

**IN THE MATTER OF THE *SECURITIES ACT*
R.S.O. 1990, C. S.5, AS AMENDED**

-AND-

**IN THE MATTER OF
BOYUAN CONSTRUCTION GROUP, INC.**

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Boyuan Construction Group, Inc. (“Boyuan” or the “Company” or the “Respondent”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceeding commenced by Notice of Hearing dated May 30, 2013 (the “proceeding”) against the Respondent according to the terms and conditions set out in Part VI of this Settlement Agreement. The Respondent agrees to the making of an order in the form attached as **Schedule “A”**, based on the facts set out below.

PART III – AGREED FACTS

3. For the purpose of this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts as set out in Part III of this Settlement Agreement.

Overview

4. This proceeding relates to a related party transaction and a loan agreement (the "Transaction") which was entered into by the Respondent in November 2010, in the absence of adequate internal controls and procedures and without consultation with the CFO, other senior officers or the Board of Directors of the Company. This resulted in the Company misleading Staff and the Company's auditors about the Transaction. In particular, the Company provided Staff and the auditors with inaccurate responses and a false document respecting the Transaction, as described further below.

The Respondent

5. The Company was incorporated under the Canada Business Corporations Act on May 4, 2007 as "SND Energy Ltd." On February 24, 2009, the Company changed its name to "Boyuan Construction Group, Inc.".
6. Boyuan has been a reporting issuer whose common shares have been publicly traded on the TSX Venture Exchange and the Toronto Stock Exchange under the symbol "BOY" since February 24, 2009. The Company's operations and management are located in Jiaxing Port, Zhejiang, China. Its primary business is the construction of residential and commercial buildings in China. Boyuan meets the characteristics of an emerging market issuer as referenced in OSC Staff Notice 51-719 *Emerging Markets Issuer Review*.
7. The Transaction was entered into on behalf of the Company by Shou Cai Liang ("Shou"), the founder, Chairman, Chief Executive Officer and President of Boyuan. Shou is a resident of China and, as of November 9, 2012, owned 61.8% of the Company's common shares.

The Related Party Transaction

8. On or about June 5, 2010, the Canada Zhejiang Business Chamber ("CZBC") and its Chairman, Xu Qin, entered into the Investment Cooperation Framework Agreement with the Haining Municipal Government (the "Framework Agreement"). The Framework Agreement related to the development of the Haining Euro-American Industrial Park (the "Haining Project"), which was to be an industrial park in the city of Haining. Xu Qin,

and his son and business partner, Xu Kai (collectively the "Xus"), established Haining Taige Consulting Co. Ltd. ("Taige"), a Chinese company formed to undertake the Haining Project. Taige was a wholly owned subsidiary of Hong Kong Meileduo Industry Limited ("Meileduo"), a Hong Kong incorporated company, which was wholly owned by Xu Qin.

9. The Respondent has represented that in anticipation of meeting the capital requirements associated with the Haining Project, and in conjunction with offering Boyuan the right to be the General Contractor, the Xus asked Shou if Boyuan could provide a short term loan.
10. By agreement dated November 1, 2010, one of Boyuan's Hong Kong subsidiaries, Hong Kong Wealthy Holdings Limited ("HK Wealthy"), entered into a loan agreement with Honsgain Investment Group Limited ("Honsgain") (the "Loan Agreement"). The Loan Agreement was negotiated between Shou and the beneficial owner of Honsgain, Xu Kai, who is a resident of China. The Loan Agreement was for CDN \$7,038,000 and stated that the purpose of the loan was for Honsgain to lend the monies to Meileduo "for such company to invest in its subsidiary Taige" and that the loan could not be used for any other purposes.
11. The Respondent has represented to Staff that on November 8, 2010, at Xu Kai's request for personal reasons, Shou's wife, Hong Yongzhen, ("Mrs. Shou") became the sole shareholder and director of Honsgain, a previously incorporated British Virgin Islands ("BVI") corporation. Further, a Declaration of Trust was produced to Staff which states that Mrs. Shou would hold the shares of Honsgain in trust for the "beneficial owner" and directing mind of Honsgain, Xu Kai.
12. Pursuant to the Loan Agreement, approximately Cdn \$7 million was transferred from HK Wealthy, through Mrs. Shou and Honsgain, to Meileduo and Hong Kong Route International Logistics Group Limited ("HK Route"), as follows:

Date	From	To	Amount (Cdn)	Subsequently to
Nov. 24, 2010	HK Wealthy	Hong Yongzhen (Shou's wife)	\$1,238,000	Meileduo
Nov. 30, 2010	HK Wealthy	Hong Yongzhen (Shou's wife)	\$1,550,000	HK Route
Dec 15, 2010	HK Wealthy	Hong Yongzhen (Shou's wife)	\$1,530,000	HK Route
Jan 4, 2011	HK Wealthy	Honggain	\$2,720,000	Meileduo
TOTAL			\$7,038,000	

13. The Respondent has represented to Staff that Xu Kai instructed Shou to transfer the monies in connection with the Loan Agreement to Meileduo and HK Route. Approximately \$4 million was transferred to Meileduo and approximately \$3 million was transferred to HK Route.
14. Boyuan did not ultimately participate in the Haining Project and all of the above-noted funds were repaid to HK Wealthy, through Shou, Mrs. Shou or Honggain, on or before May 12, 2011. This series of advances and repayments are collectively referred to as the "Honggain Transaction".
15. Mrs. Shou's appointment as a nominee shareholder and director rendered the provision of a loan by Boyuan to Honggain a related party transaction. Shou failed to obtain the approval of the Company's Board of Directors prior to entering into this related party transaction on behalf of Boyuan.
16. Furthermore, in reporting the transaction to the CFO and other senior officers, the full extent of Mrs. Shou's involvement in the Honggain transaction was not disclosed. In particular, the Company represented to Staff that Shou disclosed Mrs. Shou's involvement in the Honggain Transaction as a conduit through which the loan was advanced and repaid; however, he failed to disclose the Declaration of Trust constituting Mrs. Shou as a nominee shareholder and director of Honggain.

The 2011 Disclosure

17. The Honsgain Transaction was disclosed in Note 6 to Boyuan's Consolidated Financial Statements for the year ended June 30, 2011 under the heading "Due From/To Related Parties and Related Party Transactions" as well as in the Company's Management's Discussion & Analysis dated September 27, 2011 (the "2011 Financial Statements and MD&A") under the heading "Transactions with Related Parties", as follows:

"During 2011, the Company advanced \$7,022,205¹ (HKD54,550,540) to a developer for a construction project, \$4,286,948 (HKD33,297,864) of which was advanced to the developer through a person related to the CEO. The project did not materialize and the full amount was repaid to the Company by May 2011, \$1,012,955 of which was repaid through the wife of the CEO. The advance was non-interest bearing, unsecured and with no specified repayment terms."

18. The Company had represented both to Staff as well as to its auditors, Manning Elliott LLP, that the "developer" referred to in the note disclosure was "Honsgain" and that it was an arm's length party. In particular, during the course of Staff's continuous disclosure review, by letter dated October 25, 2011, Staff sought certain information respecting the note disclosure, including "the name of the developer, and its relationship with the Company and/or the CEO or his family". In Boyuan's written response dated November 25, 2011 (on which Shou was copied), Boyuan advised that the developer was "*Hongsgain [sic] Investments GP Ltd*" and that "*[t]his company is not related to Boyuan China, the CEO and his family.*"
19. The information provided to Staff and the auditors regarding Honsgain as set out in paragraph 18 above was misleading in that Boyuan did not disclose the fact that Mrs. Shou was acting as a nominee of the beneficial owner of Honsgain, Xu Kai.
20. Further, when Boyuan's auditors originally made inquiries about the Honsgain Transaction in September 2011, Boyuan management provided its auditors copies of the Register of Members as well as the Certificate of Incumbency for Honsgain. These documents both identified "Wu Yuxiang", a purportedly non-related party, as the sole

¹ The amounts referred to in the note are expressed in US dollars.

shareholder and director of the company (the “Honsgain Documents”). The Honsgain Documents were subsequently provided by the Company to Staff as well.

21. However, Staff independently obtained the Register of Members and Certificate of Incumbency for Honsgain from the BVI, which identify Mrs. Shou - and not “Wu Yuxiang” - as the sole shareholder and director of Honsgain (the “BVI Documents”). As such, the Honsgain Documents provided to Staff and the auditors were not genuine and were misleading. Further, the disclosure of the Honsgain Transaction as a related party transaction in the 2011 Financial Statements and the MD&A was incomplete as it omitted the fact that Mrs. Shou was acting as a nominee shareholder and director of Honsgain.
22. The Respondent has represented to Staff that Boyuan management obtained the Honsgain Documents from Xu Kai in September 2011 further to inquiries being made by the auditors and that they do not know who Wu Yuxiang is or why his name was indicated on the Honsgain Documents.
23. The misleading statements and documents provided to Staff and the auditors reflects the absence of adequate internal controls and procedures at Boyuan respecting the approval and recording of related party transactions and the provision of information respecting such transactions to its auditor and regulator.

The 2012 Revised Disclosure

24. In Boyuan’s June 30, 2012 financial statements and related MD&A (the “2012 Financial Statements and MD&A”), the Company expanded on the disclosure of the Honsgain Transaction in Note 10 as follows:

“In the Company’s consolidated financial statements for the year ended June 30, 2011, the Company reported that it had advanced \$7,022,205 to a developer (an unrelated party) for a construction project, of which \$4,286,948 was advanced through the wife of the CEO directly to the developer. In addition to the information contained in the 2011 consolidated financial statements the Company added additional and enhanced disclosure as follows:

The balance of \$2,735,257 was advanced to a company (“Honsgain”) in which the CEO’s wife was the sole shareholder on title. On November 8, 2010 the CEO’s wife entered into a declaration of trust with the developer to hold the

shares of Honsgain in trust for the developer. The declaration of trust gave the developer control and beneficial ownership of Honsgain and the CEO's wife acted as a nominee for the beneficial owner.

The funds were advanced with the intention that the Company would be awarded the construction contract located in Haining, Zhejiang, PRC.

The advances were secured by a loan agreement dated November 1, 2010. The loan was non-interest bearing and the borrower agreed to repay the loan by May 30, 2011 ("Due Date"). In addition, the borrower agreed to pay a penalty of 2% per month if the loan was not repaid by the Due Date. The project did not materialize and the full amount was repaid to the Company by May 2011, of which \$1,012,955 was repaid through the wife of the CEO."

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

25. By engaging in the conduct described above, Boyuan has engaged in conduct contrary to the public interest by:

- (a) making statements and providing documents to Staff and its auditor as described in paragraphs 18 and 20 above which, at the time and in the light of the circumstances under which the statements were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading; and
- (b) failing to establish and maintain adequate internal controls respecting the approval and recording of related party transactions and the provision of information respecting such transactions to its auditor and regulator.

PART V – RESPONDENT'S POSITION

26. The Respondent requests that the settlement hearing panel consider the following mitigating circumstances:

- (a) The Respondent acknowledges that its conduct was not acceptable for a reporting issuer in Ontario;
- (b) The Respondent has cooperated with Staff's investigation;

- (c) The Respondent has begun to take steps to implement an improved system of corporate governance and internal controls, including, but not limited to, relating to disclosure, related party transactions, financial reporting, the provision of information to its auditor and regulators;
- (d) The Respondent has represented to Staff that it entered into the Honsgain transaction further to a legitimate business interest and that no officer or director of the Respondent realized any personal benefit; and
- (e) The Honsgain Transaction was disclosed in the 2011 Financial Statements and MD&A under related party transactions, and the loan was repaid to the Company in full.

PART VI – TERMS OF SETTLEMENT

- 27. The Respondent agrees to the terms of settlement listed below.
- 28. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:
 - (a) the settlement agreement is approved;
 - (b) the Respondent be required to retain Control Solutions International, Inc. or such other consultant not unacceptable to Staff (the “Consultant”), at Boyuan’s expense, to conduct a comprehensive examination and review of its internal controls over financial reporting, policies and procedures, training, ethics and compliance with financial and other reporting requirements of Ontario securities law, as set out in the Consultant Terms of Reference set out in **Schedule "B"** attached hereto. The Consultant would be required to provide reports to the Boyuan Board of Directors, Audit Committee and Staff, and Boyuan would be required to implement such changes;
 - (c) the Respondent shall pay to the Commission the sum of \$200,000, which is designated for allocation to or for the benefit of third parties or for use by the Commission for the purpose of educating investors or promoting or otherwise enhancing knowledge and

information of persons regarding the operation of the securities and financial markets, in accordance with subsection 3.4(2)(b) of the Act; and

(d) the Respondent shall pay Staff's investigation costs, in the amount of \$100,000.

29. The Respondent agrees to make any payments ordered above by certified cheque when the Commission approves this Settlement Agreement.
30. The Respondent undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the terms set out in sub-paragraph 28(b) above. These terms may be modified to reflect the provisions of the relevant provincial or territorial securities law.

PART VII – STAFF COMMITMENT

31. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 32 below.
32. If the Commission approves this Settlement Agreement and the Respondent fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

33. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for June 4, 2013, or on another date agreed to by Staff and the Respondent, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.
34. Staff and the Respondent agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondent's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

35. If the Commission approves this Settlement Agreement, the Respondent agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
36. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.
37. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

38. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:
 - (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the settlement hearing takes place will be without prejudice to Staff and the Respondent; and
 - (b) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.
39. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

40. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.
41. A fax copy of any signature will be treated as an original signature.

Dated this 30th day of May, 2013.

“Paul Law”

Respondent

“Christina Lai Wah Cheng”

Witness

“Tom Atkinson”

Director, Enforcement Branch

SCHEDULE "A"



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 22nd Floor CP 55, 22e étage
20 Queen Street West 20, rue queen ouest
Toronto ON M5H 3S8 Toronto ON M5H 3S8

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

**IN THE MATTER OF
BOYUAN CONSTRUCTION GROUP, INC.**

ORDER

WHEREAS on May 30, 2013, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to Boyuan Construction Group, Inc. (the "Respondent");

AND WHEREAS the Respondent and Staff of the Commission ("Staff") entered into a settlement agreement dated May 30, 2013 (the "Settlement Agreement") in which they agreed to a settlement of the proceeding commenced by the Notice of Hearing dated May 30, 2013, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing and Statement of Allegations of Staff of the Commission, and upon hearing submissions from counsel for Staff and the Respondent;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED THAT:

1. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:
 - (a) the settlement agreement is approved;
 - (b) the Respondent be required to retain Control Solutions International, Inc. or such other consultant not unacceptable to Staff (the "Consultant"), at Boyuan's expense, to conduct a comprehensive examination and review of its internal controls over financial reporting, policies and procedures, training, ethics and compliance with financial and other reporting requirements of Ontario securities law, as set out in the Consultant Terms of Reference attached hereto. The Consultant would be required to provide reports to the Boyuan Board of Directors, Audit Committee and Staff, and Boyuan would be required to implement such changes;
 - (c) the Respondent shall, contemporaneously with the signing of this Order, pay to the Commission the sum of \$200,000, which is designated for allocation to or for the benefit of third parties or for use by the Commission for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets, in accordance with subsection 3.4(2)(b) of the Act; and;
 - (d) the Respondent shall , contemporaneously with the signing of this Order, pay Staff's investigation costs, in the amount of \$100,000.

DATED AT TORONTO this day of June, 2013.

SCHEDULE “B”

TERMS OF REFERENCE FOR THE CONSULTANT

Respondent agrees to comply with the following undertakings:

A. Retention of a Consultant

i. Boyuan shall retain, pay for, and enter into an agreement with an independent consultant ("Consultant"), not unacceptable to Staff, to conduct a comprehensive examination and review of the areas specified below and to make recommendations to Boyuan's board of directors and Staff. The Consultant's compensation and expenses shall be borne exclusively by Boyuan, and shall not be deducted from any amount due under the provisions of the Order at Schedule “A” of the Settlement Agreement (the “Order”).

ii. The agreement with the Consultant ("Agreement") shall provide that the Consultant examine:

- a. The policies, procedures and effectiveness of Boyuan's internal accounting controls and its internal controls over financial reporting and disclosure, including, but not limited to, related party transactions and cash receipts and disbursements;
- b. The policies, procedures, and effectiveness of Boyuan's regulatory and compliance functions, including the operations of any committees or other mechanisms established to review and approve transactions or for the purpose of preventing the recording of transactions or financial reporting results in a manner that is not in compliance with International Financial Reporting Standards (“IFRS”);
- c. Boyuan's training of its accounting staff concerning financial reporting and IFRS and compliance with the financial and other reporting requirements of Ontario securities law;
- d. Boyuan's ethics and compliance policies, including the adequacy and effectiveness of any whistleblower procedures designed to allow employees and others to report confidentially matters that may bear on Boyuan's financial reporting obligations;
- e. Boyuan's records management and retention policies and procedures, including without limitation such procedures with respect to e-mail and other electronically stored information;

- f. The functioning of Boyuan's audit committee, including the audit committee's policies and procedures and the methods for the selection of its members; and
- g. Boyuan's policies and procedures concerning its communications with its outside auditors.

B. Consultant's Reporting Obligations

i. The Consultant shall issue a report to Boyuan's board of directors, its audit committee, and to Staff in English within three months of appointment, provided however, that the Consultant may seek to extend the period of review for one additional three-month term by requesting such an extension from Staff. After consultation with Boyuan, Staff shall have discretion to grant such extension for the period requested if deemed reasonable and warranted.

ii. The Consultant's report shall address the Consultant's review of the areas specified in paragraph A.ii above and shall include a description of the review performed, the conclusions reached, the Consultant's recommendations for any changes or improvements to Boyuan's policies and procedures for a company of its size and industry, as the Consultant reasonably deems necessary to conform to the law and best practices, and a procedure for implementing the recommended changes or improvements.

iii. Boyuan shall adopt all recommendations contained in the Consultant's report, provided, however, that within forty-five days of its receipt of the report, Boyuan shall in writing advise the Consultant and Staff of any recommendation that it considers to be unnecessary or inappropriate. With respect to any recommendation that Boyuan considers unnecessary or inappropriate, Boyuan need not adopt that recommendation at that time but shall propose in writing to the Consultant an alternative policy, procedure, or system designed to achieve the same objective or purpose, for consideration by the Consultant.

iv. As to any recommendations of the Consultant with respect to which Boyuan and the Consultant do not agree, including any recommendations that Boyuan considers unnecessary or inappropriate, such parties shall attempt in good faith to reach an agreement within ninety days of the issuance of the Consultant's report. In the event Boyuan and the Consultant are unable to

agree on an alternative proposal, Boyuan shall abide by the determinations of the Consultant, or apply to the Commission to resolve the disagreement.

v. Boyuan shall retain the Consultant for a period of twelve months from the date of appointment in accordance with paragraph C below. After the Consultant's recommendations become final pursuant to paragraph B above, the Consultant shall oversee the implementation of such recommendations and provide a report to Boyuan's board of directors, its audit committee, and to Staff twelve months after appointment concerning the progress of the implementation. If, at the conclusion of this twelve-month period, less than all the recommendations of the consultant (to the extent deemed significant by Staff) have been substantially implemented for at least two successive fiscal quarters, Staff may, in its discretion, direct Boyuan to extend the Consultant's term of appointment until such time as all recommendations (to the extent deemed significant by Staff) have been substantially implemented for at least two successive fiscal quarters.

vi. In addition to the reports identified above, the Consultant shall provide Boyuan's board of directors, its audit committee, and Staff with such documents or other information concerning the areas specified in paragraph A.ii above as any of them may request during the pendency or at the conclusion of the review.

C. Terms of Consultant's Retention

i. Within forty-five days after the date of entry of the Order, Boyuan will submit to Staff a proposal setting forth the identity, qualifications, and proposed terms of retention of the Consultant. Staff, within thirty days of such notice, will either (a) deem Boyuan's choice of Consultant and proposed terms of retention not unacceptable or (b) require Boyuan to propose an alternative Consultant and/or revised proposed terms of retention within fifteen days. This process will continue, as necessary, until the proposed Consultant and retention terms are not unacceptable to Staff.

ii. The Consultant shall have reasonable access to all of Boyuan's books and records and the ability to meet privately with Boyuan's personnel and auditors. Boyuan shall instruct and otherwise encourage its officers, directors, and employees to cooperate fully with the review conducted by the Consultant, and inform its officers, directors, and employees that failure to

cooperate with the review may be grounds for dismissal, other disciplinary actions, or other appropriate actions.

iii. The Consultant shall have the right, as reasonable and necessary in his or her judgment, to retain, at Boyuan's expense, legal counsel, accountants, and other persons or firms, other than officers, directors, or employees of Boyuan, to assist in the discharge of the Consultant's obligations. Boyuan shall pay all reasonable fees and expenses (as reasonably documented) of any persons or firms retained by the Consultant.

iv. The Consultant shall make and keep notes of interviews conducted, and keep a copy of documents gathered, in connection with the performance of his or her responsibilities, and require all persons and firms retained to assist the Consultant to do so as well.

iv. If the Consultant determines that he or she has a conflict with respect to one or more of the areas described in paragraph A.ii above, he or she shall delegate his or her responsibilities with respect to that subject to a person who is chosen by the Consultant and who is not unacceptable to Staff.

vi. For the period of engagement and for a period of two years from completion of the engagement, the Consultant shall not enter into any employment, consultant, solicitor-client, auditing, or other professional relationship with Boyuan, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such, and shall require that any firm with which the Consultant is affiliated or of which the Consultant is a member, or any person engaged to assist the Consultant in performance of the Consultant's duties under the Order, not, without prior written consent of Staff, enter into any employment, consultant, solicitor-client, auditing, or other professional relationship with Boyuan, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.