

July 15, 2020

Attention: Jay Clayton, Chairman
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: Second follow-up to GSX Techedu's operational & financial frauds; market manipulation (letter #3)

To Mr. Jay Clayton,

In keeping up with the same theme as my prior two letters (<https://www.sec.gov/comments/emerging-markets/cl19-7382078-218897.pdf>, <https://www.sec.gov/comments/emerging-markets/cl19-7400189-219054.pdf>), which have explored the suspicious price action for the fraudulent Chinese listing, GSX Techedu (Ticker: GSX), I present this third letter.

I would like to further explore the questionable price patterns, which began at least on May 28, 2020.

Below, you will find daily stock charts for GSX from the last 30 calendar days of trading. A quick review of the charts will show you that there is a common price pattern across all but one trading day (this past Monday, July 13).

The specific pattern is that GSX's price movement is always either significantly up for the day, or on days in which it starts off or turns negative, always rallies with a sharp upward price movement by afternoon until close, to recoup most of its loss.

What is suspect about this price pattern is its frequency: it has happened in *at least 20* out of the last 21 trading days. In fact, this pattern was detected prior to the first day of this letter's exhibits (June 16), going at least back to May 28, but the charting software does not have daily charts available beyond t - 30 days.

Monday, July 13, 2020 is the only day out of the 21-day sample set that defies this pricing pattern. That is, 95.3% of trading days demonstrated this behavior.

By comparison, EDU, a Chinese EdTech competitor of GSX, did not exhibit this pricing behavior in 33% of its trading days (7 out of 21 trading days did not have a positive day AND did not have a late-day price rally. I.e., the stock closed lower without an end-of-day rally). This frequency fits well within the normal range of expectations.

GSX is a very thinly traded stock with a small float, despite its \$20B valuation. Prices can be easily manipulated by company insiders and funds with only a small amount of financial firepower.

When considered in isolation, this price pattern may be explained away as an outlier. When considered in the context of my prior two letters, the amount of evidence of fraud against this company and the nature of Chinese fraudsters and their history of price manipulation, this pattern adds another piece of curious data to be considered in your investigation.

On a separate but related note, you will find that the online petition created one week ago, calling for the SEC to investigate and delist GSX, has grown to 1,000+ petitioners:

<https://www.change.org/p/us-securities-exchange-commission-stop-the-fraud-chinese-company-gsx-from-stealing-billions-of-from-americans>

American investors turn to you to ensure justice in financial markets. Please delist GSX immediately.

Yours truly,
Joseph White

Exhibits: GSX daily price charts from June 16 through July 15 (ordered chronologically)





















