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Is China Sky Crocker Coulson's Latest Movie Production?

Crocker Coulson is a Yale-grad turned journalist, turned film-maker, turned investor relations representative for companies such as China Sky One Medical, Inc. (NASDAQ: CSKI).

Coulson is president of CCG Investor Relations, the firm which is apparently retained to represent China Sky and many other US-listed Chinese companies. By our count, Coulson has represented more than 50 Chinese reverse-mergers through CCG and his previous firm. Among them are such penny stocks as Gold Horse International Inc. (OTC: GHII \$0.18), China Yingxia International, Inc. (OTC: CYXI \$0.05), and Fuda Faucet Works Inc. (OTC: FUFW \$0.08).

Crocker Coulson's brother Cromwell Coulson is the chairman and CEO of Pink Sheets LLC, the market maker for OTC stocks. Like his brother, Cromwell does not seem to shun [publicity](http://www.asensio.com/CSKI/Cromwell_Coulson.pdf).

Crocker Coulson also represented four of the seven Chinese companies mentioned for having deficient auditors in the [Barron's story](http://www.asensio.com/CSKI/Barrons_Chinese_Accounting.pdf), "Who's Minding the Minders of Chinese Accounting?": CSKI, CPSL, CCGY, and CEUA.

In an investor presentation from February, 2009, entitled ["Small Cap China Hell,"](http://www.asensio.com/CSKI/CCG_Roth.pdf) Coulson lists the many problems with Chinese companies listing in the US. Among them are the "Take the Money and Run Syndrome" and "Related Party and Insider Shenanigans."

Among the more interesting statements in the presentation are that 'Overly aggressive "make goods" encourage accounting fraud.' By coincidence, China Sky had a 'make good' agreement as part of its January 2008 PIPE offering, which supposedly played a part in China Sky's delay in filing its 2008 Form 10-K.

Unlike many outsourced IR representatives, Coulson seems to have unusual authority in corporate communications for China Sky. In the company's first quarter conference call, Coulson actually interjected in management's explanation of why they won't be changing auditors to offer investors his own explanation – a highly irregular step for any IR executive, let alone an outsourced representative. Making such statements in a conference call is typically only done by senior executive officers, not by someone representing the company under terms which are not disclosed to investors.

Coulson's promotional material also goes above and beyond what you might expect, crossing the boundaries from the carefully worded disclaimers used by IR professionals. His latest ["China Rising"](http://www.asensio.com/CSKI/China_Rising.pdf) newsletter seems partly an effort at journalism, partly investment recommendation, while much of it promotes China Sky and the Chinese health care sector – all while not directly disclosing that China Sky is a client.

Investors in China Sky and other companies represented by Coulson are advised to watch out for the "Take the Money and Run Syndrome."