou Min Ni owned 100% of the Chinese entity that subcontracted with UGO. Zhou Min Ni and Jonathan Ni also knew, or were extremely reckless in not knowing, that Zhou Min Ni had not provided any documentation of expenses that would justify receiving these payments.

30. As a result, HF Foods made material misstatements in its public filings, including its 2019 and 2020 proxy statements, regarding its related party transactions and executive compensation paid to Zhou Min Ni. The proxy statements also included a false assertion which stated that the Board of Directors had analyzed the prices paid to HF Foods's related parties, which would include UGO.

### **Failure to Maintain Adequate Internal Control over Financial Reporting and Disclosure Controls and Procedures**

31. HF Foods failed to maintain adequate internal control over financial reporting ("ICFR") and disclosure controls and procedures ("DCP"). HF Foods has disclosed in its annual reports since its Form 10-K for the reporting period ended December 31, 2018, and in its quarterly reports since its Form 10-Q filed May 15, 2019, that its ICFR and DCP were not effective and identified several material weaknesses. These material weaknesses include "the deficiency in the

ability of [HF Foods’s] in-house accounting professionals to generate financial statements in the form required by applicable SEC requirements.”

32. In 2018, HF Foods hired an external consulting company to provide the company’s management with recommendations for stronger ICFR, including a review of books and records and to highlight weaknesses, if any, in the existing system. However, HF Foods did not correct the existing ICFR deficiencies. Even after HF Foods became an Exchange Act registrant, HF Foods failed to develop adequate ICFR and DCP for the information required to be disclosed in its public filings.

### **HF Foods’s Response to Public Allegations**

33. On March 23, 2020, a financial research company that describes itself as specializing in forensic financial research released a public report (“Report”) that described misappropriation of company funds and accounting irregularities at HF Foods. Specifically, the Report noted that Zhou Min Ni’s son publicly advertised his use of a fleet of luxury cars, which were publicly owned by a subsidiary of HF Foods, and noted the ongoing relationship between HF Foods and Revolution Industry. The Report also noted that over \$1 million in shareholder money had been transferred to UGO from HF Foods, from 2018 through March 2020.

34. On March 25, 2020, HF Foods issued an interim report, signed by Zhou Min Ni, on Form 8-K filed with the Commission that denied the “derogatory assertions” made by the Report and represented that “[HF Foods’s] published financial statements and other public disclosures fairly present, in all material respects, the financial condition and results of operations of the Company, as well as [its] subsidiaries, [its] dealings with related parties, and the compensation of the Company’s executive officers.”

35. HF Foods’s public filing was materially false and misleading because Zhou Min Ni, as then Co-CEO of HF Foods, was aware that many of the allegations made in the Report were true, such as allegations relating to the luxury vehicles and UGO.

### **HF Foods Restates Its Earnings and Acknowledges Material Misstatement**

36. On January 20, 2023, following the SIC’s internal investigation, HF Foods filed an interim report on Form 8-K disclosing that its financial statements for full years 2019 and 2020, and each interim quarterly period for 2019, 2020, and 2021 should not be relied upon due to errors related to, among other things, related party transactions.

37. On January 31, 2023, HF Foods filed an annual report on Form 10-K for the year 2021. In this document, HF Foods restated its financial statements from 2019 and 2020 and certain 2018 financial information and provided a public update as to the investigation that had been conducted by the SIC. Specifically, the SIC found: (a) Zhou Min Ni and members of his family received undisclosed compensation from transactions with related parties that had been excluded from previously filed proxy statements; (b) certain advances made by HF Foods to Revolution Industry, in particular, payments for luxury cars, “did not occur in the normal course of business” and “should be accounted as compensation expense” because Revolution Industry and Revolution



Automotive “were used to obtain funds which paid for luxury cars for the benefit of the Ni family”; (c) that the alleged supplier in the staff loan program scheme was not a supplier to the company and that there was no evidence that funds were ever provided to the alleged supplier; the notes receivable were not provided in the ordinary course of business; and the notes receivable appeared to have benefited the CEO; and (d) the “marketing services” provided by UGO were not “commensurate to the amounts paid” to UGO from 2018 to 2021.

### **Violations**

38. As a result of the conduct described above, HF Foods violated Section 17(a) of the Securities Act, which prohibits fraudulent conduct in the offer or sale of securities.

39. As a result of the conduct described above, HF Foods violated Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

40. As a result of the conduct described above, HF Foods violated Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11, and 13a-13 thereunder, which require issuers with securities registered under Section 12 of the Exchange Act to file annual, current, and quarterly reports with the Commission containing such information as the Commission’s rules may require, and mandate that periodic reports contain such further material information as may be necessary to make the required statements not misleading.

41. As a result of the conduct described above, HF Foods violated Section 13(b)(2)(A) of the Exchange Act, which requires reporting companies to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of their assets.

42. As a result of the conduct described above, HF Foods violated Section 13(b)(2)(B) of the Exchange Act, which requires issuers with securities registered under Section 12 of the Exchange Act to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that, among other things, transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP.

43. As a result of the conduct described above, HF Foods violated Section 14(a) of the Exchange Act and Rule 14a-9 thereunder. Section 14(a) of the Exchange Act makes it unlawful to solicit any proxy in respect of securities registered under Section 12 of the Exchange Act in contravention of such rules and regulations as the Commission may prescribe. Rule 14a-9 prohibits the use of proxy statements containing materially false or misleading statements or which omits to state any material fact necessary to make the statements made not false or misleading.

44. As a result of the conduct described above, Respondent HF Foods violated Rule 13a-15(a) of the Exchange Act, which requires issuers with a class of securities registered under Section 12 of the Exchange Act to maintain disclosure controls and procedures, and for issuers that were required to file or filed an annual report with the Commission for the prior fiscal year, internal control over financial reporting.

### **HF Foods's Cooperation and Remedial Efforts**

In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by Respondent and cooperation afforded to the Commission staff. Once the Report was published in March 2020, HF Foods's SIC appointed an external counsel to conduct an extensive internal investigation into the allegations made in the Report. The SIC, through its counsel, provided its findings from the investigation to the Commission staff. HF Foods also undertook numerous remedial efforts, including but not limited to removing culpable individuals from the company's management, establishing more thorough DCP and ICFR, and strengthening its internal compliance program. The Company also created a Special Litigation Committee that determined to pursue legal claims against Zhou Min Ni and Jonathan Ni and others, which resulted in a settlement that benefitted the Company.

#### **IV.**

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent HF Foods's Offer.

Accordingly, pursuant to Sections 8A of the Securities Act and Section 21C of the Exchange Act, it is hereby ORDERED that:

- A. Respondent HF Foods cease and desist from committing or causing any violations and any future violations of Sections 17(a) of the Securities Act, and of Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), and 14(a) of the Exchange Act, and Rules 10b-5, 12b-20, 13a-1, 13a-11, 13a-13, 13a-15(a), and 14a-9 thereunder.
- B. Respondent HF Foods shall, within 20 days of the entry of this Order, pay a civil money penalty in the amount of \$3,900,000 to the Securities and Exchange Commission. If timely payment of a civil money penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent 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) Respondent 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 HF Foods as a Respondent 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 Mark Cave, Associate Director, Division of Enforcement, U.S. Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

C. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the penalties referenced in paragraph IV.B above. This Fair Fund may be combined with any fund established for the benefit of harmed investors in *SEC v. Zhou Min Ni, et al.*, No. 1:24-cv-01632 (D.D.C. June 3, 2024). Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

D. Respondent acknowledges that the Commission is not imposing a civil penalty in excess of \$3,900,000 based upon its cooperation in a Commission investigation. If at any time following the entry of the Order, the Division of Enforcement ("Division") obtains information indicating that Respondent 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 Respondent, petition the Commission to reopen this matter and seek an order directing that the Respondent pay an additional civil penalty. Respondent may contest by way of defense in any resulting administrative proceeding whether it 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.

By the Commission.

Vanessa A. Countryman  
Secretary