

2/10/02 Daily Oklahoman (Pg. Unavail. Online)
2002 WLNR 9049011

Daily Oklahoman, The (KRT)
(c) 2002, The Daily Oklahoman. Distributed by Knight Ridder/Tribune Business News.

February 10, 2002

Oklahoma City-Based Financial Company Pairs Chinese, U.S. Investors

Rick Robinson

Feb. 10--Name an Oklahoma City-based financial company that employs 50 people in Beijing, has Chinese companies lining up for its services and seems to know how to make all the right moves in China.

By Rick Robinson, The Daily Oklahoman

Feb. 10--Name an Oklahoma City-based financial company that employs 50 people in Beijing, has Chinese companies lining up for its services and seems to know how to make all the right moves in China.

No worries if it's not on the tip of your tongue. It's 2-year-old Benchmark Global Capital Group, a hitherto obscure company that's starting to attract attention in Oklahoma.

The company helped with introductions and translations in December when a business delegation from Oklahoma visited China.

The company has attracted some experienced Oklahoma investors and advisers.

"We are a gateway between China and the U.S.," said Benjamin **Wei**, Benchmark's 30-year-old chief executive. "We know the culture; we speak the language."

Recently, **Wei** has been acting in an informal advisory capacity to Gov. Frank Keating, and a formal governor's China team may be assembled including **Wei**, the governor's chief of staff, Howard Barnett, said Friday.

"The question is -- is there enough interest in China among Oklahoma businesses for the governor to make that a real focus, Barnett said. "And it appears that there is."

However, Benchmark's No. 1 business focus -- a concept that has helped gain for it a platoon of Oklahoma investors, advisers and associates -- is to help small- to medium-size private Chinese companies that want to sell their shares on U.S. stock markets.

In recent years, **Wei** said, China has spawned scads of fast-growing smaller companies, but investors in China are few -- just the opposite of the United States -- and Chinese companies are desperate for capital from successful initial

public offerings.

"To my knowledge, no one is doing what he's doing," said John Cragin, a professor of international business who taught **Wei** at Oklahoma Baptist University in Shawnee. "There are so many of these companies that it's gotten to be a problem, and where there's a problem, there's an opportunity."

China's two mainland stock exchanges are not attractive places for private Chinese companies to go public, Cragin said. That's because those exchanges -- in Shanghai and Shen Zhen -- favor companies with at least some Chinese government ownership.

Benchmark hasn't taken any Chinese companies public yet, but it has five IPO deals in the works right now, Cragin said, with Chinese companies ponying up \$250,000 or more even to be considered. Only the best are chosen to start down the IPO trail.

In December, **Wei** announced he signed a \$12 million deal to take the largest privately owned fertilizer company in China public in the United States.

He said he expects Benchmark's first China IPO -- involving a different Chinese company -- to take place in the United States this summer.

Still, how soon Benchmark can pull off such projects is an open question.

Wei had minor problems with Oklahoma regulatory audits in the past. Audits in 1997 and 1999 by the Oklahoma Department of Securities judged him lax in such areas as record-keeping and providing written disclosure statements to some clients.

Those issues led in April 2000 to an agreement between **Wei** and the Oklahoma Department of Securities that restricts **Wei's** investment adviser and broker-dealer activities for a two-year period that ends in April.

Securities department administrator Irving Faught acknowledged recently that the deal between **Wei** and the state securities mentions only issues stemming from the audit, not customer complaints.

"But that doesn't necessarily mean that there weren't customer complaints," Faught added.

Wei and Benchmark are also under a "public order" of investigation initiated Jan. 10 by the Department of Securities. A public investigation means the securities department announces publicly that it's conducting an inquiry. It also conducts private investigations.

Faught won't disclose any information about which Benchmark activities are being examined.

Benchmark said that it and its business model are being misunderstood.

For his part, **Wei** stressed that Benchmark's securities activities are handled by Steve Godwin, a CPA who is president of Benchmark Securities. Godwin said **Wei** does not get involved in securities-related matters.

Wei insisted that he needs to move ahead now, because China's growth has become explosive. Earth's most populous nation has an economy that's expanding at 8 percent yearly, he said, and its almost 1.3 billion people are eager both to work and to consume.

That appraisal is seconded by Wade Watkins, a Benchmark director who is president of Stillwater-based Global Links, an import-export company.

"China will be the place to be in the next 50 years," said Watkins, who has been doing business in China for years. "I've seen southern China develop from ghost towns to thriving metropolises."

Though **Wei** won't reveal Benchmark's revenues, he indicated the company is doing well.

"Our business is a low-cost business -- service -- and we have a very comfortable profit margin."

Benchmark also touted its "strategic partnerships." **Wei** has assembled a board of directors and a board of advisers filled with Oklahoma businessmen, teachers and others. He's also partnered with the likes of Hewlett-Packard China.

Benchmark said it has also partnered with the powerful China Mayors Association; the Guang Dong Development Bank, China's fifth-largest commercial bank; the China Medical Foundation; and the U.S. accounting firm of Ernst & Young -- among others.

In China, **Wei** said, where trust can be slow to build, Benchmark typically calls on a prospect with a team that might include a Hewlett-Packard representative, a lawyer known to the prospect, a venture capitalist -- along with representatives from Guang Dong, Ernst & Young and the powerful Chinese Mayors Association.

"We walk in the door with people the client knows," **Wei** said.

Such orchestrated meetings are paying off, **Wei** said. He points to Benchmark's \$12 million deal with the Chinese fertilizer company. Benchmark will help that company develop business plans and with auditing in preparation for an IPO.

Now a moment of truth is coming for Benchmark, said Dean Nelson, a recently retired Andersen Consulting partner who now is a Benchmark consultant and adviser.

After praising the company's strong business plan and careful relationship-building, Nelson goes on to add: "All that is well and good, but the next major step is to bring those Chinese companies public in the U.S. marketplace."

BENCHMARK CEO KNOWS FOREIGN MARKETS: Benjamin **Wei** knows his way around the domestic Asian and U.S. stock markets, said John Cragin, the Oklahoma Baptist University professor who is a veteran of doing business in Asia and a Benchmark adviser.

During the late 1990s, **Wei**, chief executive of Benchmark Global Capital Group, was a consultant to Philadelphia-based **Ashton** Technology Group Inc., which makes electronic securities trading systems that are used by the Philadelphia and Toronto stock exchanges.

Wei helped **Ashton** introduce its trading systems to China, said Fred **Rittereiser**, **Ashton's** chief executive. **Wei** introduced **Ashton** to a Hong Kong company that trades on the Stock Exchange of Hong Kong, **Rittereiser** said, resulting in a trading systems sale.

Rittereiser describes **Wei** as "an interesting man. He's an honest man who works very hard and has good contacts in the Far East."

For his part, **Wei** said his **Ashton** experience helped him learn "the elements of investment consulting and investment

banking from that experience."

It's that kind of experience, Cragin said, that has helped **Wei** get Chinese companies "lined up outside his office" in a fashionable part of Beijing.

Oklahoma City-based Benchmark Global Capital Group has several units to help hammer Chinese companies' sometimes snarled balance sheets into shape for an IPO stateside, **Wei** said.

Its divisions include Benchmark Securities Group, Benchmark Asset Management, First Pacific Consulting Group Inc., Benchmark Global Capital Group's just-opened New York Branch, Benchmark Global Capital Group Beijing Office, and Benchmark Global (Tianjin) Consulting Co. Ltd.

Wei says there are so many different groups because "our goal is to satisfy different areas of needs for the same client."

"We give them one-stop shopping," **Wei** said.

So who is Ben **Wei**?

He was born in Tianjin, a large city about two hours from Beijing. His father was a diplomat with the Ministry of Foreign Affairs and his mother an electrical engineer, he said.

Cragin recalls meeting **Wei** many years ago through friends in China. At the time, **Wei** was a junior high school student who was already beginning to learn English without lessons.

"He was obviously bright as a penny," Cragin said.

Eventually, Cragin and others helped **Wei** gain admission to OBU as a finance major. Even while in school, **Wei** had his own business importing silk items into the United States and doing business with Wal-Mart and other distributors.

Wei got small amounts of investment money from people who got to know him, Cragin said.

"And he did extremely well with their money, so they kept increasing their portfolios," he said.

Wei graduated early from OBU in 1992, and -- while continuing in the international trade business in a variety of roles -- he studied nights and got a master's of business administration degree from the University of Central Oklahoma in 1999.

Jim Hylton, a retired pastor and Benchmark adviser who met **Wei** at church, is among those who have visited Benchmark's operation in Beijing.

"When you see him in China in his own language, he's pretty awesome," Hylton said. "When he talks to Chinese CEOs and officials, he takes center stage. He's very respected."

For his part, **Wei** -- who recently became an American citizen -- said he considers Oklahoma his home. And he wants Benchmark to stay in Oklahoma City.

"I'll be frank with you -- Oklahomans should be bolder" about pursuing business in China, **Wei** said. "Oklahoma has a

lot of products and services that need to be known to the world."

-- Rick Robinson

To see more of The Daily Oklahoman, or to subscribe to the newspaper, go to <http://www.newsok.com>

---- INDEX REFERENCES ---

COMPANY: [WAL MART STORES INC](#); [HEWLETT PACKARD CO](#); ASHTON [TECHNOLOGY GROUP INC](#) (THE)

NEWS SUBJECT: (Business Management (1BU42); Corporate Strategy & Strategic Planning (1XO03); Business Strategy (1BU97); Management Tools & Methods (1MA50); Corporate Globalization (1XO29); Economics & Trade (1EC26); Economic Indicators (1EC19))

INDUSTRY: (Theoretical Analysis (1TH79); Science & Engineering (1SC33); Healthcare (1HE06); Healthcare Cost-Benefits (1HE10); Business Theory (1BU14))

REGION: (Pennsylvania (1PE71); China (1CH15); Americas (1AM92); Oklahoma (1OK58); North America (1NO39); Asia (1AS61); Eastern Asia (1EA61); USA (1US73))

Language: EN

OTHER INDEXING: (ASHTON; ASHTON TECHNOLOGY GROUP INC; BENCHMARK; BENCHMARK ASSET MANAGEMENT; BENCHMARK GLOBAL; BENCHMARK GLOBAL CAPITAL GROUP; BENCHMARK SECURITIES; BENCHMARK SECURITIES GROUP; CHINA; CHINA IPO; CHINA MAYORS ASSOCIATION; CHINA MEDICAL FOUNDATION; CHINESE; CHINESE MAYORS ASSOCIATION; CONSULTING GROUP INC; CPA; DEPARTMENT OF SECURITIES; ERNST YOUNG; GLOBAL LINKS; GUANG DONG; GUANG DONG DEVELOPMENT BANK; HEWLETT PACKARD; HEWLETT PACKARD CHINA; IPO; MINISTRY OF FOREIGN AFFAIRS; OBU; OKLAHOMA; OKLAHOMA BAPTIST UNIVERSITY; OKLAHOMA DEPARTMENT OF SECURITIES; TIANJIN) CONSULTING CO; UNIVERSITY OF CENTRAL OKLAHOMA; WAL MART) (Andersen Consulting; Asian; Barnett; Ben Wei; Benjamin; Benjamin Wei; Cragin; Dean Nelson; Earth; Faught; Feb; Frank Keating; Fred Rittereiser; Godwin; Howard Barnett; Hylton; Irving Faught; Jim Hylton; John Cragin; Nelson; Rick Robinson; Rittereiser; Shen Zhen; Steve Godwin; Wade Watkins; Watkins; Wei) (Banking; Economy; Personal Finance; Stocks)

TICKER SYMBOL: WMT

Word Count: 2046

2/10/02 DAILY-OK (No Page)

END OF DOCUMENT