

2. The Defendants in this matter are seven traders whose timely purchases of Global Education securities generated net trading profits of over \$2.8 million. All of the Defendants either are citizens of or reside in the People's Republic of China ("PRC").

3. On information and belief, each Defendant purchased Global Education securities while in the possession of material, nonpublic information concerning Pearson's proposed acquisition of Global Education. Specifically, trading in Global Education was typically thin. However, in the two weeks before the acquisition was publicly announced, Defendants bought a substantial number of shares, constituting a significant portion of the market for this stock. For example, on November 18, 2011, the last trading day before the acquisition announcement, the Defendants' purchases represented more than 35% of the entire day's trading volume. Also, several of the Defendants' brokerage accounts were dormant until they bet heavily on Global Education. For other Defendants, their purchases were equal to or more than their stated annual incomes. Additionally, Global Education's co-founder and Chairman of the Board has a relationship with one of the Defendants and is likely responsible for disseminating material, nonpublic information regarding the acquisition. Moreover, another one of the Defendants works for Global Education and is the older brother of Global Education's other co-founder and Chief Executive Officer.

4. Although the proceeds of Defendants' insider trading are currently held in United States brokerage accounts, certain Defendants have already requested that these proceeds be liquidated or transferred, and, absent a freeze on those accounts, there is a substantial risk that all Defendants will attempt to transfer their trading profits out of the United States. Accordingly, the Commission brought this action to freeze the proceeds of the Defendants' securities

purchases. Absent an asset freeze, the proceeds of these highly suspicious trades almost certainly will be transferred outside of the United States, potentially beyond the jurisdiction and reach of this Court.

JURISDICTION AND VENUE

5. The Commission brings this action pursuant to Sections 21(d), 21(e), and 21A of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78u(d), 78u(e), 78u-1].

6. This Court has jurisdiction over this action pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa].

7. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 and Section 27 of the Exchange Act [15 U.S.C. § 78aa].

8. With the possible exception of Defendant Zhang, who resides in China and is a Global Education employee, the individual Defendants are all PRC citizens. All Know is a British Virgin Islands corporation, headquartered in China, with no principal place of business in the United States. Moreover, acts, practices, transactions and courses of business constituting Defendants’ violations occurred within the jurisdiction of the United States District Court for the Northern District of Illinois and elsewhere. Certain of the subject securities trading took place through accounts at Interactive Brokers, LLC (“Interactive Brokers”) and E*Trade Securities LLC (“E*Trade”), which have offices in Chicago, Illinois. The Commission staff responsible for investigating and prosecuting this matter are employed at the Commission’s Chicago Regional Office, located in Chicago, Illinois.

9. The Defendants have directly or indirectly made use of the means or instrumentalities of interstate commerce, or of the mails, or the facilities of a national securities

exchange in connection with the acts, practices, transactions, and courses of business alleged herein.

10. The Defendants will, unless enjoined, continue to engage in the acts, practices, transactions, and courses of business set forth in this Complaint, or in acts, practices, transactions, and courses of business of similar purport and object.

FACTS

Defendants

11. **All Know Holdings Limited** (“All Know”) is a British Virgin Islands corporation, and purports to be an investment firm. All Know engaged in its Global Education trading through an account held at Interactive Brokers.

12. **Sha Chen** (“Chen”) is 35 years old, a PRC citizen, and a resident of Shenzhen City, Guangdong Province, China. Chen is the President of All Know. Chen engaged in her Global Education trading through an account held at Interactive Brokers.

13. **Song Li** (“Li”) is 43 years old, a PRC citizen, and a resident of Columbus, Indiana. Li engaged in her Global Education trading through an account held at TradeKing, LLC (“TradeKing”), which is based in Fort Lauderdale, Florida.

14. **Lili Wang** (“Wang”) is 45 years old, a PRC citizen, and a resident of Beijing, China. Wang engaged in her Global Education trading through an account held at the San Francisco, California offices of Credit Suisse Securities (USA) LLC (“Credit Suisse”). Wang’s trades in her Credit Suisse account clear through Pershing, LLC, a U.S.-based entity.

15. **Zhi Yao** (“Yao”) is 34 years old, a PRC citizen, and a resident of Ya An, Sichuan Province, China. Yao engaged in his Global Education trading through an account held at

Interactive Brokers. Yao, Chen, and All Know, at various times, used the same Internet Protocol (“IP”) and Media Access Control (“MAC”) addresses to access the brokerage accounts through which they traded in Global Education securities.

16. **Xuechu Yang** (“Yang”) is a PRC citizen and resident of Changsha, Hunan Province, China. Yang engaged in his Global Education trading through an omnibus account in the name of China Everbright Securities (HK) Limited (“China Everbright”). China Everbright is a Hong Kong based private financial services firm organized under the laws of Hong Kong. China Everbright appears to be a subsidiary of Everbright Securities Company Limited, a Shanghai-based financial services firm. China Everbright’s omnibus account and its assets are held at U.S.-based Citigroup Global Markets, Inc. (“Citigroup”). Citigroup clears the trades in China Everbright’s omnibus account.

17. **Yonghui Zhang** (“Zhang”) is 46 years old and a resident of Beijing, China. On information and belief, Zhang is a U.S. citizen. Zhang is employed by Global Education in Beijing. Zhang is the older brother of Yongqi (David) Zhang (“David Zhang”), Global Education’s co-founder and Chief Executive Officer. Zhang engaged in his Global Education trading through an account held at E*Trade, which has offices in Chicago.

Relevant Entities

18. **Global Education and Technology Group Limited** is a Cayman Islands corporation headquartered in Beijing, China. Global Education provides English language educational services across China. Global Education American Depository Shares (“ADSs”) trade on the NASDAQ under symbol GEDU. Global Education’s ADSs began publicly trading with an initial public offering (“IPO”) in October 2010.

19. **Pearson plc** is a British corporation headquartered in London, United Kingdom. Pearson is one of the world's largest educational companies, and owns major publishing businesses including the Financial Times and Penguin Group. Its common stock trades on the London Stock Exchange under symbol PSON and the New York Stock Exchange under symbol PSO.

The Announcement of Pearson's Acquisition of Global Education

20. Before the NASDAQ opened on November 21, 2011, Pearson and Global Education each publicly announced they had entered into a definitive agreement whereby Pearson would acquire all of the outstanding stock of Global Education, subject to shareholder approval. Under the agreement, Pearson agreed to acquire 100% of Global Education's outstanding shares of common stock for \$11.006 per ADS traded in the United States. The acquisition share price represented a 105% premium to Global Education's previous trading day's closing price of \$5.37. The ADS price closed on Monday, November 21, 2011 at \$10.60, up \$5.23, or 97%, from the prior trading day's closing price.

21. Global Education and Pearson began discussing a potential acquisition in April 2011, when Pearson made its first offer. After increasing its offer price, Pearson began confirmatory due diligence on July 26, 2011. On October 21, 2011, counsel for the companies began negotiating the acquisition agreement. In early November 2011, the parties engaged in further discussions about the per share acquisition price, ultimately agreeing on the \$11.006 per ADS price on November 14, 2011. Global Education's board approved the transaction on Friday, November 18, 2011. The parties finalized the agreement over the weekend, and publicly announced the acquisition on the morning of Monday, November 21, 2011.

Defendants' Suspicious and Profitable Global Education Trading

Defendant Wang

22. On November 10, 2011, Wang purchased 28,000 Global Education ADSs at a price of \$3.53 per share through her U.S.-based Credit Suisse account. This trade alone accounted for over 43% of Global Education's ADS trading volume for that day. Wang funded her purchase with two wire transfers, totaling \$100,000, into her Credit Suisse account on November 8, 2011. The wired funds came from China-based bank accounts. Wang still holds all of these shares of Global Education in her Credit Suisse account. The unrealized gain from her November 10 purchase is approximately \$197,000. Prior to this purchase, Wang had not made any transactions in any securities in her Credit Suisse account since shortly after it was opened on October 6, 2010.

23. On information and belief, Wang was tipped about the Global Education acquisition prior to its public announcement given her connection to Xiaodong (Veronica) Zhang ("Veronica Zhang"), David Zhang's wife and Global Education's co-founder and Chairman of the Board, who had knowledge of material information concerning the acquisition negotiations with Pearson prior to Wang's November 8 purchase. On information and belief, Veronica Zhang funded Wang's only prior purchase of Global Education shares, which were made at the time of the company's IPO. Specifically, on October 7, 2010, the day after she opened her Credit Suisse account, Wang purchased 35,000 shares from Global Education's IPO, at \$10.50 per share, for a total purchase price of \$367,500.

24. On information and belief, Veronica Zhang funded Wang's purchase of Global Education's IPO shares. Specifically, on October 12, 2010, Wang received a total of

\$367,574.50 via wire transfer from an account in the name of Oriental Light Consulting Ltd. (“Oriental Light”), a British Virgin Islands corporation. In a public Commission filing, Veronica Zhang reported that she is Oriental Light’s sole director.

25. Wang maintained her relationship with Veronica Zhang through the period leading up to the Global Education acquisition announcement. Specifically, on October 5, 2011, Credit Suisse assessed a \$700 service charge for holding Wang’s 35,000 Global Education IPO shares. On information and belief, Veronica Zhang paid for the charge via a November 1, 2011 wire transfer from Oriental Light to Wang’s Credit Suisse account in the amount of \$700.

26. On information and belief, given Wang’s connection to a Global Education insider, her lack of trading in any other securities through her Credit Suisse account, and the significant volume and suspicious timing of her November 2011 purchase, Wang was in possession of material, nonpublic information about Pearson’s acquisition of Global Education at the time she purchased the securities alleged in this Complaint.

Defendants All Know, Chen, and Yao

27. In March 2010, Chen and Yao opened separate accounts, in their own names, with Interactive Brokers. In September 2011, Chen also opened an account with Interactive Brokers on behalf of Defendant All Know, a British Virgin Islands corporation of which Chen is the President. Chen purports to operate All Know as an investment firm.

28. Prior to November 16, 2011, neither Chen, Yao, nor All Know had traded in Global Education securities. Chen, Yao, and All Know accessed their brokerage accounts, at various times, from the same IP and MAC addresses. Thus, on information and belief, Chen,

Yao, and All Know accessed the brokerage accounts through which they traded in Global Education securities using the same computer.

29. In the three trading days leading up to the acquisition announcement, All Know purchased a total of 148,953 Global Education ADSs. On November 16, 2011, All Know purchased 110,000 Global Education ADSs in multiple transactions at an average price of \$3.51, which represented 40.50% of Global Education's ADS trading volume for that day. On November 17, 2011, All Know purchased 994 Global Education ADSs at an average price of \$3.50. On November 18, 2011, All Know purchased an additional 37,959 Global Education ADSs at an average price of \$4.99. All Know is still holding all of the shares in its account, representing an unrealized gain of approximately \$1 million. On November 30, 2011, Chen requested that Interactive Brokers transfer the proceeds of its Global Education trades to another Interactive Brokers account controlled by All Know.

30. In the two trading days leading up to the acquisition announcement, Chen purchased a total of 45,321 Global Education ADSs. On November 17, 2011, Chen purchased a total of 16,550 Global Education ADSs in multiple transactions at an average price of \$3.83. On November 18, 2011, Chen purchased an addition 28,771 shares in multiple transactions at an average price of \$4.98. On November 21, 2011, following the acquisition announcement, Chen sold 5,321 shares in multiple transactions at an average price of \$10.53 per share. On November 23, 2011, Chen sold another 5,000 shares in multiple transactions at an average price of \$10.77 per share. Chen gained approximately \$273,000 from her trading, \$72,000 of which she realized upon the sale of the shares. The cash proceeds from those sales, as well as the remaining shares, remain in her Interactive Brokers account.

31. Chen's Global Education shares cost her more than \$200,000 to acquire. In her Interactive Brokers account application, Chen listed her annual income as between \$0 and \$39,000, and her liquid net worth as between \$500,001 and \$1,000,000.

32. In the three trading days leading up to the acquisition announcement, Yao purchased a total of 42,994 Global Education ADSs in his Interactive Brokers account. Specifically, on November 16, 2011, Yao purchased 18,400 Global Education ADSs at an average price of \$3.50 per share. On November 17, 2011, Yao purchased 14,594 shares of Global Education in 22 transactions at an average price of \$3.67 per share, which represented nearly 10% of Global Education's trading volume for that day. On November 18, 2011, Yao purchased an additional 10,000 Global Education ADSs in 20 transactions at an average price of \$4.73 per share. Yao sold all of his shares on November 21, 2011 at \$10.50 per share, realizing a profit of approximately \$285,000.

33. Yao's Global Education shares cost him approximately \$165,000 to acquire. In his Interactive Brokers account application, Yao listed his annual income as between \$45,001 and \$50,000, and his liquid net worth as between \$101,001 and \$250,000.

34. In addition to the aforementioned trading in his Interactive Brokers account, on November 17, 2011, Yao bought, through an omnibus account in the name of Bank of China International Securities Limited ("BOCI"), 10,531 Global Education ADSs. On December 5, Yao sold 7,000 of these shares. The remaining Global Education shares and cash proceeds from Yao's December 5 sales remain in BOCI's account held at Pershing, which is located in the United States.

35. On information and belief, given the significant volume and suspicious timing of their November 2011 Global Education purchases, the lack of prior purchases in Global Education securities, and the coordinated nature of their purchases, Chen, Yao, and All Know were in possession of material, nonpublic information about Pearson's acquisition of Global Education at the time they purchased the securities alleged in this Complaint.

Defendant Li

36. Li originally opened her TradeKing account in September 2009, but the account was not funded, and remained dormant, until October 17, 2011, when Li deposited \$5,000 into the account.

37. On multiple days during the period from November 4 to 18, 2011, Li purchased a total of 24,592 Global Education ADSs at varying prices in her U.S.-based TradeKing account. Prior to this time, Li had not used the account to trade in Global Education, or any other, securities.

38. On November 4, 2011, Li used the \$5,000 in her TradeKing account to purchase 700 Global Education ADSs. On November 4, Li sent a \$25,000 wire transfer from a U.S.-based bank account held in her name to her TradeKing account. On November 7, she used the \$25,000 to purchase an additional 7,650 Global Education ADSs. On November 9, 2011, Li sent \$44,426.37 by wire transfer from her same U.S. bank account to her TradeKing account. She used that money to purchase more Global Education ADSs: 9,848 shares on November 9; 134 shares on November 11; and 3,460 shares on November 14. Li sold 4,000 Global Education ADSs on November 17, but the next day used the proceeds, nearly \$15,000, to purchase back 2,800 Global Education ADSs at a higher price.

39. On November 21 and 22, 2011, Li sold a total of 20,592 Global Education ADSs at an average price of \$10.51 per share, resulting in profits of over \$141,900. Li has requested that TradeKing liquidate her Global Education shares and issue her a check for the proceeds of her suspicious trading.

40. During the period of her Global Education purchases (November 4 through 18, 2011), Li placed orders for many more shares than were actually filled. Some orders were not filled because she lacked sufficient funds. Most of the other orders appear to have been unfilled because she placed limit orders below the market price. In multiple instances, Li entered a series of limit orders increasing in price until she was able to fill her order. For example, on November 4, Li ordered 650 shares of Global Education with a \$3.41 limit order. Two hours later, when the order had not yet been filled, she revised the order to buy 595 shares at a limit price of \$3.51 per share. The latter order was filled. In between the two orders, she placed an order to buy 800 shares at a limit of \$3.40 per share, but the order was rejected for insufficient funds in the account. Li's Global Education orders followed similar patterns on at least three other occasions in November 2011.

41. Li's Global Education shares cost her more than \$89,000 to acquire. In her TradeKing account application, Li listed her annual income as between \$50,001 and \$100,000, and her liquid net worth as between \$25,001 and \$50,000.

42. On information and belief, given the significant volume and suspicious timing of her November 2011 Global Education purchases funded by new deposits of cash nearly equal to her reported annual salary, the lack of any prior purchases of Global Education securities using the referenced brokerage accounts, and her aggressive attempts to purchase additional Global

Education stock, Li was in possession of material, nonpublic information about Pearson's acquisition of Global Education at the time she purchased the securities alleged in this Complaint.

Defendant Yang

43. On Friday, November 18, 2011, Yang bought, through an omnibus account in the name of China Everbright, 161,100 Global Education ADSs in 44 transactions at an average price of \$5.23 per share. On November 21, 2011, the day of the acquisition announcement, Yang sold all 161,100 shares in one transaction at a price of \$10.50 per share. Yang thus realized a gain of approximately \$837,000 from his November 18 Global Education purchases. The cash proceeds from those sales remain in China Everbright's account held at Citigroup located in the United States. Prior to November 18, 2011, Yang had never transacted in Global Education through the China Everbright omnibus account. Yang's November 18 purchase alone accounted for 24% of the total Global Education trading volume on that day, a day when Global Education's trading volume was already over four times higher than the prior trading day.

44. On information and belief, given the suspicious timing and significant volume of his November 18, 2011 purchases and the lack of any prior Global Education purchases by the China Everbright omnibus account, Yang was in possession of material, nonpublic information about Pearson's acquisition of Global Education at the time he made the purchases alleged in this Complaint.

Defendant Zhang

45. Zhang is the brother of David Zhang, Global Education's co-founder and Chief Executive Officer. David Zhang is married to Global Education's other co-founder and

Chairman, Veronica Zhang. David Zhang and Veronica Zhang had knowledge of material information concerning the acquisition negotiations between Pearson and Global Education at all relevant times.

46. On November 18, 2011, Zhang bought 7,900 Global Education ADSs in his E*Trade account at an average price of \$5 per share.

47. Zhang is still holding all of the shares in his account, representing an unrealized gain of approximately \$44,000.

48. Zhang's only prior purchase of Global Education securities occurred in November 2010, when he purchased 800 ADSs. Zhang sold 622 of those ADSs in December 2010 and sold an additional 40 in March 2011.

49. On information and belief, given the suspicious timing of his November 18, 2011 purchases and the fact that he is a Global Education employee residing in Beijing, Zhang was in possession of material, nonpublic information about Pearson's acquisition of Global Education at the time he made the purchases alleged in this Complaint.

50. On information and belief, David Zhang and/or Veronica Zhang conveyed material, nonpublic information about Pearson's acquisition of Global Education to Zhang prior to Zhang's November 18 purchase of Global Education ADSs.

COUNT I
Violations of Exchange Act Section 10(b) and Rule 10b-5 Thereunder
(Against All Defendants)

51. The Commission realleges and incorporates by reference paragraphs 1 through 50 as though fully set forth herein.

52. All Global Education ADSs referenced in this Complaint are securities, as that term is used in the Exchange Act, which are listed and traded on a domestic national securities exchange – *i.e.*, the NASDAQ.

53. Upon information and belief, at the time the Defendants purchased Global Education ADSs as set forth above, they were in possession of material, nonpublic information about Pearson's acquisition of Global Education. The Defendants: (a) knew, or recklessly disregarded the fact, that their trading was in breach of a fiduciary duty or similar duty of trust and confidence owed to the shareholders of Global Education, or to the source from whom they received the material, nonpublic information; and/or (b) knew or should have known that material, nonpublic information about the contemplated acquisition had been communicated to them in breach of a fiduciary or similar duty of trust and confidence.

54. Upon information and belief, any and all material, nonpublic information that Defendants received concerning Global Education, as set forth above, was disclosed in exchange for a personal benefit that benefited the communicator of such information.

55. As more fully described in paragraphs 1 through 50 above, the Defendants, in connection with the purchase and sale of securities, by the use of the means or instrumentalities of interstate commerce, or of the mails, or of any facility of any national securities exchange, directly or indirectly: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of material fact or omitted to state materials facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices, or courses of business which operated or would operate as a

fraud or deceit upon another person, including purchasers and sellers and prospective purchasers and sellers of securities.

56. The Defendants acted with scienter.

57. By engaging in the conduct described above, the Defendants, directly or indirectly, violated, and unless enjoined will again violate, 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].

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court:

I.

Issue findings of fact and conclusions of law that the Defendants committed the violations charged and alleged herein.

II.

Issue a Temporary Restraining Order and Orders of Preliminary and Permanent Injunction, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, restraining and enjoining each of the Defendants, their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from, directly or indirectly, violating 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].

III.

Issue an asset freeze order in a form substantially similar to the order contained in the *Second Ex Parte Temporary Restraining Order To Freeze Assets, Prevent Violations Of The Federal*

Securities Laws, And Provide For Other Ancillary Relief submitted in connection with the Commission's motion for relief which, among other things, prevents the Defendants, and each of Defendants' financial and brokerage institutions, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of such Order by personal service, facsimile service, email service, or service in accordance with such Order, or otherwise, from withdrawing, transferring, pledging, encumbering, assigning, dissipating, concealing, or otherwise disposing of any assets in their accounts maintained at the brokerage and financial institutions referenced in this Complaint.

IV.

Issue an Order requiring Defendants to repatriate any assets or funds transferred to foreign accounts that were obtained as a result of Defendants' insider trading in Global Education securities, including assets or funds that were obtained through other brokerage accounts, if any, and freezing those assets or funds.

V.

Issue an Order permitting expedited discovery.

VI.

Issue an Order enjoining and restraining the Defendants, and any person or entity acting at their discretion or on their behalf, from destroying, altering, concealing, or otherwise interfering with the access of the Commission to relevant documents, books or records.

VII.

Issue an Order requiring each Defendant to disgorge all ill-gotten gains from the violative conduct alleged in this Complaint, and to pay prejudgment interest thereon.

VIII.

Issue an Order requiring each Defendant to pay civil monetary penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1].

IX.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

X.

Granting such other relief as this Court may deem just and appropriate.

JURY DEMAND

The Commission requests a trial by jury.

Respectfully Submitted,

Dated: December 14, 2011

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