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U.S. DISTRICT COURT
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

CHAN TZE NGON and JIANG XIANGYUAN,

Defendants.
-----X

13 Civ. ____ ()

COMPLAINT

Plaintiff Securities and Exchange Commission (the "Commission"), for its Complaint against Defendants Chan Tze Ngon, a/k/a Chen Zi Ang and Ron Chan, ("Chan"), and Jiang Xiangyuan ("Jiang") (collectively, "Defendants"), alleges as follows:

SUMMARY OF ALLEGATIONS

1. This case involves two securities fraud schemes engineered by former high-level executives of a U.S. public company, ChinaCast Education Corporation ("ChinaCast"). In the first, ChinaCast's former Chairman and CEO, Chan, engaged in a scheme to steal over \$40 million dollars of ChinaCast's public offering proceeds and improperly diverted over \$30 million dollars of additional valuable company assets in undisclosed and improper transactions. In the other, Jiang, ChinaCast's former President for its operations in the People's Republic of China ("PRC"), used ChinaCast's material, non-public information to dump over \$230,000 worth of his own ChinaCast shares before the information was publicly announced. Before the disclosure of

the frauds alleged here, ChinaCast provided education services in the PRC and boasted a market capitalization of over \$200 million. After Defendants' conduct was disclosed, ChinaCast's market capitalization dropped to less than \$5 million.

2. In December 2009, Chan misappropriated \$41 million out of the \$43.8 million raised by ChinaCast in a secondary public offering by transferring the offering proceeds to a purported ChinaCast subsidiary in which Chan secretly held a controlling 50% ownership stake and, from there, to another entity outside ChinaCast's control. In 2010 and 2011, Chan also secretly pledged approximately \$30,360,000 of ChinaCast subsidiaries' assets to secure the debts of entities unrelated to ChinaCast. At least \$30 million, and possibly as much as almost \$80 million, of the pledged assets were ultimately lost to creditors' claims when the third parties defaulted on their debts.

3. None of these transactions was disclosed in ChinaCast's periodic reports and other public SEC filings, although Chan signed numerous filings that should have disclosed them.

4. Jiang's insider trading was equally brazen. Jiang headed ChinaCast's operations in the PRC and, in March 2012, he avoided over \$200,000 in losses by selling 51,135 shares of ChinaCast stock at \$4.59 per share after participating in the transfer of one of ChinaCast's revenue-generating colleges to himself and before that transfer was publicly disclosed by a new management team. Jiang was terminated the day after his stock sale by a new board of directors that was seated following a proxy contest in which Chan lost control of the board.

5. On April 2, 2012, a few days after Jiang dumped his ChinaCast stock, NASDAQ suspended trading in ChinaCast due to its failure to file its annual report on Form 10-K for 2011 and later delisted ChinaCast. When trading resumed over-the-counter on June 25, 2012 after

multiple disclosures were made by new management about former management's misconduct, the stock opened at \$0.55 and closed at \$0.82. ChinaCast's stock is currently trading at approximately 10 cents per share, and its market capitalization has plunged from \$211 million on March 30, 2012, the last day on which ChinaCast traded on the NASDAQ, to less than \$5 million in September 2013.

6. By virtue of the conduct alleged herein, Chan and Jiang, directly or indirectly, singly or in concert, violated and are otherwise liable for violations of the federal securities laws, as follows:

(a) Chan violated Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b) and 78m(b)(5)], and Rules 10b-5, 13b2-1 and 13a-14; [17 C.F.R. §§ 240.10b-5, 240.13b2-1, and 240.13a-14]; and Chan is also liable, under Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)], as a controlling person for ChinaCast's violations of Sections 13(a) and 13(b)(2) [15 U.S.C. §§ 78m(a), 78m(b)(2)] of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13]; and he is further liable, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], for aiding and abetting ChinaCast's violations of Sections 13(a) and 13(b)(2) [15 U.S.C. §§ 78m(a), 78m(b)(2)] of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13];

(b) In the alternative, Chan is liable, under Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)], as a controlling person for ChinaCast's violations of Section 10(b) of the Exchange Act [15 U.S.C. §§ 78j(b)] and Rule 10b-5 [17 C.F.R. §§ 240.10b-5]; and

he is further liable, pursuant to Section 20(e) [15 U.S.C. § 78t(e)] of the Exchange Act, for aiding and abetting ChinaCast's violations of Section 10(b) of the Exchange Act [15 U.S.C. §§ 78j(b)] and Rule 10b-5 [17 C.F.R. §§ 240.10b-5]; and

(c) Jiang violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. §§ 240.10b-5].

7. Unless the Defendants are permanently restrained and enjoined, they will again engage in the acts, practices, transactions and courses of business set forth in this complaint and in acts, practices, transactions and courses of business of similar type and object.

JURISDICTION AND VENUE

8. The Commission brings this action pursuant to authority conferred by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d)(1) of the Exchange Act [15 U.S.C. § 78u(d)(1)], and seeks to restrain and permanently enjoin the Defendants from engaging in the acts, practices, transactions and courses of business alleged herein. The Commission also seeks a final judgment: (a) ordering each of the Defendants to disgorge the ill-gotten gains received as a result of the violations for which he is liable and to pay prejudgment interest on those amounts; (b) ordering Chan to pay civil monetary penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; (c) ordering Jiang to pay civil monetary penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and (d) prohibiting each of the Defendants from acting as an officer or director of a public company pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)].

9. This Court has jurisdiction over this action, and venue lies in this District, pursuant to Sections 20(b), 20(d), and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa]. The Defendants, directly and indirectly, have made use of the means or instrumentalities of, or the means or instruments of transportation or communication in, interstate commerce, or of the mails, or of the facilities of a national securities exchange, in connection with the transactions, acts, practices and courses of business alleged herein. Certain of the acts, practices, transactions, and courses of business alleged in this complaint occurred within the Southern District of New York. For example, during the relevant period: ChinaCast's common stock was listed and traded on the NASDAQ, which is headquartered in the Southern District of New York; a number of ChinaCast's defrauded shareholders resided and/or held principal places of business in the Southern District of New York; and Chan's transfer of the December 2009 public offering proceeds took place through a ChinaCast account held at a banking institution in the Southern District of New York.

DEFENDANTS

10. **Chan**, 57, is a Chinese national who resides in the PRC. Chan served as the CEO and Chairman of the Board of Directors of ChinaCast from February 9, 2007 through March 26, 2012, when he was terminated.

11. **Jiang**, 52, is a Chinese national who resides in the PRC. Jiang served in the position of President-China for ChinaCast from August 30, 2011 through his termination on March 29, 2012. Jiang joined a ChinaCast predecessor in 2001 and held the position of Chief Investment Officer of ChinaCast prior to becoming President-China.

RELEVANT ENTITIES

12. **ChinaCast** is a Delaware corporation with principal offices located in the PRC. ChinaCast entered the U.S. capital markets through a reverse merger with a publicly traded company on December 22, 2006. From October 29, 2007 through March 30, 2012, ChinaCast's common stock traded on the NASDAQ. The NASDAQ suspended trading in ChinaCast on April 2, 2012, and ChinaCast's stock was delisted by the NASDAQ on June 25, 2012.

13. **ChinaCast Technology (HK) Limited** ("ChinaCast Hong Kong") is registered with Hong Kong's Companies Registry as a private company. According to Companies Registry filings during the relevant time period, Chan personally owned 50% of ChinaCast Hong Kong, and ChinaCast Technology BVI Ltd. ("ChinaCast BVI") owned the remaining 50%. ChinaCast owned 98.4% of ChinaCast BVI, giving ChinaCast a 49.2% indirect interest in ChinaCast Hong Kong. The remaining 0.8% indirect interest was held by an entity unrelated to ChinaCast.

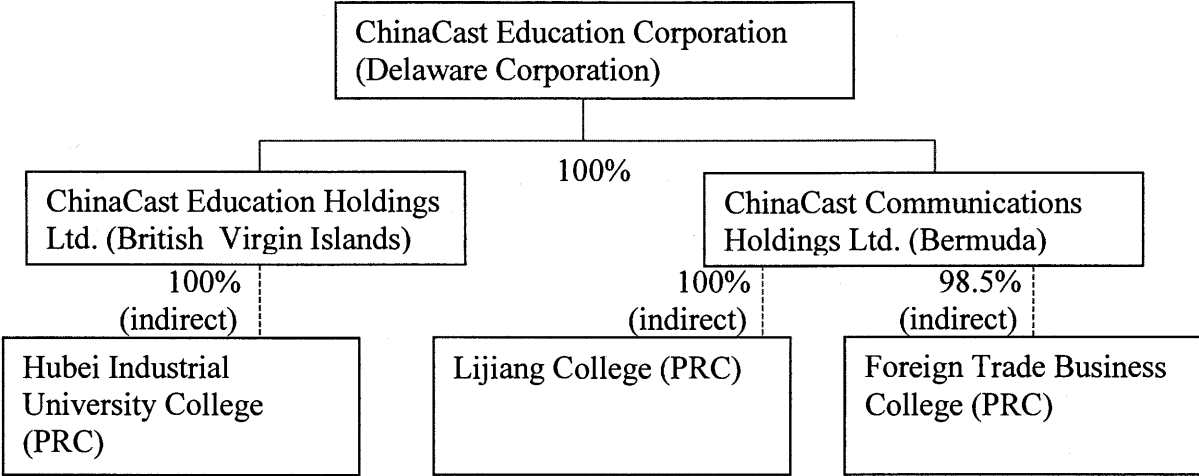
14. **Hubei Industrial University College** ("Hubei College") is an independent private college organized under the laws of the PRC. ChinaCast indirectly owned Hubei College from its acquisition by a Wholly Foreign Owned Entity ("WFOE") owned by ChinaCast in August 2010 until March 7, 2012, when ownership of the WFOE was transferred to Jiang and individuals associated with former management of ChinaCast.

BACKGROUND

ChinaCast's Corporate Structure and Business

15. Prior to March 2012, ChinaCast operated two revenue reporting business lines through an offshore ownership structure sometimes used by U.S. public companies with operations in China. ChinaCast's first business line consisted of brick-and-mortar colleges in the PRC ("Traditional Group") that were responsible for 59.56% of ChinaCast's \$77.9 million of

reported revenue in fiscal year 2010, the last year for which it filed a Form 10-K. ChinaCast held its three Traditional Group colleges via two wholly owned subsidiaries, one domiciled in BVI and one in Bermuda, as follows:



16. ChinaCast’s second business line provided so-called electronic “distance learning” and similar services not offered by the Traditional Group (“E-Learning Group”) through contractual relationships between a ChinaCast subsidiary in the PRC, ChinaCast Technology (Shanghai) Ltd. (“ChinaCast Shanghai”), and a PRC entity owned by Chinese nationals that held required satellite transmission licenses, ChinaCast Li Xiang Co., Ltd. (“CCLX”). Instead of actual ownership, ChinaCast utilized a contractual relationship model, often called a “Variable Interest Entity” (“VIE”) structure, with respect to CCLX, because the PRC places restrictions on foreign ownership of certain enterprises, including enterprises like the E-Learning Group that required satellite licenses to broadcast signals over the internet in the PRC. The E-Learning Group was responsible for 40.43% of ChinaCast’s reported revenue in fiscal year 2010.

17. After going public through a reverse merger, ChinaCast conducted two public stock offerings in the U.S. On September 26, 2008, ChinaCast announced the pricing of a

secondary public offering of 4,250,000 shares with expected net proceeds of approximately \$9,600,000 to be used for “general corporate purposes.” On December 2, 2009, ChinaCast announced the pricing of a secondary public offering of 5,930,000 shares with expected net proceeds of approximately \$38,600,000 to be used for “working capital, future acquisitions and general corporate purposes.”

CHAN’S FRAUDULENT SCHEME

18. As detailed below, Chan misappropriated virtually all of the proceeds of the December 2009 offering by diverting them through ChinaCast Hong Kong, the entity which he, not ChinaCast, secretly controlled. Later, Chan secretly encumbered or diverted other ChinaCast assets away from ChinaCast for the benefit of others.

Chan’s Misappropriation of Public Offering Proceeds

19. ChinaCast raised a total of \$43.8 million in its December 2009 public offering. Chan misappropriated \$41 million of the proceeds by transferring the funds from ChinaCast to ChinaCast Hong Kong, which he secretly controlled, and then moving the bulk of the money to yet another entity outside ChinaCast’s corporate structure. Chan directed and engaged in these transactions without seeking or obtaining the approval of ChinaCast’s board of directors, and the transactions were not publicly disclosed until ChinaCast’s new management caused ChinaCast to file a current report on Form 8-K on December 21, 2012, disclosing, among other things, Chan’s misappropriation of the offering proceeds.

20. Prior to December 21, 2012, ChinaCast had stated in multiple SEC filings signed by Chan that ChinaCast indirectly owned 98.5% of ChinaCast Hong Kong. Those statements were false. As Chan knew, ChinaCast actually held only an indirect 49.2% interest while Chan personally owned 50% of ChinaCast Hong Kong. Hong Kong corporate filing Forms AR1

(Annual Return) signed by Chan during the relevant period indicate that Chan individually owned one of the two outstanding shares in ChinaCast Hong Kong. The other share was held by ChinaCast BVI, in which ChinaCast held a 98.4% interest and, as a result, an indirect 49.2% minority interest in ChinaCast Hong Kong.

21. Chan was an authorized signatory on ChinaCast Hong Kong's "chop." Under Chinese corporate practice, whoever controls the "chop," or corporate seal, controls the corporation. Chan was also a signatory on, and controlled, ChinaCast Hong Kong's bank accounts.

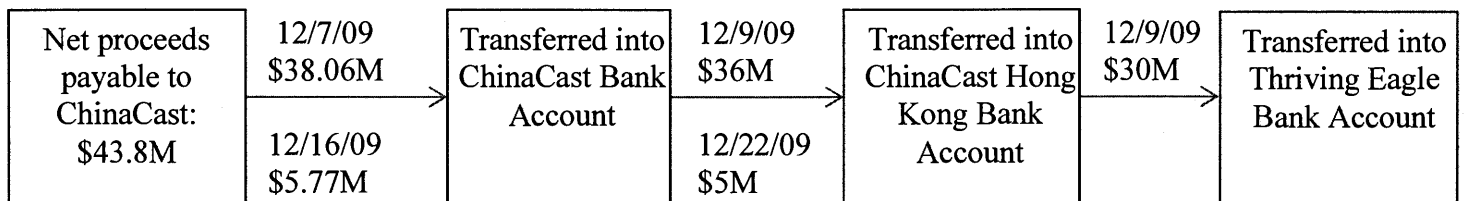
22. After Chan transferred ChinaCast's offering proceeds to ChinaCast Hong Kong, Chan transferred at least \$30 million of the proceeds from ChinaCast Hong Kong to an unrelated entity completely outside ChinaCast's corporate structure, Thriving Eagle Investments Ltd. ("Thriving Eagle"). These transfers occurred as follows.

23. On December 7, 2009, ChinaCast received \$38,059,475 in proceeds from its investment banker in connection the December 2009 public offering. On the next day, Chan signed a Funds Transfer Application that instructed ChinaCast's New York bank to wire \$36 million to a ChinaCast Hong Kong bank account.

24. On December 9, 2009, two transfers were made out of the ChinaCast Hong Kong bank account, in the amounts of \$30,000,000 and \$5,207,110. The \$30 million transfer went to a bank account held by Thriving Eagle. Chan's signature appears on the transfer request voucher for the \$30 million transfer from ChinaCast Hong Kong to Thriving Eagle, and the "remarks" field on the transfer voucher bears the notation, "for Chan Tze Ngan." The signature on the transfer voucher matches Chan's signatures on the Hong Kong annual filing forms that he executed for ChinaCast Hong Kong.

25. On December 16, 2009, ChinaCast completed the additional sale of shares in the public offering under an over-allotment option held by the investment bank, and \$5,778,421 in offering proceeds were wired into ChinaCast’s bank account in New York. On December 22, 2009, Chan transferred \$5 million from ChinaCast’s bank account to ChinaCast Hong Kong’s bank account. Chan signed the Funds Transfer Application for this \$5 million transfer.

26. There was no legitimate corporate purpose for transferring any of the offering proceeds to ChinaCast Hong Kong or to Thriving Eagle. ChinaCast Hong Kong did not have existing or planned operations requiring working capital, and Thriving Eagle was not affiliated with ChinaCast. The following chart illustrates Chan’s diversion of ChinaCast’s public offering proceeds using ChinaCast Hong Kong and Thriving Eagle:



27. Not only did Chan misappropriate a substantial portion of ChinaCast’s December 2009 offering proceeds in the foregoing manner, but he also signed subsequent periodic reports which falsely stated that the offering proceeds were under ChinaCast’s control and which falsely included those funds in the amounts that ChinaCast reported as cash and cash equivalents. In ChinaCast’s Form 10-K for the year ended December 31, 2009, which was filed on March 29, 2010 and signed by Chan, ChinaCast and Chan falsely stated that a purported 41.7% increase in ChinaCast’s cash, bank balances, and term deposits, from \$86.7 million on December 31, 2008 to \$122.8 million, on December 31, 2009 “was because of the proceeds from the share offerings of the Company in December 2009.” Subsequent annual and quarterly reports signed by Chan did not correct this false statement and, in fact, falsely continued to include the offering proceeds

in ChinaCast's reported cash balances. These subsequent periodic reports were ChinaCast's Forms 10-K (or 10-K/A) issued on March 16, 2011, September 2, 2011, February 8, 2012, February 24, 2012, and Forms 10-Q issued on May 10, 2010, August 9, 2010, November 9, 2010, May 9, 2011, and November 9, 2011. Chan signed each of those reports as Chairman and CEO of ChinaCast. Chan also signed the principal executive officer and Sarbanes-Oxley certifications for those filings.

28. After Chan and other members of his senior management group lost control of ChinaCast's board of directors early in 2012 following a proxy contest, new management and board members were appointed and the company undertook an investigation into the conduct of prior management. ChinaCast stated in a Form 8-K issued in December 2012 that "Prior Management had transferred a substantial portion (at least US\$35 million) of the US\$44 million proceeds (net of underwriting discount) from the Company's December 2009 public common stock offering to entities outside of the Company's group structure without the knowledge or consent of the Board. These cash outflows, made shortly after the offering's completion, have not been disclosed in any of the Previously Issued Financial Statements." ChinaCast made additional disclosures in that and other Forms 8-K issued after new management was appointed and warned the investing public not to rely on its financial statements for 2007, 2008, 2009, and 2010 and for the first three quarters of 2011.

Chan's False Statements About Ownership of ChinaCast Hong Kong

29. Although Chan owned 50% of ChinaCast Hong Kong, ChinaCast issued periodic reports signed by Chan falsely stating that it held a 98.5% indirect interest in ChinaCast Hong Kong through ChinaCast BVI and consolidating ChinaCast Hong Kong's financial results into ChinaCast's financial statements. These periodic reports were ChinaCast's Forms 10-K (or 10-

K/A) issued on March 12, 2010, March 16, 2011, September 2, 2011, February 24, 2012, and Forms 10-Q issued on May 10, 2010, August 9, 2010, November 9, 2010, May 10, 2011, August 9, 2011, and November 9, 2011. Chan signed each of those reports as Chairman and CEO of ChinaCast. Chan also signed the principal executive officer certifications and Sarbanes-Oxley certifications for those reports. Chan knew, or was reckless in not knowing, that those periodic reports were false when he signed them because he knew that he, not ChinaCast, owned the controlling interest in ChinaCast Hong Kong.

30. The misstatements concerning ownership of ChinaCast Hong Kong were material because a reasonable investor would want to know that an issuer that claimed to indirectly own a controlling interest in a purported subsidiary actually owned less than 50% of that entity, especially where, as here, the issuer's CEO and board chairman, in fact, secretly owned 50% of that entity. The misstatements concerning ownership of ChinaCast Hong Kong were also material because, as described above, ChinaCast Hong Kong was the undisclosed conduit for Chan's misappropriation of the December 2009 offering proceeds.

31. After Chan's termination, ChinaCast issued a Form 8-K in December 2012 disclosing, contrary to its prior public statements, that Chan owned 50% of ChinaCast Hong Kong while ChinaCast held only a 49.2% indirect equity interest.

Chan's Undisclosed Pledging of ChinaCast's Term Deposits

32. Chan also defrauded shareholders and prospective investors by secretly pledging ChinaCast's existing term cash deposits as collateral to secure debts incurred by various third parties that had nothing to do with ChinaCast's business while signing periodic reports falsely stating that ChinaCast's cash and cash equivalents were completely unencumbered.

The December 2010 Pledges

33. ChinaCast's Form 10-K for 2010, which Chan signed, stated that ChinaCast had RMB 704 million (approximately \$107 million) in unqualified and unencumbered term deposits. Those statements were false, and Chan knew, or was reckless in not knowing that they were false. In fact, RMB 600 million (approximately \$91 million) of those deposits were encumbered by pledges.

34. Chan personally executed five of those pledges during the fourth quarter of 2010, for which ChinaCast received no benefit and which covered at least RMB 200 million (approximately \$30.4 million) of the RMB 600 million in pledged amounts. The five pledge contracts executed by Chan were dated December 22, 23, 27 and 28, 2010 and were of six months duration. Through these contracts, two ChinaCast subsidiaries, ChinaCast Shanghai and Yupei Information Technology (Shanghai) Ltd. ("Yupei"), pledged a total of nearly RMB 200 million in term deposits for the benefit of third-party entities unrelated to ChinaCast. Those contracts were executed using the subsidiaries' chop and Chan's personal chop, and they identify Chan as the subsidiaries' legal representative. In addition, Chan signed a December 16, 2010 executive director resolution authorizing Yupei to issue a RMB 100 million guarantee for the third party entity referenced as the beneficiary in the Yupei pledge contracts.

The June 2011 Pledges

35. ChinaCast's Form 10-Q for the quarter ended June 30, 2011, which Chan also signed, falsely stated that ChinaCast held RMB 428 million (approximately \$66 million) in unqualified and unencumbered term deposits. Chan knew or was reckless in not knowing that that statement was false. In fact, Chan had caused almost RMB 200 million in term deposits held by two separate ChinaCast subsidiaries to be pledged for the benefit of third-party entities

unrelated to ChinaCast, this time as a result of multiple six-month pledge contracts executed in June 2011.

36. A June 16, 2011 ChinaCast Shanghai board resolution signed by Chan and Jiang stated that the subsidiary “shall” provide an RMB 100 million pledge guarantee for the benefit of a third-party entity unrelated to ChinaCast. Pursuant to that resolution, ChinaCast Shanghai, with Chan acting as its legal representative, entered into three six-month pledge contracts, two dated June 22, 2011 and one dated June 28, 2011, in which it pledged a total of RMB 97 million for the benefit of that third-party entity. Each of those pledge contracts was executed using ChinaCast Shanghai’s chop and Chan’s personal chop.

37. Chan also caused the ChinaCast subsidiary Yupei to enter into two six-month pledge contracts, dated June 27, 2011, in which Yupei pledged a total of RMB 97 million for the benefit of a third-party entity unrelated to ChinaCast. Those pledge contracts identify Chan as Yupei’s legal representative and bear Yupei’s chop and Chan’s personal chop.

38. ChinaCast’s Form 10-Q for the quarter ended September 30, 2011 also falsely stated that none of its term deposits, purportedly totaling RMB 605 million at the end of that quarter, were encumbered. Chan signed that periodic report as well despite knowing, or recklessly not knowing, that that statement was false.

39. The entities whose debts ChinaCast’s term deposits were pledged to secure were outside ChinaCast’s corporate structure and played no role in ChinaCast’s education business. For example, one of the entities, Lianyungang Baishuiyang Steel Co., Ltd., purports to be in the steel business. Not only did ChinaCast not benefit from these pledges, but it suffered direct harm as a result. For example, as ChinaCast disclosed in a Form 8-K filed in December 2012 after new management was appointed, at least RMB 200 million of ChinaCast term deposits were

spent as of September 30, 2011 to settle creditor claims against third-party pledgees who had defaulted on the debts.

ChinaCast's Other False Public Filings

40. In addition to periodic reports, ChinaCast filed false registration statements and amendments, prospectuses, and prospectus supplements with the Commission during the relevant time period. By reason of the false statements contained in those filings, ChinaCast obtained proceeds from the sale of its shares to the investing public.

41. Prospectus supplements for public offerings incorporate by reference materially false and misleading periodic reports signed by Chan. A June 7, 2010 Rule 424(b)(3) Prospectus Supplement incorporated by reference ChinaCast's March 29, 2010 Form 10-K and May 10, 2010 Form 10-Q. Those periodic reports falsely included the December 2009 offering proceeds in ChinaCast's reported cash balances. The March 29, 2010 Form 10-K also falsely stated that ChinaCast owned a 98.5% interest in ChinaCast Hong Kong. Chan signed each of the preceding periodic reports incorporated by reference into the prospectus supplements.

42. In addition, Chan signed a Form S-3 Shelf Registration Amendment, dated June 1, 2010, that added additional shares to ChinaCast's pre-existing shelf registration statement. The June 1, 2010 amendment incorporated by reference ChinaCast's March 29, 2010 Form 10-K and May 10, 2010 Form 10-Q. Those periodic reports falsely included the December 2009 offering proceeds in ChinaCast's reported cash balances. The March 29, 2010 Form 10-K also falsely stated that ChinaCast owned a 98.5% interest in ChinaCast Hong Kong. Chan signed each of the periodic reports incorporated by reference into the registration statements and amendments.

JIANG'S ILLEGAL INSIDER TRADING

43. Jiang, a member of the senior management group headed by Chan, engaged in illegal insider trading shortly before being terminated by the new board in March 2012. Jiang headed ChinaCast's operations in the PRC. He sold ChinaCast stock after participating in the transfer of the ownership of at least one of the profitable colleges in ChinaCast's Traditional Group from ChinaCast to himself and before the transfer of that college was publicly disclosed.

44. After Chan's management group lost control of the board, Chan and other members of that group, including Jiang, transferred ownership of ChinaCast's three Traditional Group colleges away from ChinaCast by transferring the ChinaCast-owned holding companies that held the colleges first to Jiang and the dean of one of the colleges and then selling them to other individuals. At least one of the colleges (Hubei College) was transferred to Jiang and the dean on March 7, 2012, three weeks before Jiang's stock sale.

45. Transactional documents show that another ChinaCast officer, acting as the legal representative of the ChinaCast subsidiary that held Hubei College, transferred ownership of that holding company to Jiang (70%) and the dean (30%) on March 7, 2012 purportedly for RMB 20 million (approximately \$3,257,800). Hubei College generated a substantial portion of ChinaCast's reported revenue in 2010, the most recent year for which ChinaCast reported annual financial results. Specifically, the holding company that previously owned Hubei College generated approximately 8.3% of ChinaCast's reported revenue in 2010 – almost \$6.5 million and roughly double the purported sale price to Jiang and the dean. The sale of a controlling interest in Hubei College to Jiang for approximately half of the annual revenue generated by that college was material nonpublic information of which Jiang was aware when he sold his ChinaCast shares.

46. On March 28, 2012, just days before trading in ChinaCast was suspended by NASDAQ on April 2, 2012, Jiang sold 51,135 shares of ChinaCast stock at \$4.59 per share through a brokerage account in Hong Kong and received proceeds of \$234,565. Those were all the ChinaCast shares that Jiang held in that account. Jiang was terminated on March 29, 2012. The transfer of Hubei College away from ChinaCast was not publicly disclosed until, beginning on April 19, 2012, ChinaCast issued Forms 8-K disclosing the transfers of the Traditional Group colleges.

47. The NASDAQ suspended trading in ChinaCast on April 2, 2012, due to ChinaCast's failure to file its 2011 Form 10-K on time, and eventually delisted ChinaCast on June 25, 2012.

48. ChinaCast stock had closed at \$4.24 on March 30, 2012, the last trading day on the NASDAQ prior to the suspension, and when trading resumed in the over-the-counter markets on June 25, 2012, ChinaCast was a penny stock. The stock opened at \$0.55 and closed at \$0.82 that day. As a result, Jiang avoided losses of at least \$206,585 by selling his stock before ChinaCast disclosed the transfer of Hubei College.

49. Jiang's stock sale breached a duty that he knew, or was reckless in not knowing, he owed to ChinaCast and its shareholders. As President for China, Jiang was one of ChinaCast's senior officers and, as such, had a duty to not misuse material, non-public information, like the transfer of ChinaCast's ownership of Hubei College, he obtained at ChinaCast for his own personal benefit. Jiang's stock sale also violated ChinaCast's insider trading policy, to which he was subject. Under that policy, Jiang was prohibited from making any purchases or sales of ChinaCast stock during the last week of any quarter or until the second trading day after public disclosure of the results for the prior quarter or year. Because ChinaCast

had not yet issued financial results for 2011, Jiang was prohibited from transacting in ChinaCast securities from at least December 26, 2011, the beginning of the last trading week before year-end.

DESTRUCTION OF CORPORATE RECORDS

50. In addition to the fraudulent conduct previously described herein, Forms 8-K filed by ChinaCast since April 2012 have described other wrongdoing by former management, including the removal or destruction of ChinaCast's financial books and records. According to ChinaCast's recent disclosures, former management members, including Chan and Jiang, were involved in the removal or destruction of a substantial portion of the financial records that were located in the finance offices of ChinaCast's headquarters in the PRC, and unknown outside individuals forcibly removed finance department computers and documents from the headquarters that have never been recovered.

THE IMPACT OF THE FRAUD ON CHINACAST

51. The impact of Chan's and Jiang's misappropriation and diversion of ChinaCast assets on ChinaCast and its shareholders has been severe. ChinaCast effectively has no operating assets and little remaining cash. In the past year, ChinaCast's stock price has fallen from \$0.50 to \$0.10, and its market capitalization has fallen from \$211 million on March 30, 2012 to \$4.8 million in September 2013.

CHAN'S GAINS FROM THE FRAUD

52. Chan profited from his fraud. For example, as described above, Chan used his secret 50% stake in ChinaCast Hong Kong to misappropriate \$41 million in offering proceeds. Chan also obtained monetary and other compensation from ChinaCast, including salary, bonus, and stock awards, while looting the company's operating and cash assets and otherwise engaging

in a fraud that severely damaged ChinaCast and its shareholders.

FIRST CLAIM FOR RELIEF

**Violations of Section 17(a) of the Securities Act
and Section 10(b) of the Exchange Act and Rule 10b-5**

(Chan)

53. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1-52.

54. Chan directly or indirectly, singly or in concert, in the offer or sale, and in connection with the purchase or sale, of securities by the use of the means of instruments of transportation or communication in interstate commerce, or of the mails or the facilities of a national securities exchange, knowingly or recklessly has: (a) employed devices, schemes, or artifices to defraud; (b) made, and obtained money or property by means of, untrue statements of a material fact or omitted to state, and obtained money or property by means of omissions of, a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser and upon other persons.

55. By reason of the foregoing, Chan singly or in concert, directly or indirectly, has violated, and unless enjoined will again violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5].

SECOND CLAIM FOR RELIEF

Violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5

(Jiang)

56. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1-52.

57. Jiang directly or indirectly, singly or in concert, in the offer or sale, and in connection with the purchase or sale, of securities by the use of the means of instruments of transportation or communication in interstate commerce, or of the mails or the facilities of a national securities exchange, knowingly or recklessly has: (a) employed devices, schemes, or artifices to defraud; (b) made, and obtained money or property by means of, untrue statements of a material fact or omitted to state, and obtained money or property by means of omissions of, a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser and upon other persons.

58. By virtue of the foregoing, Jiang, directly or indirectly, has violated, and unless enjoined will again violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5].

THIRD CLAIM FOR RELIEF

**Violations of Section 13(b)(5)
of the Exchange Act and Rule 13b2-1**

(Chan)

59. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 52.

60. Chan engaged in fraudulent practices in the course of which he knowingly circumvented or knowingly failed to implement a system of internal accounting controls and knowingly falsified, directly or indirectly, or caused to be falsified books, records and accounts of ChinaCast that were subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)]. Chan also knowingly falsified and/or caused others to falsify ChinaCast's books and records, including financial statements and other financial records that materially misstated, among other things, ChinaCast's assets. In doing so, Chan also knowingly circumvented, and otherwise knowingly failed to implement, internal controls designed to prevent, among other things, the falsification of accounting records and financial statements reflecting ChinaCast's assets.

61. By reason of the foregoing, Chan has violated, and unless enjoined will again violate, Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] and Rule 13b2-1 thereunder [17 C.F.R. § 240.13b2-1].

FOURTH CLAIM FOR RELIEF

Violation of Exchange Act Rule 13a-14

(Chan)

62. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 52.

63. As ChinaCast's chief executive officer, Chan signed certifications pursuant to Rule 13a-14 that were included in ChinaCast's annual reports on Form 10-K for the fiscal years ended December 31, 2008 through December 31, 2010 and in ChinaCast's interim reports on Form 10-Q for the quarters ended March 31, June 30, and September 30, 2008 through 2011.

64. In the certifications identified above, Chan falsely stated, among other things, that the reports did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement not misleading.

65. By reason of the foregoing, Chan violated, and unless enjoined will again violate, Exchange Act Rule 13a-14 [17 C.F.R. § 240.13a-14].

FIFTH CLAIM FOR RELIEF

**Violations of Section 13(a) of the
Exchange Act and Rules 12b-20, 13a-1, and 13a-13**

(Chan)

66. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 52.

67. ChinaCast failed to file with the Commission, in accordance with the rules and regulations prescribed by the Commission, such annual and quarterly reports as the Commission has prescribed and ChinaCast failed to include, in addition to the information expressly required to be stated in such reports, such further material information as was necessary to make the

statements made therein, in light of the circumstances in which they were made, not misleading, in violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1 and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1 and 240.13a-13].

68. As alleged above, ChinaCast's filed annual and quarterly periodic reports that were materially false and misleading, because they contained materially false and misleading statements and omitted material information concerning, among other things, ChinaCast's assets.

69. As alleged above, Chan knowingly engaged in fraudulent conduct that resulted in the filing of materially false and misleading annual and quarterly periodic reports by ChinaCast, which were signed by Chan.

70. At all times relevant hereto, Chan was a controlling person of ChinaCast for the purposes of Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)].

71. Chan knowingly or recklessly provided substantial assistance to ChinaCast with respect to ChinaCast's violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-13].

72. By reason of the foregoing, Chan is liable (a) as a controlling person pursuant to Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)] for ChinaCast's violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1 and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1 and 240.13a-13]; and (b) pursuant to Section 20(e) of the Exchange Act for aiding and abetting ChinaCast's violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-13].

SIXTH CLAIM FOR RELIEF

Violations of Section 13(b)(2) of the Exchange Act

(Chan)

73. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 52.

74. ChinaCast failed to:

- (a) make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected the transactions and dispositions of its assets; and
- (b) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:
 - (i) transactions were executed in accordance with management's general or specific authorization;
 - (ii) transactions were recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;
 - (iii) access to assets was permitted only in accordance with management's general or specific authorization; and
 - (iv) the recorded accountability for assets was compared with the existing assets at reasonable intervals and appropriate action was taken with respect to any differences;

in violation of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C §§

78m(b)(2)(A) and 78m(b)(2)(B)].

75. As alleged above, Chan (a) engaged in fraudulent practices in the course of which he knowingly circumvented or knowingly failed to implement a system of internal accounting controls and knowingly falsified, directly or indirectly, or caused to be falsified books, records and accounts of ChinaCast that were subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)]; (b) knowingly falsified and/or caused others to falsify ChinaCast's books and records, including financial statements and other financial records that materially misstated, among other things, ChinaCast's assets; and (c) knowingly circumvented, and otherwise knowingly failed to implement, internal controls designed to prevent, among other things, the falsification of accounting records and financial statements reflecting ChinaCast's assets.

76. At all times relevant hereto, Chan was a controlling person of ChinaCast for the purposes of Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)].

77. Chan knowingly or recklessly provided substantial assistance to ChinaCast with respect to ChinaCast's violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C §§ 78m(b)(2)(A) and 78m(b)(2)(B)].

78. By reason of the foregoing, Chan is liable (a) as a controlling person pursuant to Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)] for ChinaCast's violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C §§ 78m(b)(A) and 78m(b)(B)]; and (b) pursuant to Section 20(e) of the Exchange Act for aiding and abetting ChinaCast's violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C §§ 78m(b)(A) and 78m(b)(B)].

SEVENTH CLAIM FOR RELIEF

**Control Person and Aiding and Abetting
Liability for ChinaCast's Violations of
Section 10(b) of the Exchange Act and Rule 10b-5**

(Chan)

79. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 52.

80. ChinaCast, directly or indirectly, singly or in concert, by use of the means or instrumentalities of interstate commerce or of the mails, or of the facilities of a national securities exchange, in connection with the purchase or sale of securities, knowingly or recklessly, has: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material fact, or omitted to state material facts necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, practices and courses of business which operated or would have operated as a fraud or deceit upon purchasers of securities and upon other persons.

81. ChinaCast violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

82. At all times relevant hereto, Chan was a controlling person of ChinaCast for the purposes of Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)].

83. Chan knowingly or recklessly engaged in fraudulent conduct that resulted in ChinaCast's violations of Section 10(b) of the Exchange Act and Rule 10b-5.

84. By engaging in the conduct alleged above, Chan knowingly or recklessly provided substantial assistance to, or was a culpable participant with, ChinaCast with respect to

its violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §§ 240.10b-5].

85. By reason of the foregoing, Chan is liable (a) as a controlling person pursuant to Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)] for ChinaCast's violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; and (b) pursuant to Section 20(e) of the Exchange Act for aiding and abetting ChinaCast's violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests a Final Judgment:

I.

A. Permanently enjoining Chan from committing, aiding and abetting or otherwise engaging in conduct that would make him liable for the violations of the federal securities laws alleged as to him in this complaint.

B. Permanently enjoining Jiang from committing the violations of the federal securities laws alleged as to him in this complaint.

II.

Ordering Chan and Jiang to disgorge the ill-gotten gains each received as a result of the violations alleged in this complaint, and ordering Chan and Jiang to each pay prejudgment interest thereon.

III.

Ordering Chan to pay civil monetary penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Sections 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

IV.

Ordering Jiang to pay civil monetary penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21A of the Exchange Act [15 U.S.C. § 78u-1].

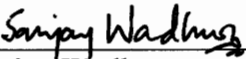
V.

Prohibiting Chan and Jiang, pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VI.

Granting such other and further relief as the Court may deem just and proper.

Dated: September 26, 2013
New York, New York



Sanjay Wadhwa
Senior Associate Director
Attorney for Plaintiff
SECURITIES AND EXCHANGE
COMMISSION
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3 World Financial Center, Suite 400
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Nancy A. Brown
Dominick D. Barbieri

The JS-44 civil cover sheet and the information contained hereon are to be replaced by the pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for use of the Clerk of Court for the purpose of initiating the civil docket sheet.

PLAINTIFFS

Securities and Exchange Commission

DEFENDANTS

Chan Tze Ngon and Jiang Xiangyuan

ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)

Please see the Addendum 1 to the Civil Cover Sheet

ATTORNEYS (IF KNOWN)

Unknown

CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE A BRIEF STATEMENT OF CAUSE)
(DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY)

15 U.S.C. §§ 77q(a), 78j(b), 78m(b)(5), 78t(a), 78m(a), and 78m(b)(2). SEC seeks injunctions, penalties, and other relief.

Has this or a similar case been previously filed in SDNY at any time? No Yes Judge Previously Assigned

If yes, was this case Vol. Invol. Dismissed. No Yes If yes, give date _____ & Case No. _____

IS THIS AN INTERNATIONAL ARBITRATION CASE? No Yes

(PLACE AN [x] IN ONE BOX ONLY)

NATURE OF SUIT

TORTS		ACTIONS UNDER STATUTES	
CONTRACT	PERSONAL INJURY	PERSONAL INJURY	FORFEITURE/PENALTY
[] 110 INSURANCE	[] 310 AIRPLANE	[] 362 PERSONAL INJURY -	[] 610 AGRICULTURE
[] 120 MARINE	[] 315 AIRPLANE PRODUCT	[] 365 PERSONAL INJURY	[] 620 OTHER FOOD &
[] 130 MILLER ACT	LIABILITY	[] 368 ASBESTOS PERSONAL	DRUG
[] 140 NEGOTIABLE	[] 320 ASSAULT, LIBEL &	INJURY PRODUCT	[] 625 SEIZURE OF
INSTRUMENT	SLANDER	LIABILITY	PROPERTY
[] 150 RECOVERY OF	[] 330 FEDERAL	[] 370 OTHER FRAUD	[] 630 LIQUOR LAWS
OVERPAYMENT &	EMPLOYERS'	[] 371 TRUTH IN LENDING	[] 640 RR & TRUCK
ENFORCEMENT	LIABILITY	[] 380 OTHER PERSONAL	[] 650 AIRLINE REGS
OF JUDGMENT	[] 340 MARINE	PROPERTY DAMAGE	[] 660 OCCUPATIONAL
[] 151 MEDICARE ACT	[] 345 MARINE PRODUCT	PROPERTY DAMAGE	SAFETY/HEALTH
[] 152 RECOVERY OF	LIABILITY	[] 385 PRISONER PETITIONS	[] 690 OTHER
DEFAULTED	[] 350 MOTOR VEHICLE	[] 510 MOTIONS TO	LABOR
STUDENT LOANS	[] 355 MOTOR VEHICLE	VACATE SENTENCE	[] 710 FAIR LABOR
(EXCL VETERANS)	PRODUCT LIABILITY	20 USC 2255	STANDARDS ACT
[] 153 RECOVERY OF	[] 360 OTHER PERSONAL	[] 530 HABEAS CORPUS	[] 720 LABOR/MGMT
OVERPAYMENT	INJURY	[] 535 DEATH PENALTY	RELATIONS
OF VETERAN'S		[] 540 MANDAMUS & OTHER	[] 730 LABOR/MGMT
BENEFITS	ACTIONS UNDER STATUTES		REPORTING &
[] 160 STOCKHOLDERS	CIVIL RIGHTS		DISCLOSURE ACT
SUITS	[] 441 VOTING		[] 740 RAILWAY LABOR ACT
[] 190 OTHER	[] 442 EMPLOYMENT		[] 790 OTHER LABOR
CONTRACT	[] 443 HOUSING/		LITIGATION
CONTRACT	ACCOMMODATIONS		[] 791 EMPL RET INC
PRODUCT	[] 444 WELFARE		SECURITY ACT
LIABILITY	[] 445 AMERICANS WITH		IMMIGRATION
[] 196 FRANCHISE	DISABILITIES -	[] 550 CIVIL RIGHTS	[] 462 NATURALIZATION
	EMPLOYMENT	[] 555 PRISON CONDITION	APPLICATION
REAL PROPERTY	[] 446 AMERICANS WITH		[] 463 HABEAS CORPUS-
[] 210 LAND	DISABILITIES -OTHER		ALIEN DETAINEE
CONDEMNATION	[] 440 OTHER CIVIL RIGHTS		[] 465 OTHER IMMIGRATION
[] 220 FORECLOSURE	(Non-Prisoner)		ACTIONS
[] 230 RENT LEASE &			
EJECTMENT			
[] 240 TORTS TO LAND			
[] 245 TORT PRODUCT			
LIABILITY			
[] 290 ALL OTHER			
REAL PROPERTY			

Check if demanded in complaint:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DO YOU CLAIM THIS CASE IS RELATED TO A CIVIL CASE NOW PENDING IN S.D.N.Y.? IF SO, STATE:

DEMAND \$ _____ OTHER _____ JUDGE _____ DOCKET NUMBER _____

Check YES only if demanded in complaint
JURY DEMAND: YES NO

NOTE: Please submit at the time of filing an explanation of why cases are deemed related.

(PLACE AN x IN ONE BOX ONLY)

ORIGIN

- 1 Original Proceeding
- 2 Removed from State Court
 - a. all parties represented
 - b. At least one party is pro se.
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from (Specify District)
- 6 Multidistrict Litigation
- 7 Appeal to District Judge from Magistrate Judge Judgment

(PLACE AN x IN ONE BOX ONLY)

BASIS OF JURISDICTION

- 1 U.S. PLAINTIFF
- 2 U.S. DEFENDANT
- 3 FEDERAL QUESTION (U.S. NOT A PARTY)
- 4 DIVERSITY

IF DIVERSITY, INDICATE CITIZENSHIP BELOW. (28 USC 1332, 1441)

CITIZENSHIP OF PRINCIPAL PARTIES (FOR DIVERSITY CASES ONLY)

(Place an [X] in one box for Plaintiff and one box for Defendant)

CITIZEN OF THIS STATE CITIZEN OF ANOTHER STATE	PTF [] 1 [] 2	DEF [] 1 [] 2	CITIZEN OR SUBJECT OF A FOREIGN COUNTRY INCORPORATED or PRINCIPAL PLACE OF BUSINESS IN THIS STATE	PTF DEF [] 3 [] 3 [] 4 [] 4	INCORPORATED and PRINCIPAL PLACE OF BUSINESS IN ANOTHER STATE FOREIGN NATION	PTF DEF [] 5 [] 5 [] 6 [] 6
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PLAINTIFF(S) ADDRESS(ES) AND COUNTY(IES)

Please see Addendum 1 to the Civil Cover Sheet

DEFENDANT(S) ADDRESS(ES) AND COUNTY(IES)

Please see Addendum 1 to the Civil Cover Sheet

DEFENDANT(S) ADDRESS UNKNOWN

REPRESENTATION IS HEREBY MADE THAT, AT THIS TIME, I HAVE BEEN UNABLE, WITH REASONABLE DILIGENCE, TO ASCERTAIN THE RESIDENCE ADDRESSES OF THE FOLLOWING DEFENDANTS:

None

Check one: THIS ACTION SHOULD BE ASSIGNED TO: WHITE PLAINS MANHATTAN
 (DO NOT check either box if this a PRISONER PETITION/PRISONER CIVIL RIGHTS COMPLAINT.)

DATE 09/26/2013 SIGNATURE OF ATTORNEY OF RECORD

Sanjay Wadhwa

ADMITTED TO PRACTICE IN THIS DISTRICT

[] NO

YES (DATE ADMITTED: Mo. Nov. Yr. 2005)

Attorney Bar Code # SW2457

RECEIPT #

Magistrate Judge is to be designated by the Clerk of the Court.

MAG. JUDGE FRANCIS

Magistrate Judge _____ is so Designated.

Ruby J. Krajick, Clerk of Court by _____ Deputy Clerk, DATED _____

UNITED STATES DISTRICT COURT (NEW YORK SOUTHERN)

Addendum 1 to Civil Cover Sheet for SEC v. Chan Tze Ngon and Jiang Xiangyuan

List and Addresses of Plaintiff, Plaintiff's Counsel, and Defendants

Plaintiff	Name and Last Known Address	Attorney Name and Address
	Securities and Exchange Commission	Andrew M. Calamari, Esq. 3 World Financial Center, Suite 400 New York, NY 10281 (212) 336-1100 CalamariA@sec.gov
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		George N. Stepaniuk, Esq. 3 World Financial Center, Suite 400 New York, NY 10281 (212) 336-0173 StepaniukG@sec.gov
		Nancy A. Brown 3 World Financial Center, Suite 400 New York, NY 10281 (212) 336-1023 BrownN@sec.gov
		Dominick D. Barbieri 3 World Financial Center, Suite 400 New York, NY 10281 (212) 336-0124 BarbieriD@sec.gov
Defendants	Chan Tze Ngon 6th Floor, Block G6 Tomson Golf Villa Pudong Shanghai People's Republic of China	Unknown
	Jiang Xiangyuan Building 66 No. 2255 Luo Shan Road Pudong Xin Qu Shanghai People's Republic of China	Unknown