



## CHINESE BONDHOLDERS GROUP COMPLAINS TO SEC ABOUT LAX ENFORCEMENT AND “DOUBLE STANDARD”

### *Calls SEC and credit rating agencies “silent accomplices” in Chinese bond fraud*

WASHINGTON, DC, Oct. 18 /PRNewswire/ -- Announcement by American Bondholders Foundation -- The head of the American Bondholders Foundation charged in a [complaint](#) filed with the U.S. Securities and Exchange Commission that the People’s Republic of China is defrauding American investors.

The complaint filed by the Tennessee-based group of Chinese bondholders accused the Chinese government of attempting to “perpetrate a deception upon the investing public through omissions of fact (in the form of ‘half-truths’) and the intentional concealment of material facts...”

“The Securities and Exchange Commission has been lax in enforcing disclosure requirements against China,” said ABF President Jonna Z. Bianco.

“If America’s investing public knew and understood the details of the dark history of China and its refusal to pay its debts to Americans, China would not be able get another dime from the American people”.

“Thousands of Americans who invested in pre-1949 bonds to help China at a time when China desperately needed help can now attest to the fact that poisoned pet food and toys are not the only bad things to come out of China. The Chinese government continues to peddle new bonds while refusing to honor bonds issued in the past.

“And the most shameful dimension of all of this is the U.S. Securities and Exchange Commission sits as a silent accomplice while more Americans are exposed to the swindle.”

“The credit rating agencies, Standard and Poor’s, Moody’s and Fitch are clearly aware of China’s defaults, yet turn a blind eye in order to rake in immense profits from China even though giving premium credit rating status to the People’s Republic of China enables the opportunity for more losses to American investors. The rating agencies’ failure to acknowledge China’s default by assigning the truthful ‘Selective Default’ rating classification to the Chinese government (as required by the rating agencies’ own published definitions and rating criteria) reveals the credit rating agencies’ complicity with China in the perpetration of a fraud upon the investing public. Investors have experienced the devastating effects firsthand from similar scandals in the past, including World Com, Enron, and most recently, the sub-prime markets...when will it end?”

The ABF Complaint was addressed to SEC Chairman Christopher Cox and three other officials of the federal agency. It requests that the SEC “hold the People’s Republic of China, their state-owned enterprises, businesses and corporations to the very same policies and procedures, rules and regulations, laws of proper disclosure and reporting requirements that U.S. businesses and corporations are required to adhere to.”

The American Bondholders Foundation, LLC is an organization comprised of U.S. individual owners of Chinese Government full faith and credit bonds issued prior to 1949 and due to mature in 1960, which seeks to require China to abide by settled international law and honor its contractual sovereign obligations to bondholders.

China has refused to make payments to American bondholders even though it settled the claims of British bondholders in 1987.

For a copy of the complete ABF- SEC complaint, please contact:

James Lafferty, Press Secretary  
American Bondholders Foundation, LLC  
2840 Glasscock Road  
Lewisburg, TN 37091  
(931) 359-8781  
(703) 931-2324  
[www.americanbondholdersfoundation.com](http://www.americanbondholdersfoundation.com)  
[www.globalsecuritieswatch.org](http://www.globalsecuritieswatch.org)