

ORIGINAL

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9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11 ALEJANDRO PUENTE INDIVIDUALLY
12 AND ON BEHALF OF ALL OTHERS
13 SIMILARLY SITUATED,

14 Plaintiff,

15 vs.

16 CHINACAST EDUCATION CORPORATION,
17 RON CHAN TZE NGON, and ANTONIO
18 SENA

19 Defendants.

CASE No.:

CV 12- [unclear] (FW(PLA*))

COMPLAINT

CLASS ACTION

JURY TRIAL DEMANDED

20 Plaintiff Alejandro Puente ("Plaintiff"), individually and on behalf of all
21 other persons similarly situated, by his undersigned attorneys, for his complaint
22 against Defendants, alleges the following based upon personal knowledge as to
23 himself and his own acts, and information and belief as to all other matters, based
24 upon, *inter alia*, the investigation conducted by and through his attorneys, which
25 included, among other things, a review of the defendants' public documents,
26 conference calls and announcements made by defendants, United States Securities
27 and Exchange Commission ("SEC") filings, wire and press releases published by
28 and regarding ChinaCast Education Corporation ("CAST" or the "Company"),

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BY: JP
FILED
JUL 10 2012
U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

1 securities analysts' reports and advisories about the Company, and information
2 readily obtainable on the Internet. Plaintiff believes that substantial evidentiary
3 support will exist for the allegations set forth herein after a reasonable opportunity
4 for discovery.

5 **NATURE OF THE ACTION**

6 1. This is a federal securities class action on behalf of a class consisting
7 of all persons other than Defendants who purchased the common stock of CAST
8 between February 14, 2011 and April 2, 2012 inclusive, seeking to recover damages
9 caused by Defendants' violations of federal securities laws.

10 **JURISDICTION AND VENUE**

11 2. The claims asserted herein arise under and pursuant to Sections 10(b)
12 and 20(a) of the Securities Exchange Act, and Rule 10b-5 promulgated thereunder
13 (17 C.F.R. §240.10b-5).

14 3. This Court has jurisdiction over the subject matter of this action
15 pursuant to Section 27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. §
16 1331.

17 4. Venue is proper in this Judicial District pursuant to §27 of the
18 Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1391(b).

19 5. In connection with the acts, conduct, and other wrongs alleged in this
20 Complaint, Defendants, directly or indirectly, used the means and instrumentalities
21 of interstate commerce, including but not limited to, the United States mails,
22 interstate telephone communications and the facilities of the national securities
exchange.

23 **PARTIES**

24 6. Plaintiff, as set forth in the accompanying certification, incorporated
25 by reference herein, purchased CAST securities at artificially inflated prices during
26 the Class Period and has been damaged thereby.

27 7. Defendant CAST is a Delaware corporation headquartered in Hong
28 Kong. CAST, through its operating subsidiaries, provides post-secondary

1 education and e-learning services in China. The Company operates in two
2 segments, E-learning and Training Service Group, and Traditional University
3 Group. The E-learning and Training Service Group offers post secondary education
4 distance learning services that enable universities and other higher learning
5 institutions to provide nationwide real-time distance learning The Traditional
6 University Group segment operates private residential universities that offer four-
7 year bachelor's degree and three-year diploma programs in finance, economics,
8 trade, tourism, advertising, IT, music, foreign languages, tourism, hospitality,
9 computer engineering, law, and art field.

10 8. During the Class Period CAST's common stock was listed on the
11 NASDAQ under ticker "CAST."

12 9. Defendant Ron Chan Tze Ngon ("Chan") was the Company's Chief
13 Executive Officer ("CEO") and Chairman of the board of directors at all relevant
14 times until March 26, 2012.

15 10. Defendant Antonio Sena ("Sena") served as Chief Financial Officer
16 ("CFO") of CAST at all relevant times until March 26, 2012.

17 11. Chan and Sena are collectively referred to hereinafter as the
18 "Individual Defendants".

19 **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

20 12. Plaintiff brings this action as a class action pursuant to Federal Rules
21 of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all persons
22 who purchased the common stock of CAST during the Class Period and who were
23 damaged thereby. Excluded from the Class are Defendants, the officers and
24 directors of the Company at all relevant times, members of their immediate families
25 and their legal representatives, heirs, successors or assigns and any entity in which
26 defendants have or had a controlling interest.

27 13. The members of the Class are so numerous that joinder of all members
28 is impracticable. Throughout the Class Period, CAST's securities were actively
traded on the NASDAQ. While the exact number of Class members is unknown to

1 Plaintiff at this time and can only be ascertained through appropriate discovery,
2 Plaintiff believes that there are at least hundreds of members in the proposed Class.
3 Members of the Class may be identified from records maintained by CAST or its
4 transfer agent and may be notified of the pendency of this action by mail, using a
5 form of notice customarily used in securities class actions.

6 14. Plaintiff's claims are typical of the claims of the members of the Class,
7 as all members of the Class are similarly affected by Defendants' wrongful conduct
8 in violation of federal law that is complained of herein.

9 15. Plaintiff will fairly and adequately protect the interests of the members
10 of the Class and has retained counsel competent and experienced in class and
11 securities litigation.

12 16. Common questions of law and fact exist as to all members of the Class
13 and predominate over any questions solely affecting individual members of the
14 Class. Among the questions of law and fact common to the Class are:

15 (a) whether the federal securities laws were violated by Defendants'
16 acts as alleged herein;

17 (b) whether statements made by Defendants to the investing public
18 during the Class Period misrepresented material facts about the business, operations
19 and management of CAST; and

20 (c) to what extent the members of the Class have sustained damages
21 and the proper measure of damages.

22 17. A class action is superior to all other available methods for the fair and
23 efficient adjudication of this controversy since joinder of all members is
24 impracticable. Furthermore, as the damages suffered by individual Class members
25 may be relatively small, the expense and burden of individual litigation make it
26 impossible for members of the Class to redress individually the wrongs done to
27 them. There will be no difficulty in the management of this action as a class action.

28 **SUBSTANTIVE ALLEGATIONS**

1 18. During the Class Period the Company had undisclosed deficiencies in
2 its internal controls that permitted defendant Chan and others to engage in wrongful
3 transfer of millions of dollars; the wrongful transfer of the Company's private
4 colleges; and to engage in undisclosed related party transactions, rendering the
5 Company's financial statements with the SEC false and misleading.

6 19. Starting from at least July 2011 and continuing through April 2012,
7 defendant Chan transferred out over RMB760 million (approximately US\$120
8 million) from the bank accounts of ChinaCast Technology (Shanghai) Limited
9 ("CCT Shanghai") and Yupei Training Information Technology (Shanghai) Ltd.
10 ("YPSH"). These transfers (the "Unlawful Transfers") were undisclosed to CAST
11 shareholders and rendered the CAST periodic reports filed with the SEC and other
12 public statements materially false and misleading.

13 20. Moreover, due to the Company's lack of internal controls over its
14 operating subsidiaries during the Class Period—which were undisclosed, the
15 Company's interests in its two private colleges, Lijian College ("LJC") and Hubei
16 Industrial University Business College ("HIU"), were transferred to persons outside
17 of the Company's group structure.

18 21. The public statements and periodic reports rendered materially false
19 and misleading as a result of these undisclosed transfers were, among other things:

20 (a) February 14, 2011 shareholder letter: responding to concerns about
21 the circumstances of Cast's acquisition of LJC and HIU, but failing to disclose the
22 internal control deficiencies relating to Cast's ownership and control of LJC and
23 HIU;

24 (b) March 16, 2011: CAST's 10-K for the fiscal year ended December 31,
25 2010, failing to disclose the internal control deficiencies relating to ChinaCast's
26 ownership and control of LJC and HIU;

27 (c) August 9, 2011: CAST's press release, later filed on form 8-K with the
28 SEC signed by defendant Sena, announcing raised financial guidance for the second
half of the fiscal year ended December 31, 2011;

1 (d) November 9, 2011: CAST's 10-Q for the third quarter ended
2 September 30, 2011 ("Q3 2011 10-Q"), filed with the SEC and signed by
3 defendants Sena and Chan, which falsely set forth the Company's cash and cash
4 equivalents;

5 (e) November 9, 2011: Sarbanes-Oxley Act of 2002 certifications
6 accompanying the Q3 2011 10-Q separately signed by Chan and Sena attesting that
7 they each disclosed "Any fraud, whether or not material, that involves
8 management" to the Company's audit committee;

9 (f) November 9, 2011: CAST's press release announcing the Company's
10 third quarter ended September 30, 2011 financial results, which falsely set forth the
11 Company's cash and bank balances; and

12 (g) December 9, 2011: CAST's shareholder letter signed by Chan further
13 touting the Q3 2011 results and reiterating guidance for the year ended 2011.

14 **TRUTH BEGINS TO SLOWLY MATERIALIZE AND EMERGE**

15 22. The relevant truth began to enter the market and/or materialize through
16 partial disclosures.

17 23. On October 3, 2011 the issued a letter to shareholders stating it was
18 suspending its planned \$50 million share buyback program and that it would hire a
19 independent auditing firm to review its cash balances.

20 24. This announcement caused to the Company's stock to fall \$1.06/share
21 or 29.12% on October 3, 2011.

22 25. On October 4, 2011 CAST issued a press release attempting to falsely
23 reassure investors' concern that the delays in the Company's stock buy-back were
24 due legitimate concerns about the Company's cash balances. The announcement
25 states in relevant part:

26 First, no question or concern has been raised by the Company's auditors,
27 audit committee or any other relevant professional related to the Company's
28 cash balances. As a result of several incidents that have been reported by
auditors of other publicly held Chinese operating companies that have been

1 unable to properly confirm cash balances, the Company will be engaging a
2 third party service provider on a voluntary and proactive basis to conduct an
3 independent confirmation in order to provide greater comfort to the
4 marketplace on this issue and to differentiate the Company from those
cases.

5 Secondly, this effort bears no relation to the Company's stock repurchase
6 program. Although the Company does not believe it will be able to
7 accelerate repurchases under current price levels due to the constraints
8 outlined in yesterday's shareholder letter, the Company does intend to
continue repurchasing its shares subject to applicable blackout periods.

9 26. These false assurances caused the Company's stock to be rise to
10 \$3.10/share on October 5, 2011, or rise 21%.

11 27. On April 2, 2012, NASDAQ announced that trading was halted in
12 CAST, effectively rendering CAST's shares illiquid and worthless, damaging
13 investors.

14 28. That same day, filed 8-K with SEC, with an open letter Press Release,
15 disclosing that Chan had been found refusing auditor's access to financial
16 information, and unlawfully resisted his terminations by refusing to return key
17 company property, including corporate chops necessary to run the business in
18 China. Additionally, the Company also admitted that it had uncovered questionable
19 activities and transactions which raise the specter of possible illegal conduct by
20 Chan and his accomplices and may have led to the frustration of the audit of the
21 Company's financial statements.

22 29. On April 19, 2012, CAST filed an 8-K with the SEC revealing
23 additional findings that impacting the accuracy of the CAST's financial statements,
24 including but not limited to, potentially undisclosed related party transactions, and
the transfer of LJC and HIU.

25 30. On May 14, 2012, CAST filed an 8-K with the SEC revealing the
26 Unlawful Transfers. The 8-K states in relevant part:
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1 **Investigations.** With respect to the Company’s investigations into
2 questionable activities involving Mr. Chan, Mr. Jiang and their associates, in
3 addition to matters already disclosed in prior public filings, the Company’s
4 current management has discovered the following matters which remain
5 under investigation:

* * *

6 the withdrawal of over Rmb760 million (approximately US\$120 million) in
7 cash from the bank accounts of CCT Shanghai and YPSH from July 2011
8 through April 2012 without the prior knowledge of the Company’s Board of
9 Directors. It is possible that some or all of the withdrawn cash could have
10 been transferred to other Company accounts that the current management
11 does not currently have access to or the cash could have been transferred out
12 of the Company’s control. The Company’s current management team is
13 continuing to try to obtain access to additional bank records and may find
14 that significantly more unauthorized withdrawals may also have been made
15 from the Company’s other bank accounts. As disclosed in the Company’s 10-
16 Q for the quarterly period ended September 30, 2011 filed on November 9,
17 2011, the Company had cash and cash equivalents of Rmb482.3 million
18 (US\$75.4 million) and term deposits of Rmb605.0 million (US\$94.5 million)
19 as of September 30, 2011. As disclosed in the Company’s 10-K/A for year
20 ended December 31, 2010 filed on February 24, 2012, the Company had cash
21 and cash equivalents of Rmb244.4 million (US\$37.0 million) and term
22 deposits of Rmb704.0 million (US\$106.7 million) as of December 31, 2010.
23 The Company is also investigating whether any of the cash from these
24 undisclosed withdrawals was used to make unauthorized payments to persons
25 or entities affiliated with Mr. Chan or Mr. Jiang; and

26 **Applicability of Presumption of Reliance:**

27 **Fraud-on-the-Market Doctrine**

28 31. At all relevant times, the market for CAST’s common stock was an
efficient market for the following reasons, among others:

(a) CAST’s stock met the requirements for listing, and is listed and
actively traded on the NASDAQ, a highly efficient and automated market;

(b) During the class period, on average, over several hundreds of thousands of
shares of CAST stock were traded on a weekly basis, demonstrating a very active and
broad market for CAST stock and permitting a *very strong* presumption of an efficient
market;

1 (c) CAST regularly communicated with public investors via established
2 market communication mechanisms, including through regular disseminations of
3 press releases on the national circuits of major newswire services and through
4 other wide-ranging public disclosures, such as communications with the financial
5 press and other similar reporting services;

6 (d) CAST was followed by several securities analysts employed by
7 major brokerage firms who wrote reports that were distributed to the sales force
8 and certain customers of their respective brokerage firms during the Class
9 Period. Each of these reports was publicly available and entered the public
10 marketplace;

11 (e) Numerous NASD member firms were active market-makers in CAST
12 stock at all times during the Class Period; and

13 (f) Unexpected material news about CAST was rapidly reflected and
14 incorporated into the Company's stock price during the Class Period.

15 32. As a result of the foregoing, the market for CAST's common stock
16 promptly digested current information regarding CAST from all publicly available
17 sources and reflected such information in CAST's stock price. Under these
18 circumstances, all purchasers of CAST's common stock during the Class Period
19 suffered similar injury through their purchase of CAST's common stock at
20 artificially inflated prices, and a presumption of reliance applies.

21 **FIRST CLAIM**

22 **Violation of Section 10(b) Of**

23 **The Exchange Act Against and Rule 10b-5**

24 **Promulgated Thereunder Against CAST and the Individual Defendants**

25 33. Plaintiff repeats and realleges each and every allegation contained
26 above as if fully set forth herein.

27 34. This claim is brought against CAST and all of the Individual
28 Defendants.

1 35. During the Class Period, Defendants carried out a plan, scheme and
2 course of conduct which was intended to and, throughout the Class Period, did: (1)
3 deceive the investing public, including plaintiff and other Class members, as
4 alleged herein; and (2) cause plaintiff and other members of the Class to purchase
5 CAST's common stock at artificially inflated prices. In furtherance of this unlawful
6 scheme, plan and course of conduct, Defendants, and each of them, took the actions
7 set forth herein.

8 36. Defendants (a) employed devices, schemes, and artifices to defraud;
9 (b) made untrue statements of material fact and/or omitted to state material facts
10 necessary to make the statements not misleading; and (c) engaged in acts, practices,
11 and a course of business that operated as a fraud and deceit upon the purchasers of
12 the Company's common stock in an effort to maintain artificially high market
13 prices for CAST's common stock in violation of Section 10(b) of the Exchange Act
14 and Rule 10b-5 thereunder. All Defendants are sued either as primary participants
15 in the wrongful and illegal conduct charged herein or as controlling persons as
16 alleged below.

17 37. Defendants, individually and in concert, directly and indirectly, by the
18 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
19 and participated in a continuous course of conduct to conceal adverse material
20 information about the business, operations and future prospects of CAST as
21 specified herein.

22 38. These Defendants employed devices, schemes and artifices to defraud,
23 while in possession of material adverse non-public information and engaged in acts,
24 practices, and a course of conduct as alleged herein in an effort to assure investors
25 of CAST's value and performance and continued substantial growth, which
26 included the making of, or participation in the making of, untrue statements of
27 material facts and omitting to state material facts necessary in order to make the
28 statements made about CAST and its business operations and future prospects in
the light of the circumstances under which they were made, not misleading, as set

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forth more particularly herein, and engaged in transactions, practices and a course of business that operated as a fraud and deceit upon the purchasers of CAST's common stock during the Class Period.

39. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (1) the Individual Defendants were high-level executives, directors, and/or agents at the Company during the Class Period and members of the Company's management team or had control thereof; (2) each of these defendants, by virtue of his or her responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's financial condition; (3) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of and had access to other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (4) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.

40. Defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such Defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing CAST's operating condition and future business prospects from the investing public and supporting the artificially inflated price of its common stock. As demonstrated by Defendants' overstatements and misstatements of the Company's financial condition throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking

1 those steps necessary to discover whether those statements were false or
2 misleading.

3 41. As a result of the dissemination of the materially false and misleading
4 information and failure to disclose material facts, as set forth above, the market
5 price of CAST's common stock was artificially inflated during the Class Period. In
6 ignorance of the fact that market prices of CAST's publicly-traded common stock
7 were artificially inflated, and relying directly or indirectly on the false and
8 misleading statements made by Defendants, or upon the integrity of the market in
9 which the common stock trades, and/or on the absence of material adverse
10 information that was known to or recklessly disregarded by Defendants but not
11 disclosed in public statements by Defendants during the Class Period, Plaintiff and
12 the other members of the Class acquired CAST common stock during the Class
13 Period at artificially high prices and were or will be damaged thereby.

14 42. At the time of said misrepresentations and omissions, Plaintiff and
15 other members of the Class were ignorant of their falsity, and believed them to be
16 true. Had Plaintiff and the other members of the Class and the marketplace known
17 the truth regarding CAST's financial results, which were not disclosed by
18 defendants, Plaintiff and other members of the Class would not have purchased or
19 otherwise acquired their CAST common stock, or, if they had acquired such
20 common stock during the Class Period, they would not have done so at the
21 artificially inflated prices that they paid.

22 43. By virtue of the foregoing, Defendants have violated Section 10(b) of
23 the Exchange Act, and Rule 10b-5 promulgated thereunder.

24 44. As a direct and proximate result of Defendants' wrongful conduct,
25 Plaintiff and the other members of the Class suffered damages in connection with
26 their respective purchases and sales of the Company's common stock during the
27 Class Period.
28

1 45. This action was filed within two years of discovery of the fraud and
2 within five years of each plaintiff's purchases of securities giving rise to the cause
3 of action.

4 **SECOND CLAIM**

5 **Violation of Section 20(a) Of**

6 **The Exchange Act Against the Individual Defendants**

7 46. Plaintiff repeats and realleges each and every allegation contained
8 above as if fully set forth herein.

9 47. The Individual Defendants acted as controlling persons of CAST
10 within the meaning of Section 20(a) of the Exchange Act as alleged herein. By
11 virtue of their high-level positions, agency, and their ownership and contractual
12 rights, participation in and/or awareness of the Company's operations and/or
13 intimate knowledge of the false financial statements filed by the Company with the
14 SEC and disseminated to the investing public, the Individual Defendants had the
15 power to influence and control, and did influence and control, directly or indirectly,
16 the decision-making of the Company, including the content and dissemination of
17 the various statements that plaintiff contends are false and misleading. The
18 Individual Defendants were provided with or had unlimited access to copies of the
19 Company's reports, press releases, public filings and other statements alleged by
20 Plaintiff to have been misleading prior to and/or shortly after these statements were
21 issued and had the ability to prevent the issuance of the statements or to cause the
22 statements to be corrected.

23 48. In particular, each Defendant had direct and supervisory involvement
24 in the day-to-day operations of the Company and, therefore, is presumed to have
25 had the power to control or influence the particular transactions giving rise to the
26 securities violations as alleged herein, and exercised the same.

27 49. As set forth above, CAST and the Individual Defendants each violated
28 Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this
Complaint.

1 50. By virtue of their positions as controlling persons, the Individual
2 Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct
3 and proximate result of Defendants’ wrongful conduct, Plaintiff and other members
4 of the Class suffered damages in connection with their purchases of the Company’s
5 common stock during the Class Period.

6 51. This action was filed within two years of discovery of the fraud and
7 within five years of each Plaintiff’s purchases of securities giving rise to the cause
8 of action.

9 **PRAYER FOR RELIEF**

10 **WHEREFORE**, Plaintiff prays for relief and judgment, as follows:

11 (a) Determining that this action is a proper class action, designating
12 Plaintiff as class representative under Rule 23 of the Federal Rules of Civil
13 Procedure and Plaintiff’s counsel as Class Counsel;

14 (b) Awarding compensatory damages in favor of Plaintiff and the
15 other Class members against all defendants, jointly and severally, for all damages
16 sustained as a result of defendants’ wrongdoing, in an amount to be proven at trial,
17 including interest thereon;

18 (c) Awarding Plaintiff and the Class their reasonable costs and
19 expenses incurred in this action, including counsel fees and expert fees; and

20 (d) Such other and further relief as the Court may deem just and
21 proper.

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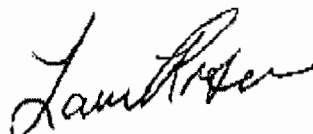
JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated May 25, 2012

Respectfully submitted,

THE ROSEN LAW FIRM, P.A.



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Counsel for Plaintiff

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

I (a) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/>) ALEJANDRO PUENTE INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED,	DEFENDANTS CHINACAST EDUCATION CORPORATION, RON CHAN TZE NGON, and ANTONIO SENA,
(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) Laurence M. Rosen, Esq. (SBN 219683) THE ROSEN LAW FIRM, P.A., 355 South Grand Avenue, Suite 2450 Los Angeles, CA 90071 Telephone Number: (213) 785-2610	Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.) <input type="checkbox"/> 1 U.S. Government Plaintiff <input checked="" type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) <table style="width:100%; border: none;"> <tr> <td style="border: none;"></td> <td style="border: none; text-align: center;">PTF</td> <td style="border: none; text-align: center;">DEF</td> <td style="border: none;"></td> <td style="border: none; text-align: center;">PTF</td> <td style="border: none; text-align: center;">DEF</td> </tr> <tr> <td style="border: none;">Citizen of This State</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 1</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 1</td> <td style="border: none;">Incorporated or Principal Place of Business in this State</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 4</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 4</td> </tr> <tr> <td style="border: none;">Citizen of Another State</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 2</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 2</td> <td style="border: none;">Incorporated and Principal Place of Business in Another State</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 5</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 5</td> </tr> <tr> <td style="border: none;">Citizen or Subject of a Foreign Country</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 3</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 3</td> <td style="border: none;">Foreign Nation</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 6</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
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IV. ORIGIN (Place an X in one box only.)

1 Original Proceeding
 2 Removed from State Court
 3 Remanded from Appellate Court
 4 Reinstated or Reopened
 5 Transferred from another district (specify): _____
 6 Multi-District Litigation
 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: Yes No (Check 'Yes' only if demanded in complaint.)

CLASS ACTION under F.R.C.P. 23: Yes No **MONEY DEMANDED IN COMPLAINT:** \$ _____

VI. 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.)

Securities Fraud Class Action, 15 U.S.C. 78j(b), 78i(a)

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Act <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes	CONTRACT <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	TORTS PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus-Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	TORTS PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition FORFEITURE/PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety /Health <input type="checkbox"/> 690 Other	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609
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FOR OFFICE USE ONLY: Case Number: CV12-04011

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? No Yes
If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? No Yes
If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) A. Arise from the same or closely related transactions, happenings, or events; or
 B. Call for determination of the same or substantially related or similar questions of law and fact; or
 C. For other reasons would entail substantial duplication of labor if heard by different judges; or
 D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.
 Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
	Alejandro Puente - Florida

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.
 Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
	Chinacast Education Corporation, Ron Chan Tze Ngon, Antonio Sena - Hong Kong

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.
Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
LOS ANGELES	

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER): [Signature] Date 2012-5-25

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))