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U.S. Court Orders China Businessman Jailed for Defying Court-Appointed Receiver and Judge's Order to Cede Control of the Company to the Receiver

Feb 29, 2016, 19:04 ET from U.S. Court-appointed Receiver for Sino Clean Energy Inc. (<http://www.prnewswire.com/news/u.s.+court-appointed+receiver+for+sino+clean+energy+inc.>)

RENO, Nev. and XI'AN, China, Feb. 29, 2016 /PRNewswire/ -- Sino Clean Energy Inc. (NASDAQ "SCEI") In an unprecedented and potentially ground-breaking ruling to hold a Chinese company accountable for harming investors by going dark on a US public stock exchange, Baowen Ren ("Ren"), the 45 year-old former chairman and CEO of the China-based clean energy company Sino Clean Energy Inc. ("SCEI") was ordered jailed by Nevada State District Judge Bridgett E. Robb after a hearing in Reno, Nevada on February 16, 2016. Judge Robb ordered Ren in criminal contempt and ordered that a bench warrant be issued to imprison Ren for at least 25 days for his contempt and/or bring him before the court to answer for his contempt.

The court further ordered that Ren will be jailed until he releases the corporate seal, otherwise known as the Chop, to the Receiver, Robert W. Seiden, Esq. of The Seiden Group and Confidential Security & Investigations (CSI) in New York. Seiden was appointed receiver in 2014 and has vigorously pursued Ren after repeated attempts to resolve the dispute amicably. Finally, Seiden had his counsel, Foley & Lardner in New York and McDonald Carano Wilson in Nevada, file a motion in Nevada citing multiple violations of the receivership orders that were ignored by Ren. These violations include that Ren illegally transferred shares of SCEI's wholly owned subsidiary, failed to provide financials of SCEI despite repeated promises to do so, failed to schedule an annual meeting and elect new board members, failed to cede control of SCEI and step down as Chairman, failed to turn over the Chop to the Receiver, failed to comply with certain resolutions which hindered the Receiver's seizure and control.

The court's contempt order states that Ren's civil penalty is \$500.00 per day from June 5, 2015. Finally, the court's contempt order holds that Ren's transfer of the shares of SCEI's wholly owned subsidiary was void and of no legal force and effect.

This ruling from a judge in the U.S. holding accountable a foreign businessman for continuously flouting the authority of the U.S. legal system after the company had incorporated in the U.S. and took U.S. investor money, is a profound signal that, despite the geographic divide with China, acts of mismanagement, corruption and fraud that harm shareholders (both in the U.S. and China) will not be tolerated. According to the Receiver, the bench warrant for the arrest of Ren will be transmitted to Interpol in Beijing and request that Chinese authorities assist to arrest Ren in China. China has shown a recent willingness to cooperate with U.S. efforts to hold accountable Chinese citizens who engage in corrupt acts. The China Ministry of Finance and Commerce ("MOFCOM") has assisted Mr. Seiden and his representatives in China in the past year to cajole Ren to engage in constructive settlement talks. China has been collaborating with foreign countries with "Sky Net", established by the Chinese government in 2015 to arrest corrupt officials.

The case in Nevada is *Recker et al v. Sino Clean Energy Inc.*, (CV14-00484, 2nd Judicial District Court).

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