



fiscal year ended December 31, 2009 when it actually had a cash balance of only \$141,000. On November 9, 2010, the Company issued a press release announcing a cash balance of \$170 million for the period ended September 30, 2010 when it actually had a cash balance of merely \$10 million.

4. In addition to massively overstating its cash balances, China Media also materially misrepresented (in public filings and press releases) the nature of its business relationships with two multi-national corporations, claiming they were its advertising clients when, in fact, they were not.

5. As China Media made materially false representations about its business operations and financial condition, including its cash balances, the Company's stock price spiked. On October 15, 2009, the date China Media became a publicly traded company, its stock closed at \$7.59 per share. Slightly more than one year later – when China Media, on November 9, 2010, falsely reported a cash balance of \$170 million – the stock closed at \$20.18 per share.

6. China Media's falsely reported increases in its cash balances allowed the Company to attract investors and raise money from stock sales. Between January 2010 and December 2010, a hedge fund paid China Media \$53 million to purchase millions of shares of China Media's preferred and common stock.

7. Cheng had personal financial incentives that were tied to China Media's performance, as he had agreements to receive China Media stock if the Company met certain net income targets. For example, when China Media falsely met these net income targets for fiscal year 2009, Cheng personally received 600,000 China Media shares which, at the time of receipt, were worth approximately \$6 million.

8. The Commission brings this action seeking permanent injunctive relief to prevent future violations of the federal securities laws, civil penalties, disgorgement, an officer and director bar, and any other appropriate relief.

### **JURISDICTION**

9. This Court has jurisdiction over this action pursuant to Sections 20 and 22 of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. §§ 77t and 77v] and Sections 21 and 27 of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §§ 78u and 78aa].

10. Venue is proper in this judicial district pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain of the acts and omissions constituting violations alleged herein occurred in this judicial district.

11. Defendants, directly and indirectly, made use of the mails and of the means and instrumentalities of interstate commerce in connection with the acts, practices, and courses of business described in this Complaint.

### **DEFENDANTS**

#### **China Media**

12. China Media is a Delaware corporation with principal offices in Hong Kong and Fuzhou, China. China Media purports to operate a media and advertising company that sells advertisements played on DVD players or television displays installed on its network of third-party owned buses pursuant to contractual arrangements between it and bus operators or owners.

13. In October 2009, China Media became a publicly-traded company via a reverse merger in which TM Entertainment Media, Inc., a Delaware corporation, was used as a special-purpose acquisition company to acquire Hong Kong Mandefu Holdings Limited (“Hong Kong Mandefu”), a Hong Kong corporation.

14. At all relevant times, China Media's stock was registered pursuant to Exchange Act Section 12(b) and traded on U.S. stock exchanges, including AMEX and NASDAQ.

15. On May 19, 2011, NASDAQ delisted China Media's stock for failure to timely file required financial reports. In March 2012, the Commission filed an action against China Media under Exchange Act Section 12(j) to deregister its securities for failure to file required documents with the Commission, and in August 2012, China Media's securities were deregistered.

### **Zheng Cheng**

16. Zheng Cheng, a resident of China, has been the CEO and Chairman of China Media since its founding in October 2009. Prior to the reverse merger through which China Media was formed, Cheng was the Chairman and CEO of Hong Kong Mandefu, China Media's predecessor company.

17. As CEO, Cheng signed China Media's Forms 10-K, Forms 10-Q, and certifications required under the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley") that were filed with the Commission. He also signed various letters to China Media's external auditor in which he represented that the Company's financial statements were prepared in accordance with Generally Accepted Accounting Principles ("GAAP").

## **FACTUAL ALLEGATIONS**

### **A. China Media Reports Sudden and Large Increases in Operations and Profits**

18. Almost immediately upon becoming a publicly-traded company, China Media reported significant increases in its business operations, financial condition, and profits. For example, in its Form 8-K dated November 16, 2009, China Media reported that between September 30, 2008 and the period ended September 30, 2009, its cash balances had increased

from approximately \$23 million to \$41 million, or 78%. China Media continued to report rapidly increasing cash balances throughout 2010. In fact, as of September 30, 2010, China Media reported that its cash balance had grown to \$170 million; a staggering 315% increase since September 30, 2009, one year prior.

19. Similarly, China Media reported significant increases in its net income and revenue during the period. In its Form 10-K for the fiscal year ended December 31, 2009, China Media reported net income of \$41.7 million on revenues of \$95.9 million. This represented a 58% increase in the \$26.4 million that Hong Kong Mandefu, China Media's predecessor company, reported as net income on revenues of \$63.0 million for the year ended December 31, 2008.

20. Less than a year later, China Media reported even more gains in revenues. It reported revenues of \$155 million for the first three quarters of 2010 compared to \$64 million for the same period in 2009, representing a 142% increase.

21. As China Media reported these increases, its stock price spiked. On October 15, 2009, the date of the reverse merger, the company's stock closed at \$7.59 per share. On November 9, 2010, when China Media reported that it had a cash balance of \$170 million, its stock price closed at \$20.18 per share. Thus, in slightly more than one year, China Media's stock price had increased 166%.

#### **B. China Media Attracts Investors and Raises \$53 Million**

22. China Media's reported increases in revenues and cash balances allowed the Company to attract investors and raise money from stock sales. In particular, in January 2010, the Company executed a stock purchase agreement with a hedge fund to sell (i) 1 million shares

of China Media preferred stock and (ii) warrants to purchase approximately 1.5 million shares of China Media common stock for a total of \$30 million.

23. In October 2010, the hedge fund purchased an additional 1.5 million shares from China Media for approximately \$13 million, and then, in December 2010, the hedge fund exercised the warrants it received as part of the January 2010 share purchase agreement for approximately \$10 million. Thus, in 2010, China Media obtained a total of approximately \$53 million from the hedge fund.

24. China Media's January 2010 stock purchase agreement with the hedge fund, which Cheng signed, contained numerous representations. In particular, China Media represented to the hedge fund that its financial statements, as reflected in its Form 8-K released on November 16, 2009, fairly presented the Company's financial condition in accordance with GAAP.

25. Moreover, China Media represented in the stock purchase agreement that the required Sarbanes-Oxley certifications contained in China Media's public filings were, at the time of submission of each such certification, true and accurate.

26. Cheng had personal financial incentives that were tied to the Company's performance and he stood to reap financial gains if the Company's performance met certain benchmarks. For example, as part of the reverse merger agreement that brought China Media public, Cheng was promised stock and money from China Media in three categories: (i) China Media shares that Cheng would receive if China Media met certain net income targets for fiscal years 2009 and 2010; (ii) a portion of the cash proceeds that the Company would obtain from the exercise of select publicly-held warrants; and (iii) a portion of a promissory note owed to the former shareholders of Hong Kong Mandefu.

27. In fact, approximately one month after the hedge fund paid \$30 million into a China Media bank account in January 2010 pursuant to the terms of the stock purchase agreement, China Media paid Cheng approximately \$16 million as compensation owed to him under the terms of the reverse merger agreement.

28. Moreover, as a result of the net income amount reported by China Media for the fiscal year ended 2009, Cheng personally received 600,000 shares of China Media stock which – at the time of receipt – was worth approximately \$6 million.

### **C. China Media's External Auditor Resigns**

29. On March 3, 2011, China Media's external auditor informed China Media about significant issues encountered in its 2010 fiscal year-end audit. In particular, the external auditor informed China Media that during the audit process, it had suspicions concerning fraudulent bank confirmations and statements, invalid tax invoices, and falsified confirmations of accounts receivables and payables.

30. Accordingly, the external auditor requested that China Media take specific actions, including authorizing certain banks to directly provide the external auditor with copies of China Media's bank statements.

31. In a March 8, 2011 letter, the external auditor noted that China Media had not taken the requested actions and asked the Company to do so by the close of business the next day. On March 11, 2011, after China Media's repeated failure to respond to the external auditor's requests, the external auditor formally resigned from the engagement.

**D. Cheng Offers Bribe to Influence Investigation of the External Auditor's Concerns and Admits Discrepancies Between China Media's Publicly-Reported and Actual Cash Balances**

32. Soon after the external auditor's resignation, China Media's Audit Committee retained a global law firm (the "law firm") to conduct an internal investigation into the issues raised by the external auditor.

33. Given the external auditor's specific concerns about the accuracy of China Media's publicly-reported cash balances, the law firm made – as its highest and immediate priority – directly obtaining from China Media's banks copies of its bank statements from January 1, 2009 through the present. Accordingly, the law firm retained a Hong Kong-based accounting firm to provide forensic accounting services for the internal investigation. Among others, a senior accountant from the Hong Kong-based accounting firm was assigned to assist the law firm (the "senior accountant").

34. On May 3, 2011, the senior accountant and others met with Cheng to discuss, among other things, the need for letters from China Media authorizing its banks to directly provide the law firm with copies of the Company's bank statements.

35. After the meeting, the senior accountant returned to his hotel room where he received a call from Cheng in the late evening on May 3, 2011. Cheng asked the senior accountant to meet him in a café adjacent to the hotel to receive the authorization letters the law firm needed to obtain China Media's bank statements. Cheng insisted that the senior accountant meet him alone and expressly stated he did not want anyone from the law firm to accompany him. The senior accountant then went to the café to meet with Cheng.

36. During the ensuing conversation, Cheng told the senior accountant that he did not want the internal investigation team to review China Media's bank balances going back one or

two years because there would be discrepancies between China Media’s publicly-reported and actual cash balances. Cheng then offered the senior accountant a bribe of RMB10 million (approximately \$1.5 million) to “assist with the investigation.” The senior accountant declined the bribe and immediately reported the incident to the law firm and his supervisors at the Hong Kong-based accounting firm. The Hong Kong-based accounting firm refused to continue to provide forensic accounting services for the investigation unless Cheng immediately stepped down as Chairman of China Media. When Cheng refused to do so, the Hong Kong-based accounting firm resigned from the engagement.

**E. China Media Grossly Misrepresented Cash Balances in Public Filings**

37. Approximately one month after Cheng’s attempted bribe to the senior accountant, the law firm – this time with a new Hong Kong-based accounting firm providing forensic accounting services – obtained bank statements directly from each of the banks in which China Media held accounts. Cheng was a signatory on each of these bank accounts.

38. Consistent with Cheng’s admission to the senior accountant just one month earlier that there would be discrepancies between China Media’s publicly-reported and actual cash balances, China Media’s bank statements that the law firm obtained directly from the banks indeed showed massive discrepancies.

39. As reflected in the table below, China Media’s bank statements obtained directly from the bank by the law firm demonstrated that the Company had overstated its cash balances in its public filings and press releases from a range of 452% to over 40,000%.

SEC Filing Form	Reported Cash Balance (in 000s)	Actual Cash Balance (in 000s)	Overstatement (in 000s)	% Overstatement
8-K (dated 11/16/09)	\$40,855	\$269	\$40,586	15,088%

10-K (dated 3/31/10)	\$57,151	\$141	\$57,010	40,433%
10-Q (dated 5/14/10)	\$114,396	\$20,734	\$93,662	452%
10-Q (dated 8/13/10)	\$139,321	\$11,414	\$127,907	1,121%
10-Q (dated 11/9/10)	\$169,947	\$10,256	\$159,691	1,557%

**F. China Media Materially Misrepresented Nature of Relationship with Multi-National Corporations**

40. In addition to materially misrepresenting its cash balances, China Media also materially misrepresented – in public filings, investor presentations, or press releases – its customer relationships with two multi-national corporations, namely Pepsi and Apple.

41. In its 2009 Form 10-K, and subsequently filed 2010 Forms 10-Q, China Media represented that it had “attracted several well-known international and national brands to its advertising network, including Pepsi.” Also, in a November 2010 investor presentation, China Media attributed the following statement to Pepsi: “China MediaExpress promotes our products to tier 2 cities and towns by its large scale inter-city bus network, which is highly helpful to our sales expansion.”

42. These claims, however, were not true. Pepsi had no direct advertising relationship with China Media, and the only advertising contract China Media had with any entity related to Pepsi was with a Pepsi local bottler that generated a mere \$21,000 in revenue for China Media. Moreover, Pepsi did not make the statement attributed to it in China Media’s November 2010 investor presentation.

43. On December 28, 2010, China Media issued a press release announcing that it had launched SWITOW, which was a shopping platform for its contracted advertisers. In this press release, China Media claimed that it had signed contracts with many prestigious global and

Chinese domestic companies or their distributors, such as Apple, to feature their most popular products on SWITOW.

44. On February 3, 2011, China Media claimed that it had signed a contract with the Eading Group, one of Apple's official distributors in China to advertise Apple products, specifically iPads, in China Media's SWITOW magazine.

45. The claims described in ¶¶ 43 - 44, however, were not true. China Media had no contractual relationships with Apple or any of its official distributors in China to advertise Apple's products.

#### **G. China Media Lacked Adequate Recordkeeping and Internal Controls**

46. China Media failed to make and keep books, records, and accounts that accurately and fairly reflected its financial results and business activities. In particular, China Media maintained and created forged bank statements that grossly overstated its true cash balances.

47. Moreover, China Media failed to devise and maintain internal accounting controls sufficient to provide reasonable assurances that transactions were recorded so as to permit the preparation of financial statements in accordance with GAAP. In particular, China Media did not maintain sufficient internal controls regarding the receipt, verification, and use of its cash.

#### **H. Cheng Lied to China Media's External Auditor and Falsely Certified China Media's Financial Statements**

48. Cheng, in connection with China Media's 2009 year-end audit and 2010 Form 10-Q reviews, signed management representation letters to China Media's external auditor in which he falsely represented that the Company's financial statements were prepared in accordance with GAAP.

49. Moreover, Cheng signed Sarbanes-Oxley certifications in which he falsely certified that China Media's public filings were, at the time of submission of each such

certification, true and correct when he knew there were discrepancies between the Company's actual and reported cash balances, and that the filings therefore contained material misstatements and omissions.

**FIRST CLAIM FOR RELIEF**

**[All Defendants]**

**Violations of Securities Act Section 17(a)**

50. Paragraphs 1 through 49 are alleged and incorporated by reference.

51. By engaging in the conduct described above, including but not limited to paragraphs 18-39, Defendants China Media and Cheng, in the offer or sale of securities, by the use of the means or instrumentalities of interstate commerce or of the mails, directly or indirectly, acting with the requisite state of mind, (i) employed devices, schemes, or artifices to defraud; (ii) obtained money or property by means of untrue statements of a material fact or omissions to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading; and (iii) engaged in transactions, practices, or a course of business that operated as a fraud or deceit upon purchasers.

52. By engaging in the conduct described above, Defendants China Media and Cheng violated Securities Act Section 17(a) [15 U.S.C. § 77q(a)].

**SECOND CLAIM FOR RELIEF**

**[All Defendants]**

**Violations of Exchange Act Section 10(b) and Rule 10b-5 thereunder**

53. Paragraphs 1 through 52 are incorporated by reference.

54. By reason of the conduct described above, including without limitation the conduct described in Paragraphs 18-39, Defendants China Media and Zheng Cheng, directly or indirectly, in connection with the purchase or 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, knowingly or recklessly (i) employed devices, schemes, or artifices to defraud; (ii) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (iii) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any persons, including purchasers and sellers of the securities.

55. By engaging in the conduct described above, Defendants China Media and Cheng violated Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5].

### **THIRD CLAIM FOR RELIEF**

#### **[China Media]**

#### **Violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11 and 13a-13**

56. Paragraphs 1 through 55 are incorporated by reference.

57. As described in paragraphs 18-47, China Media, whose securities were registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78(l) ], failed to file annual, current, and quarterly reports (on Forms 10-K, 8-K, and 10-Q) with the Commission that were true and correct, and failed to include material information in its required statements and reports as was necessary to make the required statements and reports, in the light of the circumstances under which they were made, not misleading.

58. As described in paragraphs 46-47 above, China Media failed to make and keep books, records, and accounts that accurately and fairly reflect its financial results and business activities.

59. As described in paragraphs 46-47 above, China Media failed to devise and maintain internal accounting controls sufficient to provide reasonable assurances that its transactions were recorded so as to permit the preparation of financial statements in accordance with GAAP.

60. China Media thus violated Section 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(a) and 78m(b)(2)(A) & (B)] and Exchange Act Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13].

**FOURTH CLAIM FOR RELIEF**

**[Cheng]  
Violations of Exchange Act Rule 13a-14**

61. Paragraphs 1 through 60 are incorporated by reference.

62. By engaging in the conduct described above, including but not limited to paragraph 49, Cheng, as China Media's chief executive officer, falsely certified that China Media's 2009 Form 10-K and Forms 10-Qs from the first through the third quarters of 2010 contained no material misstatements or omissions.

63. Based on the foregoing, Cheng violated Exchange Act Rule 13a-14 [17 C.F.R. § 240.13a-14].

**FIFTH CLAIM FOR RELIEF**

**[Cheng]  
Violations of Exchange Act Rule 13b2-2**

64. Paragraphs 1 through 63 are incorporated by reference.

65. By reason of the conduct described above, including but not limited to paragraph 48, Cheng made materially false or misleading statements to China Media's external auditor in

connection with the audit of China Media's financial statements for the year ended December 31, 2009 and reviews of the Company's 2010 Form 10-Qs.

66. Based on the foregoing, Cheng violated Exchange Act Rule 13b2-2 [17 C.F.R. § 240.13b2-2].

### **SIXTH CLAIM FOR RELIEF**

**[Cheng]**

#### **Aiding and Abetting China Media's Reporting Violations**

67. Paragraphs 1 through 66 are incorporated by reference.

68. As detailed above, China Media, whose securities were registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 781 ], failed to file annual, current, and quarterly reports (on Forms 10-K, 8-K, and 10-Q) with the Commission that were true and correct, and failed to include material information in its required statements and reports as was necessary to make the required statements and reports, in the light of the circumstances under which they were made, not misleading. China Media thus violated Section 13(a) [15 U.S.C. § 78m(a)] and Exchange Act Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13].

69. By engaging in the conduct described above, including but not limited to paragraphs 18-49, Defendant Cheng knowingly provided substantial assistance to and thereby aided and abetted China Media in its violations of Exchange Act Section 13(a) [15 U.S.C. § 78m(a) ] and Exchange Act Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13].

**PRAYER FOR RELIEF**

WHEREFORE, the Commission respectfully requests that this Court enter a final judgment:

(a) Permanently enjoining Defendants China Media and Cheng from violating, directly or indirectly, Securities Act Section 17(a) [15 U.S.C. § 77q(a)];

(b) Permanently enjoining Defendants China Media and Cheng from violating, directly or indirectly Exchange Act Section 10(b) [15 U.S.C. §§ 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

(c) Permanently enjoining Defendant Cheng from violating, directly or indirectly, Exchange Act Rule 13b2-2 [17 CFR § 240.13b2-2];

(d) Permanently enjoining Defendant Cheng from violating, directly or indirectly, Exchange Act Rule 13a-14 [17 CFR § 240.13a-14];

(e) Permanently enjoining Defendant China Media from violating, directly or indirectly, Exchange Act Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) [15 U.S.C. §§ 78m(a), 78m(b)(2)(A) and 78m(b)(2)(B)] and Exchange Act Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13];

(f) Permanently enjoining Defendant Cheng from aiding and abetting violations of Exchange Act Section 13(a) [15 U.S.C. § 78m(a)] and Exchange Act Rules 13a-1, 13a-11 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13];

(g) Ordering Defendants China Media and Cheng to disgorge ill-gotten gains, with prejudgment interest, including, but not limited to, gains from stock sales, salaries, bonuses, and other benefits wrongfully obtained as a result of the conduct alleged herein;

(h) Imposing civil monetary penalties against Defendants China Media and Cheng pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)];

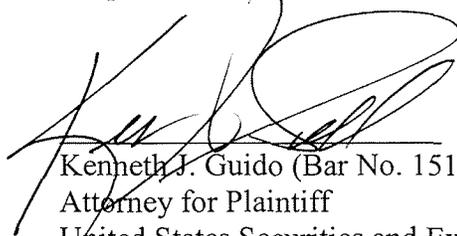
(i) Pursuant to Securities Act 20(g) [15 U.S.C. § 77t(g)] and Exchange Act Section 21(d)(2) [15 U.S.C. § 78u(d)(2)], prohibiting Defendant Cheng from acting as an officer or director of any issuer that has a class of securities registered pursuant to Exchange Act Section 12 [15 U.S.C. § 78l], or that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

(j) [15 U.S.C. § 78o(d)]; and

(i) Granting such other and further relief as the Court deems just and appropriate.

Dated: June 20, 2013

Respectfully submitted,



Kenneth J. Guido (Bar No. 151605))

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Washington, DC 20549-4030

**CIVIL COVER SHEET**

JS-44 (Rev. 3/13 DC)

<b>I. (a) PLAINTIFFS</b> United States Securities and Exchange Commission  (b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF <u>11001</u> (EXCEPT IN U.S. PLAINTIFF CASES)	<b>DEFENDANTS</b> China MediaExpress Holdings, Inc.; and Zheng Cheng  COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT <u>88888</u> (IN U.S. PLAINTIFF CASES ONLY) <small>NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED</small>																												
(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER) Kenneth Guido 100 F Street, N.E. Washington, DC 20549	ATTORNEYS (IF KNOWN) Eugene Licker (For China Media) Loeb & Loeb 345 Park Ave, New York, NY 10154 (212) 407-4157																												
<b>II. BASIS OF JURISDICTION</b> (PLACE AN X IN ONE BOX ONLY) <table style="width:100%;"> <tr> <td><input checked="" type="radio"/> 1 U.S. Government Plaintiff</td> <td><input type="radio"/> 3 Federal Question (U.S. Government Not a Party)</td> </tr> <tr> <td><input type="radio"/> 2 U.S. Government Defendant</td> <td><input type="radio"/> 4 Diversity (Indicate Citizenship of Parties in item III)</td> </tr> </table>	<input checked="" type="radio"/> 1 U.S. Government Plaintiff	<input type="radio"/> 3 Federal Question (U.S. Government Not a Party)	<input type="radio"/> 2 U.S. Government Defendant	<input type="radio"/> 4 Diversity (Indicate Citizenship of Parties in item III)	<b>III. CITIZENSHIP OF PRINCIPAL PARTIES</b> (PLACE AN X IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT) <b>FOR DIVERSITY CASES ONLY!</b> <table style="width:100%;"> <thead> <tr> <th></th> <th>PTF</th> <th>DFT</th> <th></th> <th>PTF</th> <th>DFT</th> </tr> </thead> <tbody> <tr> <td>Citizen of this State</td> <td><input type="radio"/> 1</td> <td><input type="radio"/> 1</td> <td>Incorporated or Principal Place of Business in This State</td> <td><input type="radio"/> 4</td> <td><input type="radio"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="radio"/> 2</td> <td><input type="radio"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td><input type="radio"/> 5</td> <td><input type="radio"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="radio"/> 3</td> <td><input type="radio"/> 3</td> <td>Foreign Nation</td> <td><input type="radio"/> 6</td> <td><input type="radio"/> 6</td> </tr> </tbody> </table>		PTF	DFT		PTF	DFT	Citizen of this State	<input type="radio"/> 1	<input type="radio"/> 1	Incorporated or Principal Place of Business in This State	<input type="radio"/> 4	<input type="radio"/> 4	Citizen of Another State	<input type="radio"/> 2	<input type="radio"/> 2	Incorporated and Principal Place of Business in Another State	<input type="radio"/> 5	<input type="radio"/> 5	Citizen or Subject of a Foreign Country	<input type="radio"/> 3	<input type="radio"/> 3	Foreign Nation	<input type="radio"/> 6	<input type="radio"/> 6
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**IV. CASE ASSIGNMENT AND NATURE OF SUIT**

(Place an X in one category, A-N, that best represents your Cause of Action and one in a corresponding Nature of Suit)

<input type="radio"/> <b>A. Antitrust</b>  <input type="checkbox"/> 410 Antitrust	<input type="radio"/> <b>B. Personal Injury/Malpractice</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal 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 Medical Malpractice <input type="checkbox"/> 365 Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Product Liability	<input type="radio"/> <b>C. Administrative Agency Review</b> <input type="checkbox"/> 151 Medicare Act  <u>Social Security</u> <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))  <u>Other Statutes</u> <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 890 Other Statutory Actions (If Administrative Agency is Involved)	<input type="radio"/> <b>D. Temporary Restraining Order/Preliminary Injunction</b>  Any nature of suit from any category may be selected for this category of case assignment.  *(If Antitrust, then A governs)*		
<input checked="" type="radio"/> <b>E. General Civil (Other)</b>		OR		<input type="radio"/> <b>F. Pro Se General Civil</b>	
<u>Real Property</u> <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  <u>Personal Property</u> <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	<u>Bankruptcy</u> <input type="checkbox"/> 422 Appeal 27 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157  <u>Prisoner Petitions</u> <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Conditions <input type="checkbox"/> 560 Civil Detainee – Conditions of Confinement  <u>Property Rights</u> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark  <u>Federal Tax Suits</u> <input type="checkbox"/> 870 Taxes (US plaintiff or defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609	<u>Forfeiture/Penalty</u> <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other  <u>Other Statutes</u> <input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 430 Banks & Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions <input type="checkbox"/> 470 Racketeer Influenced & Corrupt Organization	<input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Satellite TV <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes <input type="checkbox"/> 890 Other Statutory Actions (if not administrative agency review or Privacy Act)		

<input type="radio"/> <b>G. Habeas Corpus/ 2255</b>  <input type="checkbox"/> 530 Habeas Corpus – General <input type="checkbox"/> 510 Motion/Vacate Sentence <input type="checkbox"/> 463 Habeas Corpus – Alien Detainee	<input type="radio"/> <b>H. Employment Discrimination</b>  <input type="checkbox"/> 442 Civil Rights – Employment (criteria: race, gender/sex, national origin, discrimination, disability, age, religion, retaliation)  *(If pro se, select this deck)*	<input type="radio"/> <b>I. FOIA/Privacy Act</b>  <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 890 Other Statutory Actions (if Privacy Act)  *(If pro se, select this deck)*	<input type="radio"/> <b>J. Student Loan</b>  <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (excluding veterans)
<input type="radio"/> <b>K. Labor/ERISA (non-employment)</b>  <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 740 Labor Railway Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="radio"/> <b>L. Other Civil Rights (non-employment)</b>  <input type="checkbox"/> 441 Voting (if not Voting Rights Act) <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 445 Americans w/Disabilities – Employment <input type="checkbox"/> 446 Americans w/Disabilities – Other <input type="checkbox"/> 448 Education	<input type="radio"/> <b>M. Contract</b>  <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"/> 153 Recovery of Overpayment of Veteran’s Benefits <input type="checkbox"/> 160 Stockholder’s Suits <input type="checkbox"/> 190 Other Contracts <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<input type="radio"/> <b>N. Three-Judge Court</b>  <input type="checkbox"/> 441 Civil Rights – Voting (if Voting Rights Act)

**V. ORIGIN**  
 1 Original Proceeding  
  2 Remand 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 Mag. Judge

**VI. CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE A BRIEF STATEMENT OF CAUSE.)**  
 Complaint for violations of 15 U.S.C. § 77q(a); 15 U.S.C. § 78j(b); 15 U.S.C. §§ 78m(a)&(b) seeking injunction & penalties

<b>VII. REQUESTED IN COMPLAINT</b>	CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 <input type="checkbox"/>	DEMAND \$ _____	JURY DEMAND: YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
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<b>VIII. RELATED CASE(S) IF ANY</b>	(See instruction)	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	If yes, please complete related case form
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DATE: 6/20/2013	SIGNATURE OF ATTORNEY OF RECORD
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**INSTRUCTIONS FOR COMPLETING CIVIL COVER SHEET JS-44**  
 Authority for Civil Cover Sheet

The JS-44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and services of 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 the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. Listed below are tips for completing the civil cover sheet. These tips coincide with the Roman Numerals on the cover sheet.

- I. COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF/DEFENDANT (b) County of residence: Use 11001 to indicate plaintiff if resident of Washington, DC, 88888 if plaintiff is resident of United States but not Washington, DC, and 99999 if plaintiff is outside the United States.
- III. CITIZENSHIP OF PRINCIPAL PARTIES: This section is completed only if diversity of citizenship was selected as the Basis of Jurisdiction under Section II.
- IV. CASE ASSIGNMENT AND NATURE OF SUIT: The assignment of a judge to your case will depend on the category you select that best represents the primary cause of action found in your complaint. You may select only one category. You must also select one corresponding nature of suit found under the category of the case.
- VI. CAUSE OF ACTION: Cite the U.S. Civil Statute under which you are filing and write a brief statement of the primary cause.
- VIII. RELATED CASE(S), IF ANY: If you indicated that there is a related case, you must complete a related case form, which may be obtained from the Clerk’s Office.

Because of the need for accurate and complete information, you should ensure the accuracy of the information provided prior to signing the form.

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

District of Columbia

United States Securities and Exchange Commission

Plaintiff(s)

v.

China MediaExpress Holdings, Inc.;
and
Zheng Cheng

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) China MediaExpress Holdings, Inc.
C/O The Delaware Secretary of State
401 Federal Street
Suite 4
Dover, DE 19901

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Kenneth Guido
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date:

Signature of Clerk or Deputy Clerk

Civil Action No. \_\_\_\_\_

**PROOF OF SERVICE**

*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

This summons for *(name of individual and title, if any)* \_\_\_\_\_  
was received by me on *(date)* \_\_\_\_\_ .

I personally served the summons on the individual at *(place)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* \_\_\_\_\_  
\_\_\_\_\_, a person of suitable age and discretion who resides there,  
on *(date)* \_\_\_\_\_, and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* \_\_\_\_\_, who is  
designated by law to accept service of process on behalf of *(name of organization)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_ ; or

I returned the summons unexecuted because \_\_\_\_\_ ; or

Other *(specify)*: \_\_\_\_\_

My fees are \$ \_\_\_\_\_ for travel and \$ \_\_\_\_\_ for services, for a total of \$ \_\_\_\_\_ 0.00 \_\_\_\_\_ .

I declare under penalty of perjury that this information is true.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Server's signature*

\_\_\_\_\_  
*Printed name and title*

\_\_\_\_\_  
*Server's address*

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

District of Columbia

United States Securities and Exchange Commission

Plaintiff(s)

v.

China MediaExpress Holdings, Inc.;
and
Zheng Cheng

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Zheng Cheng
22/F Wuyi Building 33 Dongjie Street, Gulou District
FUZHOU, FUJ 350009

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Kenneth Guido
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date:

Signature of Clerk or Deputy Clerk

Civil Action No. \_\_\_\_\_

**PROOF OF SERVICE**

*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

This summons for *(name of individual and title, if any)* \_\_\_\_\_  
was received by me on *(date)* \_\_\_\_\_ .

I personally served the summons on the individual at *(place)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* \_\_\_\_\_  
\_\_\_\_\_, a person of suitable age and discretion who resides there,  
on *(date)* \_\_\_\_\_ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* \_\_\_\_\_ , who is  
designated by law to accept service of process on behalf of *(name of organization)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_ ; or

I returned the summons unexecuted because \_\_\_\_\_ ; or

Other *(specify)*: \_\_\_\_\_

My fees are \$ \_\_\_\_\_ for travel and \$ \_\_\_\_\_ for services, for a total of \$ \_\_\_\_\_ 0.00 \_\_\_\_\_ .

I declare under penalty of perjury that this information is true.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Server's signature*

\_\_\_\_\_  
*Printed name and title*

\_\_\_\_\_  
*Server's address*

Additional information regarding attempted service, etc: