

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

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		Index No. <u>652154/2017</u>
CAIXIN MEDIA COMPANY LTD. and	:	
HU SHULI,	:	
	:	
Plaintiffs,	:	VERIFIED COMPLAINT
	:	
- against -	:	
	:	
GUO WENGUI	:	
a/k/a GUO HAOYUN	:	
a/k/a MILES KWOK	:	
a/k/a KWOK HO WAN	:	
a/k/a KWOK HO	:	
a/k/a GWO WEN GUI	:	
a/k/a GUO WEN-GUI	:	
a/k/a WAN GUE HAOYUN	:	
a/k/a HAOYUN GUO,	:	
	:	
Defendant.	:	
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Plaintiffs Caixin Media Company Ltd (“Caixin”) and Ms. Hu Shuli (“Ms. Hu”) (collectively, “Plaintiffs”), by and through their undersigned counsel, allege upon personal knowledge with respect to themselves and their own acts, and upon information and belief as to all other matters, for their Verified Complaint against Defendant Guo Wengui a/k/a Guo Haoyun a/k/a Miles Kwok a/k/a Kwok Ho Wan a/k/a Kwok Ho a/k/a Gwo Wen Gui a/k/a Guo Wen-Gui a/k/a Wan Gue Haoyun a/k/a Haoyun Guo (“Defendant” or “Guo”):

NATURE OF CLAIMS

1. This action is for injunctive relief and monetary damages to redress repeated acts of defamation committed against Plaintiffs by Guo, who often uses the aliases Guo Haoyun,

Miles Kwok, Kwok Ho Wan, Kwok Ho, Gwo Wen Gui, Guo Wen-Gui, Wan Gue Haoyun, and Haoyun Guo.

2. Guo's unlawful conduct was knowing, malicious, willful and wanton and/or showed a reckless disregard for Plaintiffs' rights, and Guo's conduct has caused, and continues to cause, Plaintiffs disgrace, humiliation, and shame, permanent harm to their professional reputations and to the personal reputation of Ms. Hu, and severe mental anguish and emotional distress to Ms. Hu.

3. Guo has repeatedly publicly published fabricated, false, and offensive statements about Ms. Hu and Caixin on social media platforms such as Twitter and Facebook, asserting that Ms. Hu has, among other things, engaged in an extramarital affair, borne an illegitimate child, stolen user information, extorted opponents, abused drugs, caused her and her alleged partner to have to go to the emergency room for medical treatment, and abused her position at Caixin to further her allegedly illegal activities.

4. All of these statements are completely false and have subjected Ms. Hu and Caixin to humiliation, scorn, and ridicule throughout the world. These statements are particularly harmful to Ms. Hu and to Caixin, the business she founded, because of the cultural sensibilities in China, where she works and is living, and where Caixin is based.

5. In addition, Guo published to Twitter and Facebook Ms. Hu's personal credit card statement, to further embarrass and injure her.

6. Guo's animus toward Plaintiffs stems from an investigative report Caixin published about Guo in March 2015. Caixin's investigative report detailed Guo's conspiracy with corrupt officials during Guo's successful attempt to oust Beijing's deputy mayor.

7. Unhappy with Caixin's reporting, Guo immediately began attacking the professional reputations of Caixin and Ms. Hu, as well as Ms. Hu's personal character, through a barrage of fabricated, false and offensive public statements about them.

8. In 2017, while living in New York City, Guo reignited his campaign of defamatory statements about Caixin and Ms. Hu, by publishing written statements on social media platforms such as Twitter and Facebook.

PARTIES

9. Plaintiff Caixin Media Company Ltd. is incorporated in Beijing, China and has its principal place of business in China. Caixin won the 2011 Shorenstein Journalism Award from Stanford University, as the first recipient of this award in Asia and the first recipient as a team, for its commitment to integrity in journalism, and for its path-breaking role as a leader in establishing an independent media in China.

10. Plaintiff Hu Shuli founded Caixin in 2009 and serves as its Editor in Chief. Ms. Hu is an individual residing in China. Ms. Hu is an internationally recognized journalist. She was a Knight Journalism Fellow at Stanford in 1994. Ms. Hu was awarded the 2003 International Editor of the Year by the World Press Review, and the 2007 Louis Lyons Award for Conscience and Integrity in Journalism by the Nieman Foundation at Harvard University. Ms. Hu was awarded the Missouri Honor Medal for Distinguished Service in Journalism by Missouri School of Journalism in 2012.

11. Defendant Guo Wengui is an individual residing on the 18th floor at 781 Fifth Avenue, New York, New York. Guo has lived at 781 Fifth Avenue since March 6, 2015. Guo uses aliases, including Guo Haoyun, Miles Kwok, Kwok Ho Wan, Kwok Ho, Gwo Wen Gui,

Guo Wen-Gui, Wan Gue Haoyun, and Haoyun Guo. Guo maintains at least one active Twitter account, under the name Miles Kwok.

12. On or about January 9, 2015, Guo moved to New York City where he formed a company called Golden Spring (New York) Ltd., which is registered to do business in New York. Guo is an owner, officer and/or agent of Golden Spring (New York) Ltd. and conducts business through Golden Spring (New York) Ltd. at 767 Fifth Avenue, New York, New York.

JURISDICTION AND VENUE

13. Pursuant to sections 301 and 302 of the CPLR, this court has jurisdiction over Guo because he is a resident of, and regularly conducts business in, New York County, New York State.

14. Pursuant to section 503(a) of the CPLR, venue is proper because Guo resides in New York County and has been actively publishing defamatory statements from his residence in New York City.

FACTS COMMON TO ALL CLAIMS

Background

15. Founded in 2009, Caixin provides financial and business news and information through periodicals, online content, mobile applications, conferences, books, and TV/video programs.

16. In March 2015, Caixin published a report regarding Guo's role in a conspiracy to oust Beijing's deputy mayor. The report detailed several of Guo's business deals, including disputes between Guo and his business rival, head of Founder Group, Li You. The article also reported Guo's plan to video-record the deputy mayor's private sexual activities. Guo had used the video recording to discredit the deputy mayor so that Guo would be able to acquire real estate

development rights to a plaza near the Bird's Nest stadium in the Olympic park in Beijing. Prior to Caixin's report, Guo was a powerful businessman but had maintained a low profile. The Caixin report was the first public scrutiny of his business deals and put him and his companies under spotlight at home and overseas.

**Guo's Willful Campaign to Damage
Caixin and Ms. Hu Through Fabricated, Defamatory Statements**

17. Guo was furious about Caixin's report. On March 29, 2015, he published a diatribe on the official website of one of his companies, Beijing Pangu Investment Co., Ltd., and its social media account, in a public letter to Ms. Hu. His letter and subsequent campaign against Plaintiffs defamed Plaintiffs through false allegations of (1) publishing false stories; (2) engaging in criminal acts; (3) using Caixin's publications and Ms. Hu's media contacts to further Ms. Hu's allegedly illegal activities; (4) engaging in an extramarital affair; (5) participating in sex games; (6) bearing an illegitimate child; and (7) abusing drugs.

18. In recent months, Guo has resumed his campaign of defamatory statements about Caixin and Ms. Hu, by publishing written statements on social media platforms such as Twitter and Facebook. Guo's Twitter account has more than 56,000 followers.

19. On March 28, 2017, at 4:02 PM,¹ Guo stated on Twitter that Caixin conspires with Chinese State Security and steals confidential user information: "Cooperation on spyware between Department of State Security and Caixin.com. Stealing confidential information from users, etc.!" In fact, Caixin has never conspired with State Security, nor has it ever stolen users' confidential information.

20. On March 28, 2017, at 4:02 PM, Guo admitted he was aware that his statements were inaccurate, stating on Twitter that he would post more details about Ms. Hu and would

¹ All times referenced are Eastern Daylight Time, unless otherwise noted.

“make sure that *everything will be more exciting than the real thing!* The wealth of Ms. Hu. Her sex life and complex relationships with officials. Private conversations have been recorded in the United States and elsewhere.” (emphasis added)

21. On March 29, 2017 at 12:33 AM, Guo claimed on Facebook that he would reveal details of a striking conspiracy involving Ms. Hu, including Ms. Hu’s wealth, sexual life, complicated relationships with multiple officials, massive recordings of private conversations, and the cooperation between Caixin.com and the National Security Department about espionage software to steal users’ information. Neither Caixin nor Ms. Hu have ever been involved in any conspiracy, nor have they ever used any spying software. Caixin and Ms. Hu have also never stolen users’ private information.

22. On April 5, 2017 at 11:37 PM, Guo publicly stated on Facebook that Ms. Hu was a mistress of Li You. Ms. Hu has never had any sexual relationship with Li You.

23. Guo stated on Twitter on April 9, 2017, at 10:48 AM, that “Ms. Hu Shuli is colluding with the Chinese special investigating unit and framing nasty facts.” In fact, Ms. Hu has not ever colluded with any Chinese special investigating unit, and Caixin has accurately reported facts.

24. Guo stated on Twitter on April 9, 2017, at 10:48 AM, that “Caixin has become Ms. Hu Shuli’s tool to extort opponents who are good people.” In fact, Ms. Hu and Caixin have never extorted anyone.

25. On April 9, 2017, at 8:38 AM, Guo threatened to continue to impugn Ms. Hu’s character, stating on Twitter, “Does Ms. Hu know that we would expose her sex games with Li You in a hotel?... the video of them two being rushed to the hospital. Such panic?”

26. On April 9, 2017, at 10:48 AM, Guo stated on Twitter that “Ms. Hu Shuli maligned and framed me in her report because she found out that I would reveal to the public that she and Li You were at the Lakeview Hotel excessively consuming fur seal and playing sex abuse games that resulted in the publicized video and information of both of them being rushed into the hospital for emergency treatment.” Again, Ms. Hu has never had any sexual relationship with Li You, nor has she ever consumed fur seal, a purported aphrodisiac.

27. On April 9, 2017, at 11:27 AM, Guo published an excerpt of a personal credit card statement of Ms. Hu’s, and stated, “This is her personal credit card statement information. This small amount of money she spent did so many things that could not be mentioned. This can be described in detail in future videos. You will definitely be shocked! What pill is worth this value? Let’s all think about it. Hopefully her husband Mr. Miao does not see this. Mr. Ma’s social media friends saw clearly though.” The photograph Guo posted was in fact a photograph of a portion of a credit history document containing private information from Ms. Hu’s bank and credit cards, including payments and addresses.

28. On April 9, 2017 at 3:09 PM, Guo posted to Facebook the same picture of a portion of a credit history document containing private information from Ms. Hu’s bank and credit cards, including payments and addresses.

29. On April 9, 2017, at 3:11 PM, Guo publicly stated on Facebook that “Ms. Hu Shuli slandered and framed me in the report because she learned from the special investigation team that I would reveal to the public that she and Li You were at the Parkyard Hotel excessively consuming fur seal and playing sex abuse games that resulted in the publicized video and information of both of them being rushed into the hospital for emergency treatment.” Caixin’s

report was based on accurate reporting. Ms. Hu has never had any sexual relationship with Li You.

30. On April 10, 2017, at 10:14 PM, Guo claimed on Facebook that he had in his possession a “dark and filthy” video of Ms. Hu and that in the video, Ms. Hu was taking drugs. Ms. Hu has never appeared in any sex videos. Ms. Hu has never taken any illegal drugs.

31. On April 10, 2017, at 10:18 PM, Guo publicly stated on Facebook that “Ms. Hu pretended to be the daughter of the famous Chinese writer Lao She. . . . Ms. Hu pretending to be Lao She’s daughter is a Ponzi Scheme in the field of culture.” Ms. Hu has no blood relationship to Lao She and has never claimed to be his daughter. Moreover, Ms. Hu has never been engaged in any Ponzi scheme.

32. With respect to each of the above false and defamatory statements, Defendant knew that the statements were false or published the statements with reckless disregard as to whether they were true or false.

33. To make matters worse, Guo recently gave interviews in New York City to Mirror Media and Voice of America, in which he has threatened to reveal additional harmful information about Caixin and Ms. Hu.

34. In publishing the above false and misleading statements to the media and the Internet, Defendant reasonably anticipated or knew that republication of these statements in newspapers of national and international circulation, as well as the international circulation provided by the internet, was the natural and probable consequence of this publication.

35. The publication of the above fabricated, defamatory statements to the media and the Internet has caused, and unless restrained, will continue to cause, irreparable injury to the

value and goodwill and business reputation of Caixin as a media organization, as well as to Ms. Hu's business, goodwill, and reputation.

36. Specifically, the publication of the above fabricated, defamatory statements has caused, among other things: (a) numerous people on social media and elsewhere on the Internet to question the professional reputations of Ms. Hu and Caixin; (b) Caixin's advertisers to question or even terminate their relationships with Caixin; and (c) Ms. Hu to suffer from extreme emotional distress, shame, and anxiety.

37. Guo's defamatory statements, and republished versions of those statements, are among the top Internet search results for "Caixin" or "Hu Shuli."

FIRST CAUSE OF ACTION
(Libel *Per Se*)

38. Plaintiffs incorporate by reference all preceding and succeeding paragraphs of this Complaint.

39. Through postings to social media accounts and web sites and various other writings, Guo has falsely and repeatedly claimed that Ms. Hu has engaged in various nefarious actions, including, but not limited to: an extramarital affair, participating in sex games, bearing an illegitimate child, using illegal drugs, stealing user information, extorting opponents, publishing false stories, and defrauding companies. These statements have been read by countless individuals.

40. These statements have damaged Ms. Hu's reputation among a large number of people, and caused them to associate her with sexual depravity and promiscuity, evil tendencies, and criminal behavior. These statements have also caused many individuals to doubt her capabilities as a professional and a journalist.

41. Guo knows these statements are false, or at the very least, he has made these statements with reckless disregard for their truthfulness. Guo has neither authorization nor privilege to make such statements. Guo made these statements with the intent to damage Ms. Hu, her reputation, and her business, and to induce other parties to not conduct business with her.

42. Ms. Hu has suffered extensive damages as a direct result of these false statements, and will continue to suffer irreparable harm as a result of such violations of law for which there is no adequate remedy at law.

43. Through social media and various writings, Guo has falsely claimed that Caixin is guilty of stealing confidential user information, false reporting, and extortion. These written statements have been read by countless individuals.

44. These statements have damaged Caixin's reputation among a large number of people, and caused them to associate the company with bad journalism, evil tendencies, and criminal behavior. These statements have also caused many individuals to doubt Caixin's authenticity as a viable news source.

45. Guo has knowledge these statements are false, or at the very least, he has made these statement with reckless disregard for their truthfulness. Guo has neither authorization nor privilege to make such statements. Guo made these statements with the intent to damage Caixin, its reputation, its business, and to induce other parties to not conduct business with it.

46. Caixin has suffered extensive damages as a direct result of these false statements, and will continue to suffer irreparable harm as a result of such violations of law for which there is no adequate remedy at law.

SECOND CAUSE OF ACTION

(Libel)

47. Plaintiffs incorporate by reference all preceding and succeeding paragraphs of this Complaint.

48. Through social media accounts and various other writings, Guo has falsely and repeatedly claimed that Ms. Hu has engaged in various nefarious actions, including, but not limited to: an extramarital affair, participating in sex games, bearing an illegitimate child, abusing drugs, stealing user information, extorting opponents, publishing false stories, and defrauding companies. These statements have been read by countless individuals.

49. Guo knows these statements are false, or at the very least, he has made these statements with reckless disregard for their truthfulness. Guo has neither authorization nor privilege to make such statements. Guo made these statements with the intent to damage Ms. Hu, her reputation, and her business, and to induce other parties to not conduct business with her.

50. Ms. Hu has suffered extensive damages as described above, including but not limited to extreme emotional distress and injury to her personal and professional reputation, as a direct result of these false statements, and will continue to suffer irreparable harm as a result of such violations of law for which there is no adequate remedy at law.

51. Through social media and various interviews, Guo has falsely claimed that Caixin is guilty of stealing confidential user information, false reporting, and extortion. These written statements have been read by countless individuals.

52. Guo knows these statements are false, or at the very least, he has made these statement with reckless disregard for their truthfulness. Guo has neither authorization nor privilege to make such statements. Guo made these statements with the intent to damage Caixin, its reputation, its business, and to induce other parties to not conduct business with it.

53. Caixin has suffered extensive damages as described above, including but not limited to lost advertising revenue and injury to its professional reputation, as a direct result of these false statements, and will continue to suffer irreparable harm as a result of such violations of law for which there is no adequate remedy at law.

THIRD CAUSE OF ACTION
(Trade Libel)

54. Plaintiffs incorporate by reference all preceding and succeeding paragraphs of this Complaint.

55. Through social media accounts, interviews, and writings, Guo has falsely and repeatedly claimed that Ms. Hu has engaged in various nefarious actions, including, but not limited to: an extramarital affair, participating in sex games, bearing an illegitimate child, using illegal drugs, stealing user information, extorting opponents, publishing false stories, and defrauding companies. These statements have been read, viewed, and heard by countless individuals.

56. Guo knows these statements are false, or at the very least, he has made these statements with reckless disregard for their truthfulness. Guo has neither authorization nor privilege to make such statements. Guo made these statements with the intent to damage Ms. Hu, her reputation, and her business, and to induce other parties to not conduct business with her.

57. These false statements have caused countless readers to question the integrity and authenticity of Ms. Hu and her work at Caixin. Further, these false statements have induced other parties, including advertisers, to not conduct business dealings with Ms. Hu. Ms. Hu has suffered extensive damages as a direct result of these false statements, and will continue to suffer irreparable harm as a result of such violations of law for which there is no adequate remedy at law.

58. Through social media accounts, interviews, and writings, Guo has falsely claimed that Caixin is guilty of stealing confidential user information, false reporting, and extortion. These statements have been read and heard by countless individuals.

59. Guo knows these statements are false, or at the very least, he has made these statement with reckless disregard for their truthfulness. Guo has neither authorization nor privilege to make such statements. Guo has made these statements with the intent to damage Caixin, its reputation, its business, and to induce other parties to not conduct business with it.

60. These false statements have induced countless individuals to no longer subscribe to Caixin as a news source. Further, these false remarks have damaged business relationships for Caixin as potential business partners, including advertisers, and caused them to question the legitimacy of the company and even terminate their relationship with Caixin. Caixin has suffered extensive damages as a direct result of these false statements, and will continue to suffer irreparable harm as a result of such violations of law for which there is no adequate remedy at law.

FOURTH CAUSE OF ACTION
(Intentional Infliction of Emotional Distress)

61. Plaintiffs incorporate by reference all preceding and succeeding paragraphs of this Complaint.

62. Through social media accounts, interviews, and writings, Guo has falsely and repeatedly claimed that Ms. Hu has engaged in various nefarious actions, including, but not limited to: an extramarital affair, participating in sexual games, bearing an illegitimate child, using illegal drugs, stealing user information, extorting opponents, publishing false stories, and defrauding companies. These statements have been read, viewed, and heard by countless individuals.

63. Guo knows these statements are false, or at the very least, he has made these statements with reckless disregard for their truthfulness. His repeated publishing of these false claims regarding Ms. Hu constitutes extreme and outrageous conduct.

64. Guo has made these statements with intent to cause severe emotional distress to Ms. Hu, or, at the least, he has made these statements whilst recklessly disregarding the substantial likelihood that these statements would cause Ms. Hu severe emotional distress. Directly because of these false and outrageous statements, Ms. Hu has experienced at least the following: severe emotional distress, shame, anxiety, emotional pain, suffering, inconvenience, mental anguish, loss of enjoyment of life, and other non-pecuniary losses.

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PRAYER FOR RELIEF

WHEREFORE, Plaintiffs request that judgment against Defendant be entered as follows:

- (1) That this Court temporarily, preliminarily and permanently enjoin Defendant and anyone acting or purporting to act on his behalf from making any of the false and defamatory statements set forth herein, or similar false and defamatory statements involving Plaintiffs;
- (2) That this Court award Plaintiffs compensatory and punitive damages in an amount to be proven at trial;
- (3) That this Court award Plaintiffs the costs and disbursements of this action, including attorneys' fees; and
- (4) That this Court award such other and further relief as seems to be just and proper.

Dated: New York, New York
April 21, 2017

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

By: 

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VERIFICATION

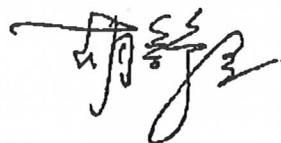
COUNTRY OF CHINA)
DISTRICT OF CHAOYANG) ss:
CITY OF BEIJING)

HU SHULI, being duly sworn, deposes and says:

I am a Plaintiff in the above-entitled action, and pursuant to CPLR 3020 make this verification of the Verified Complaint. I have read the foregoing Verified Complaint and know the contents thereof. The same are true to my knowledge, except as to those matters therein stated to be alleged upon information and belief, and as to those matters I believe them to be true.

To the best of my knowledge, information, and belief, formed after an inquiry reasonable under the circumstances, the presentation of these papers or the contentions therein are not frivolous as defined in Subsection (c) of Section 130-1.1 of the Rules of the Chief Administrative Judge (22 NYCRR).

I, Hu Shuli, pursuant to CPLR 2106(b), affirm this 21 day of April, 2017, under the penalties of perjury under the laws of New York, which may include a fine or imprisonment, that I am physically located outside the geographic boundaries of the United States, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States, that the foregoing is true, and I understand that this document may be filed in an action or proceeding in a court of law.



Hu Shuli

VERIFICATION

COUNTRY OF CHINA)
DISTRICT OF CHAOYANG) ss:
CITY OF BEIJING)

ZHANG XIANG, being duly sworn, deposes and says:

I am Executive President of Caixin Media Company Ltd., a Plaintiff in the above-entitled action, and pursuant to CPLR 3020 make this verification of the Verified Complaint. I have read the foregoing Verified Complaint and know the contents thereof. The same are true to my knowledge, except as to those matters therein stated to be alleged upon information and belief, and as to those matters I believe them to be true.

To the best of my knowledge, information, and belief, formed after an inquiry reasonable under the circumstances, the presentation of these papers or the contentions therein are not frivolous as defined in Subsection (c) of Section 130-1.1 of the Rules of the Chief Administrative Judge (22 NYCRR).

I, Zhang Xiang, pursuant to CPLR 2106(b), affirm this 21 day of April, 2017, under the penalties of perjury under the laws of New York, which may include a fine or imprisonment, that I am physically located outside the geographic boundaries of the United States, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States, that the foregoing is true, and I understand that this document may be filed in an action or proceeding in a court of law.


Zhang Xiang