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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

In re China Education Alliance, Inc. Securities Litigation

This Document Relates to All Actions

Case No.: 2:10-CV-09239 CAS (JCx)

DECLARATION OF LAURENCE ROSEN IN SUPPORT OF LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION, AND AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

CLASS ACTION

Date: March 11, 2013
Time: 10 a.m.
Judge: Hon. Christina A. Snyder
Courtroom: 15 (Spring Street)

I, LAURENCE ROSEN DECLARE:

1. I am the managing attorney of the Rosen Law Firm, P.A., court-appointed Lead Counsel in this Litigation. I submit this declaration in support of Lead Plaintiffs Keith Troxler, Brian Landrum, and Robert Schilling's ("Lead Plaintiffs" or "Troxler Group") Motion for Final Approval of Class Action Settlement and Plan of Allocation, and Motion for Attorneys' Fee and Reimbursement of Expenses, as set forth in the Stipulation and Agreement of Settlement (the "Stipulation"), dated October 3, 2012 between the parties, as fair, reasonable and adequate.

2. This action has been settled for a payment of $2,425,000 in cash (the "Settlement").

3. The purpose of this declaration is to set forth the basis for and background of the litigation of this action, its procedural history, and the negotiations that led to the proposed settlement. The facts set forth in this declaration, along with Lead Plaintiff's Memorandum of Law in Support of Final Approval of Class Action and Plan of Allocation (the "Settlement Brief"), demonstrate why the proposed settlement is fair, reasonable and adequate, and should be approved by the Court.

4. Specifically, I submit this declaration in support of the proposed settlement that will resolve this litigation against the defendants on behalf of a Class of persons who purchased common stock of China Education Alliance, Inc. ("CEU" or the "Company") during the period from May 15, 2008 through December 7, 2010, inclusive, and were damaged thereby. Excluded from the Class are the Defendants, any members of Defendants' immediate families, any entity in which any Defendant has a controlling interest, directors and officers of CEU, and the affiliates, legal representatives, heirs, predecessors, successors and assigns of any such excluded party.

5. This declaration is also submitted in support of the plan of allocation of the settlement's proceeds to Class members (the "Plan of Allocation"), and in support of Lead Plaintiffs' Counsel's application for an award of attorneys' fees, award to Lead Plaintiffs, and reimbursement of litigation expenses (the "Fee Brief").

6. The settlement was reached only after Lead Plaintiff's Counsel's aggressive and comprehensive prosecution efforts, for example: (a) reviewing and analyzing publicly available information about CEU, including the Company's SEC filings, Chinese State Administration of Industry and Commerce ("SAIC") filings, investigation and analysis of the operations and ownership of the facilities alleged to be from which the Company derives its revenue, and using this information to draft a complaint that survived the strenuous pleading standards imposed by the Private Securities Litigation Reform Act (the "PSLRA); (b) substantial motion practice, including drafting multiple complaints, opposing several motions to dismiss, and moving for a partial lift of the discovery stay; and (c) preparing for and participating in extensive settlement negotiations with the aid of a nationally regarded mediator, Michael Young, Esq.

I. RELEVANT BACKGROUND AND PROCEDURAL HISTORY

A. PLEADINGS

7. On December 2, 2010, and thereafter, several actions were filed in the United States District Court for the Central District of California against China Education Alliance, Inc. ("CEU"), Xiqun Yu, Susan Liu and Zibing Pan. The complaint charged each defendant with violating Section 10(b) of the Securities and Exchange Act of 1934 (the "Exchange Act"), and the individual defendants with violating Section 20(a) of the Exchange Act.

8. By Order dated March 1, 2011, the Court consolidated these actions under the caption *In re China Education Alliance, Inc. Securities Litigation*, under

Case No. 2:10-cv-09239 CAS(JCx) (the "Action"); appointed Keith Troxler, Brian Landrum, and Robert Schilling as Lead Plaintiffs; and approved their choice of The Rosen Law Firm, P.A. as Lead Counsel.

9. On May 2, 2011, Lead Plaintiffs filed a consolidated amended complaint alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act") and rule 10b-5 promulgated by the Securities and Exchange Commission ("SEC").

10. On July 1, 2011, Defendant CEU filed a motion to dismiss the consolidated amended complaint. Defendant CEU"s primarily moved to dismiss on the grounds that the complaint failed to plead: (a) a strong inference of fraudulent intent for the allegations are based on anonymous sources; (b) falsity with particularity for alleged discrepancies between SEC, SAIC and SAT filings, sham training business and grossly exaggerated online business does not establish that the SEC filings are false; and (c) scienter in making allegedly false statements. During the full briefing on the motion to dismiss, both parties agreed to mediate the dispute and the hearing on the motion was continued.

11. On October 11, 2011, Defendant CEU's motion to dismiss the consolidated amended complaint was denied.

12. On December 5, 2011, Lead Plaintiffs filed their operative consolidated second amended complaint (the "Complaint") against CEU and certain of its directors and officers – Yu, Pan, Liu, Hsu, L. Zhang and Zhang. The action was brought on behalf of all persons other than defendants who purchased CEU's stock between May 15, 2008 and December 7, 2010. The Complaint charged all defendants with violating Section 10(b) of the Exchange Act, and charged the individual defendants with violating Section 20(a) of the Exchange Act. Specifically, Plaintiffs' claims revolve around CEU 's prior financial results

for each of the annual and quarterly periods beginning January 1, 2008 through December 31, 2009, and claims that these results had been overstated as a result of misstatements of revenue, expenditures, tax liabilities and net income.

13. On January 5, 2012, Defendant CEU answered the Complaint.

14. On January 10, 2012, Defendant Hsu filed a motion to dismiss. On February 13, 2012, Defendant L. Zhang and Zhang filed a motion to dismiss. Lead Plaintiffs filed their opposition to the motions to dismiss. Defendants Hsu, L. Zhang and Zhang's substantive basis for dismissal revolved around the assertion that Plaintiffs failed to plead control person liability. Specifically, Defendant Hsu contended he did not have control over CEU's financial statements. Defendants Zhang contended that he did not have greater duties as a Company's Audit Committee Financial Expert. All individual defendants argued they lacked day to day managerial control over the Company.

15. On April 6, 2012, Defendant L. Zhang's motion to dismiss was granted without prejudice. Defendant Hsu and Zhang's motion to dismiss were denied.

16. On May 7, 2012, Defendant Hsu and Zhang answered the Complaint.

II. OVERVIEW OF THE SETTLEMENT NEGOTIATIONS

17. On December 20, 2011, Lead Counsel and counsel for Defendants met to engage in a mediation session before Michael d. Young, Esq. The mediation was unsuccessful. Further discussions were held telephonically and by email for several months and eventually, the parties finalized the terms of an agreement in principle.

18. After extensive discussions and arm's-length negotiations concerning both the mediation process and the terms and conditions of the settlement, the Parties agreed to settle this Action for the payment of $2,425,000 to class members.

19. The parties to this Litigation submitted the Stipulation to the Court dated on October 3, 2012. On November 19, 2012, the Court entered an Order preliminarily approving the settlement; provisionally certifying the Class for settlement purposes; providing for Notice; and setting the date of the Settlement Hearing for March 11, 2013 at 10 a.m. (the "Preliminary Approval and Notice Order"). As demonstrated herein and in the accompanying Settlement Brief, the Settlement is fair, reasonable and adequate, and should be approved by this Court. The Settlement confers a substantial benefit on the Class, and eliminates the risk of continued litigation under circumstances where a favorable outcome cannot be assured. Moreover, the proposed Plan of Allocation is a fair and reasonable method for distributing the proceeds of the Settlement to the members of the Class, and, therefore, also should be approved.

20. As set forth herein, and in the accompanying Settlement Brief, the settlement represents approximately 10% of maximum provable damages - *should* a class be certified, *should* all of the claims alleged survive to trial, *should* a jury adopt Lead Plaintiffs' expert's damages model, and *should* CEU and other defendants have the ability to pay such a judgment. An immediate cash settlement that provides a substantial benefit in the face of these challenges – not to say anything of the appeals that would likely be filed should Plaintiffs prevail -- is a favorable outcome. In light of these circumstances, and especially when the settlement is the product of comprehensive legal and factual investigation, vigorous litigation, and arm's-length negotiations by experienced counsel, there is ample support for a finding that the Settlement is fair, reasonable and adequate.

21. For creating this substantial benefit, Plaintiffs' Counsel request a fee of 25% of the Settlement Fund plus interest earned thereon, and reimbursement of litigation expenses. Here, the total lodestar or value of legal services performed by Lead Plaintiffs' Counsel in the Litigation is $364,531. Counsels' fee request is

equal to about 1.66 lodestar. That counsel's requested fees here are in line with the multipliers awarded in other similar class actions demonstrates that the fee request is clearly reasonable.

22. Further, Lead Plaintiff's Counsel's requested 25% fee is also within the reasonable range of percentages typically awarded in securities class actions in the Ninth Circuit.

23. The favorable reaction of the members of the Class also supports the reasonableness of the Settlement and the fee request. The date for filing objections to the Settlement is February 18, 2013. The date for filing requests for exclusion is February 11, 2013. To date, there have been no requests for exclusion filed and two objections. *See* Declaration of Josephine Bravata (the Bravata Dec.", attached hereto as Exhibit 1), ¶¶ 9-10. Thus, the overwhelming majority of the Class clearly supports the Settlement.

III. CLASS NOTICE

24. At Lead Counsel's direction, and pursuant to this Court's Preliminary Approval Order, Summary Notice of the Settlement was published on *GlobeNewswire* and in *Investor's Business Daily* on December 13, 2012 by Strategic Claims Services ("SCS" or the "Claims Administrator") and a copy of the Notice and Claim Form was made available to the public on SCS's website. *See* Bravata Dec., ¶¶ 4,7. SCS additionally mailed, by first class mail, the Notice Claim form approved by the Court to all individuals and organizations identified by CEU's transfer agent, and individuals identified by nominee accounts held by major brokerages and institutional groups. *See id.*, at ¶¶3-6.

25. To date, 16,449 notices and claim forms have been mailed. *See id.*, ¶6.

26. The deadline to file objections to the Settlement is February 18, 2013, and the deadline to request exclusion from the settlement is February 11, 2013.

To date, there have been valid requests for exclusion and two objections. *See* Bravata Dec., ¶¶ 9-10 & Ex. D thereto.

IV. PLAN OF ALLOCATION

27. Pursuant to the Preliminary Approval Order, the proposed Plan of Allocation was fully described in the Notice sent to the Class, on pages five to six. *See* Bravata Dec., Ex. B. The proposed Plan of Allocation was formulated by Lead Plaintiffs' Counsel, in consultation with an independent damages expert, with the goal of reimbursing Class members in a fair and reasonable manner.

28. If approved, the Plan of Allocation will govern how the proceeds of the Net Settlement Fund will be distributed among Class members who timely submit appropriate Claim Forms. Pursuant to the Plan of Allocation, the Claims Administrator, under the direction of Lead Plaintiffs' Counsel will determine each claimant's *pro rata* share of the Net Settlement Fund based upon each claimant's Net Recognized Loss. Each similarly situated authorized claimant will receive a *pro rata* share of the Net Settlement Fund (*i.e.*, $2,425,000 plus interest, less attorneys' fees and expenses), with that share to be determined by the ratio that the authorized claimant's allowed claim bears to the total allowed claims of all authorized claimants.

29. The Plan of Allocation is tailored to equitably compensate the losses of the Class members and is based upon time periods during the Class Period when various corrective disclosures occurred consistent with loss causation principles of *Dura v. Broudo*, 544 U.S. 336 (2005).

V. THE FAIRNESS AND REASONABLENESS OF THE SETTLEMENT

30. Lead Plaintiffs' Counsel, experienced securities class action attorneys, evaluated the prospects of obtaining a better result at trial, one that would withstand later attack. The following factors were taken into consideration in determining that the Settlement is reasonable, fair and adequate.

31. First and foremost, there is no guarantee that Lead Plaintiffs' claims would survive at trial or Defendants' expected Motions for Summary Judgment.

32. Lead Plaintiffs allege that Defendants violated Section 10(b), Rule 10b-5 promulgated thereunder, and Section 20(a) of the Exchange Act by engaging in a scheme to manipulate and artificially inflate the market price of CEU stock and making false statements regarding CEU's financial results. As a result, Lead Plaintiffs faced the serious challenge of adequately proving that Defendants acted with scienter, i.e. fraudulent intent, with respect to these alleged violations. Lead Plaintiffs also faced the challenge of proving loss causation.

33. This case presents difficult proof issues. Much of the evidence in support of Lead Plaintiffs' claims is located in China. While this imposes only slight impediments in obtaining evidence from Defendants, it means that third-party discovery can only be obtained by letters rogatory with the help of the Chinese government, which is notably reluctant to impose obligations on Chinese companies to assist U.S. litigation. *See Milliken & Co. v. Bank of China*, 758 F. Supp. 2d 238, 248 (S.D.N.Y. 2010) (noting China's track record in fulfilling letters rogatory); *but cf. Tiffany (NJ) LLC v. Qi Andrew*, 276 F.R.D. 143, 153 (S.D.N.Y. 2011) (noting that China now executes about 50% of the requests it receives via letters rogatory, or 37 in the first half of 2010).

34. While Plaintiffs certainly believe they have arguments and evidence to support their Section 10(b) claims, establishing the Company's scienter at trial would be by no means guaranteed. Of course, proving the claims at trial would have been an issue only if this Action had survived Defendants' expected motions for summary judgment. Defendants could assert that their accounting errors were not the result of any knowing of fraudulent intent, rather that the errors were the product of gross negligence or negligence. In addition to pointing to case law that holds that discrepancies between SEC and SAIC filings standing alone are not

sufficient to prove scienter, Defendants would also likely present expert testimony concerning loss causation. This would have involved the proverbial "battle of the experts," and fraught with uncertainty and risk as Lead Plaintiffs could not be assured that the fact finder would credit the testimony of Lead Plaintiffs' or Defendants' prospective accounting experts.

35. Lead Plaintiffs also faced the risk of establishing the proper amount of damages. Lead Plaintiffs' best case scenario, as estimated by Plaintiffs' damages expert, determined class-wide damages of approximately $24.1 million. These figures were hotly disputed by Defendants' calculations. There was no assurance that the fact-finder would agree with Lead Plaintiffs' best case scenario of damages.

36. In addition, the difficulties surrounding Lead Plaintiffs' Section 10(b) claims transmit themselves to Lead Plaintiffs' Section 20(a) claims. Defendants would have claimed that Lead Plaintiffs can neither adequately plead nor prove their Section 20(a) claims by virtue of the fact that they can neither plead nor prove their Section 10(b) claims, and thereby lack a primary violation.

37. Similarly, the risks inherent in trying to prove the various elements of the claims alleged have been increased by the ever-changing legal landscape in the area of securities class actions.

38. Finally, there are significant pragmatic considerations that must be taken into account with respect to this Litigation. There is a risk that CEU could become insolvent, given that as of January 25, 2013 its stock traded at $0.46 per share, and its market capitalization was $4.8 million. In addition, the vast majority of the defendants, including CEU's CEO, are Chinese citizens and residents. Therefore, Plaintiffs face a significant challenge in successfully collecting on a U.S. judgment in China. The Chinese defendants do not appear to

have significant assets in the United States against which Plaintiffs can collect. The Settlement eliminates the risk that Plaintiffs could receive no recovery.

39. As a result, there are significant risks to the continuation of this Litigation. Thus, in view of the Company's strained financial condition, the Settlement, which offers an immediate and definite cash benefit to Class members, is clearly preferable to continued and protracted litigation.

VI. THE FEE APPLICATION

40. The Notice informed Class Members of Lead Plaintiffs' Counsel's intent to apply for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund, plus interest, and for reimbursement of counsel's litigation expenses in an amount not to exceed $100,000. Lead Plaintiffs' Counsel is applying for an award of attorneys' fees of 25%. As set forth in Lead Plaintiff's Memorandum of Law in Support of an Award of Attorneys' Fees and Reimbursement of Expenses ("Fee Brief"), 25% of the common fund created by the efforts of counsel is the benchmark in the Ninth Circuit.

41. Lead Plaintiffs' Counsel achieved a favorable result for the Class at risk and expense to themselves. Throughout this litigation, Lead Plaintiffs' Counsel were committed to the interests of the Class, and invested the time and resources necessary to resolve the Class' claims. Moreover, Lead Plaintiffs' Counsel took this case on a contingency basis, with no assurance of success.

Plaintiffs' Counsel's Work and Expertise

42. The total number of hours expended by attorneys and paralegals employed by Lead Plaintiffs' Counsel is 704 hours. This number is derived from the time records regularly maintained by the Rosen Law Firm. A listing of the professionals at The Rosen Law Firm who worked on this matter, the number of hours spent by each such professional, and their hourly rates, is set forth in detail in the Declaration of Laurence Rosen Concerning Fees and Expenses ("Rosen Fee

Decl.") at ¶ 5, attached hereto as Exhibit 2. The total value of the services performed in this case by The Rosen Law Firm, based upon our current rates, is $364,531.

43. An award of 25% of the Settlement would equal $606,250, and results in 1.66 multiplier. A 1.66 multiplier is on the lower end of multipliers approved by Courts.

44. Counsel are experienced and skilled practitioners in the securities litigation field, and have a successful track record in such securities and other complex class action cases, as reflected in the firm resume. *See* Firm Resume attached to the Rosen Fee Decl.

Standing and Caliber of Opposing Counsel

45. The quality of the work performed by Lead Plaintiffs' Counsel in attaining the Settlement should also be evaluated in light of the quality of the opposition.

46. Plaintiffs were opposed in this litigation by attorneys from Shearman & Sterling LLP. This is a large, nationally respected law firm. Opposing counsel are experienced in complex federal litigation, particularly those involving companies located in the People's Republic of China.

47. In the face of this knowledgeable and well-financed opposition, Lead Plaintiffs were nevertheless able to develop a case that was sufficiently strong to persuade the Defendants to settle it on terms that were favorable to the Class.

The Risks of Litigation and the Need to Ensure the Availability of Competent Counsel in High-Risk, Contingent Securities Cases

48. This prosecution was undertaken by Lead Plaintiffs' Counsel entirely on a contingent fee basis. The risks assumed by counsel in bringing these claims to a successful conclusion are described above and in the Settlement Brief.

49. Those risks are also relevant to an award of attorneys' fees. Here, the risks assumed by Lead Plaintiffs' Counsel, and the time and expenses incurred without any payment, were extensive and are described in detail above and in the accompanying Fee Brief.

50. From the outset, Lead Plaintiffs' Counsel understood that they were embarking on a complex, expensive and probably lengthy litigation with no guarantee of ever being compensated for the enormous investment of time and money the case would require. In undertaking that responsibility, Lead Plaintiffs' Counsel were obligated to ensure that sufficient resources were dedicated to the prosecution of this litigation, and that funds were available to compensate staff and to cover the considerable out-of-pocket costs that a case such as this one requires.

51. With an average lag time of a few years for securities class actions to conclude, the financial burden on contingent fee counsel is far greater than on a firm that is paid on an ongoing basis. Indeed, Lead Plaintiffs' Counsel has received no compensation during the course of this litigation and has incurred $85,594.43 in out-of-pocket expenses in prosecuting this action for the benefit of the Class.

52. Counsel also bore the risk that no recovery would be achieved. As discussed herein and in the Settlement Brief, from the outset, this case presented a number of risks and uncertainties that, at any juncture, could have prevented recovery. Success in contingent fee litigations is never assured.

53. The commencement of a class action does not guarantee a settlement. To the contrary, it takes hard work and diligence by skilled counsel to develop the facts and theories that are needed to sustain a complaint and to take a case to trial. Only as a result of such efforts will sophisticated defendants engage in serious settlement negotiations at meaningful levels.

54. As a result of extensive and persistent efforts in the face of substantial risks and uncertainties, Lead Plaintiff's Counsel achieved a significant recovery for the benefit of the Class. In circumstances such as these, and in consideration of Lead Counsel's hard work and the favorable result achieved, the requested 25% fee, representing a multiplier of 1.66 is reasonable and should be approved.

The Reaction of the Class to the Requested Fee

55. As set forth above, over 16,000 Claim Packets have been mailed to potential Class Members. The Notice advised Class Members that Plaintiffs' Counsel would apply for an award of attorneys' fees not to exceed 25% of the Settlement Fund (plus interest). Additionally, a summary notice was published on *GlobeNewswire* and in *Investor's Business Daily* on December 13, 2012. Bravata Dec., ¶ 7, Ex. C.

56. To date, two objections have been received, representing only 5,010 shares. No requests of exclusion have been received. The objection deadline is February 18, 2013 and exclusion deadline is February 11, 2013. *See* Bravata Dec., ¶¶ 9-10.

VII. REIMBURSEMENT OF THE REQUESTED EXPENSES IS FAIR AND REASONABLE

57. Lead Plaintiffs' Counsel has incurred $85,594.43 in litigation expenses reasonably and actually incurred by Lead Plaintiff's Counsel in connection with the commencing and prosecuting the claims against Defendants.

58. From the beginning of the case, Lead Plaintiffs' Counsel were aware that they might not recover any of their expenses, and, at the very least, would not recover anything until the case was successfully resolved. Lead Plaintiffs' Counsel also understood that, even assuming that the case was ultimately successful, reimbursement for expenses would not compensate them for the lost

use of the funds they advanced to prosecute this action. Thus, counsel took significant steps to minimize expenses whenever practicable without jeopardizing the vigorous and efficient prosecution of the case.

59. A listing of the expenses incurred by the Rosen Law Firm compiled from the regularly maintained records, are set forth in the Rosen Fee Decl., ¶ 7 (attached as Exhibit 2 hereto).

60. The expenses incurred pertaining to this case are reflected in the books and records of Lead Plaintiffs' Counsel. These books and records are prepared from expense vouchers and check records and are an accurate record of the expenses incurred. They are also available, upon request, for inspection by the Court.

61. The litigation expenses for which Lead Plaintiffs' Counsel seek reimbursement were largely incurred for professional expert and consultant fees such as the services of forensic accountants, damages experts, and the mediation services of Michael Young, Esq.

62. The other expenses for which Lead Plaintiffs' Counsel seek reimbursement are the types of expenses that are necessarily incurred in litigation and routinely charged to clients billed by the hour. Those expenses include, among others, telephone conferencing and facsimile charges, postage and delivery expenses, filing fees, computerized research (e.g., Westlaw), and photocopying and scanning.

63. In addition, Lead Plaintiffs' Counsel incurred expenses related to the fact that this case involves the prosecution of a Chinese company. For example, Lead Plaintiffs' Counsel was required to hire translators to translate documents in Chinese, retain numerous China-based private investigators, and was also required to consult an expert in the law of the People's Republic of China.

64. All of the litigation expenses incurred were necessary to the successful prosecution and resolution of the claims against Defendants.

65. In light of the inherently complex nature of securities class action litigation and the difficulties in pleading and ultimately proving liability, as well as proving causation and damages at trial, the litigation expenses incurred were reasonable and necessary to pursue the interests of the Class. Accordingly, Lead Plaintiffs' Counsel respectfully submit that the expenses incurred are reasonable in amount.

VIII. A NOMINAL AWARD TO LEAD PLAINTIFF IS WARRANTED

66. Lead Plaintiffs also seek an award for their own lost time and effort in prosecution and oversight of this action pursuant to the PSLRA, in the amount of $4,500 total: Keith Troxler, $1,500; Brian Landrum, $1,500; Robert Schilling, $1,500.

67. The Notice stated that Lead Plaintiffs would seek an award of $4,500.

68. As explained in the Fee Brief, awards of similar magnitude are commonly awarded to lead plaintiffs in securities class actions. They are necessary to ensure that lead plaintiffs, through loss of time, are not made *worse* off for their service to the class.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed: February 4, 2013



Laurence Rosen
The Rosen Law Firm, P.A.

CERTIFICATE OF SERVICE

I, Laurence Rosen, hereby declare under penalty of perjury as follows: I am attorney with the Rosen Law Firm, P.A., with offices at 355 South Grand Avenue, Suite 2450, Los Angeles, CA, 90071. I am over the age of eighteen.

On February 4, 2013, I electronically filed the following **DECLARATION OF LAURENCE ROSEN IN SUPPORT OF LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION, AND AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES** with the Clerk of the Court using the CM/ECF system, which sent notification of such filing to counsel of record.

Executed on February 4, 2013

/s/ Laurence Rosen

Exhibit 1

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

IN RE CHINA EDUCATION ALLIANCE, INC. SECURITIES LTIGATION	)	Master File No. 2:10-CV-09239 CAS (JCx)
THIS DOCUMENT RELATES TO: ALL ACTIONS	)	CLASS ACTION

DECLARATION OF JOSEPHINE BRAVATA CONCERNING MAILING OF NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION AND PROOF OF CLAIM AND RELEASE

I, Josephine Bravata, declare:

1. I submit this declaration in order to provide the Court and the parties to the above-captioned litigation with information regarding the mailing of the Notice of Pendency and Proposed Settlement of Class Action ("Notice") and the Proof of Claim and Release ("Claim Form") (collectively, "Notice and Claim Form") and the publication of the Summary Notice ("Publication Notice"). The Notice and Claim Form is attached as **Exhibit A** to this Declaration. I am over 21 years of age and am not a party to this action. I have personal knowledge of the facts set forth herein.

2. I am the Quality Assurance Manager of Strategic Claims Services ("SCS"), a nationally recognized class action administration firm. I have over eleven years of experience specializing in administration of class action cases. SCS was established in April 1999 and has administered over two-hundred twenty-five (225) class action cases since its inception.

3. The Court appointed and approved SCS to provide administrative services as part of the settlement administration process in the above-captioned litigation. Our services include the printing and mailing of the Notice and Claim Form; supplying the Notice and Claim Form to the Class; notifying brokerage firms or other nominee accounts of the appropriate manner to

provide individual notice to class members, both individually and on a published basis; tracking requests for exclusion; distributing, accepting and processing Claim Forms filed by class members; reviewing submitted Claim Forms for accuracy and completeness and to ensure that they are supported by sufficient documentary evidence; providing notices to those claims that are deficient or rejected, when appropriate; calculating recognized losses of the class, on both an individual and class-wide basis; and all other services necessary to administer this securities litigation class action ("Settlement").

4. To provide actual notice to those persons or entities who purchased the publicly-traded common stock of China Education Alliance, Inc. ("China Education") during the period from May 15, 2008 through and including December 7, 2010 ("Class Period"), we mailed, by first class mail, postage prepaid, the Notice and Claim Form approved by the Court to all individuals and organizations identified on the records of China Education's transfer agent. These records reflect persons and entities that purchased the publicly-traded common stock of China Education for their own account or for the account(s) of their clients during the Class Period. A letter was also mailed or emailed to all brokerage companies, banks and trust companies contained on our master mailing list notifying them of the settlement and asking them to respond within 14 days from the date of the letter by either sending the Notice and Claim Form to beneficial owners or provide SCS with a list of names and addresses of such beneficial owners so that SCS could promptly mail the Notice and Claim Forms directly to them. SCS maintains a master list consisting of the 1,036 largest banks and brokerage companies ("Nominee Account Holders"), as well as 801 mutual funds, insurance companies, pension funds, and money managers ("Institutional Groups") which may have traded or owned China Education's common stock in their clients' or their own accounts. SCS mailed or emailed a letter (attached as **Exhibit B** to this Declaration) to these 1,837 institutions. The mailing and/or emails were

completed on or before December 10, 2012 as required by the Order Preliminarily Approving Settlement and Providing for Notice Pursuant to Rule 23 of the Federal Rules of Civil Procedure, dated November 19, 2012 (the "Court's November 19, 2012 Order"). Moreover, the Notice and Claim Form, the Court's November 19, 2012 Order, and the Stipulation and Agreement of Settlement were made available to the public at SCS's website, www.strategicclaims.net.

5. In addition, as of February 1, 2013, SCS has mailed 16,449 Notice and Claim Forms to potential Class Members or nominees. This is comprised of 648 Notice and Claim Forms mailed to individuals and organizations from the shareholders' list provided by the transfer agent and an additional 15,801 Notice and Claim Forms requested by, and provided to, the Nominee Account Holders and Institutional Groups and other individuals.

6. Out of the 16,449 Notice and Claim Forms mailed, 311 were returned as undeliverable. Of these, the post office provided forwarding addresses for 28; SCS immediately mailed another Notice and Claim Form to these Class Members at the updated addresses. The remaining 283 Notice and Claim Forms returned as undeliverable were "skip-traced" to obtain updated addresses and re-mailed 72 Notice and Claim Forms to the updated addresses.

7. The Publication Notice was published electronically once on the *Globe Newswire* and in print once in the *Investor's Business Daily* on December 13, 2012, as shown in the confirmations of publication attached as **Exhibit C.**

8. The notice procedures described in paragraphs three (3) through seven (7) above are consistent with the procedures I have used in each of the class action securities litigation cases in which I have been involved with over the past eleven years.

9. To date, SCS has received no requests for exclusion. Exclusion requests must be received no later than February 11, 2013.

10. Lead Plaintiffs' Counsel provided SCS with copies of the two objections.

Exhibit D is a copy of the two objectors. Objections must be received no later than February 18, 2013

I declare under penalty of perjury that the foregoing is true and correct.

Signed this 1st day of February 2013, in Media, Pennsylvania.

Josephine Bravata

 EXHIBIT A

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA—WESTERN DIVISION

IN RE CHINA EDUCATION ALLIANCE, INC. SECURITIES LTIGATION	)	Master File No. 2:10-CV-09239 CAS (JCx)
	)	CLASS ACTION
THIS DOCUMENT RELATES TO: ALL ACTIONS	)	

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

IF YOU PURCHASED THE PUBLICLY-TRADED COMMON STOCK ("STOCK") OF CHINA EDUCATION ALLIANCE, INC. ("CEU") DURING THE PERIOD FROM MAY 15, 2008 THROUGH AND INCLUDING DECEMBER 7, 2010, YOU COULD GET A PAYMENT FROM A CLASS ACTION SETTLEMENT (THE "SETTLEMENT").

A federal court has authorized this notice.

Exclusion Deadline: February 11, 2013

Objection Deadline: February 18, 2013

Claims Deadline: January 25, 2013

- If approved by the Court, the settlement will provide $2,425,000 in cash, plus interest (the "Settlement Amount"), to pay claims of investors who purchased CEU Stock during the period from May 15, 2008 through and including December 7, 2010 (the "Class Period").
- The Settlement represents an average recovery of $.2425 per share of CEU Stock for the ten million CEU shares that Lead Plaintiffs' expert estimates were traded and damaged as a result of the alleged misconduct during the Class Period. This estimate solely reflects the average recovery per damaged share of CEU Stock. Some shares may be eligible to claim more than once. This is not an estimate of the actual recovery per share you should expect from the Settlement. Your actual recovery will be lower, and will depend on the aggregate losses of all Class Members, the date(s) you purchased and sold CEU Stock, the amounts and prices of those transactions, the total number of claims filed, and the administrative costs for completion of the Settlement and distribution of the Settlement Amount.
- Attorneys for the Lead Plaintiffs ("Class Counsel") intend to ask the Court to award them fees of up to 25% of the Settlement Amount, and reimbursement of litigation expenses not to exceed $100,000. Class Counsel also intends to ask the Court to grant each Lead Plaintiff an award of $1,500, for a total award of $4,500. Collectively, the attorneys' fees, litigation expenses, and awards to Lead Plaintiffs are estimated to average $.0711 per damaged share of CEU Stock. If approved by the Court, these amounts will be paid from the Settlement Fund.
- The Class Members' approximate recovery from the Settlement, following deduction of attorneys' fees and expenses and award to Lead Plaintiffs approved by the Court, is an average of $.1714 per damaged share of CEU Stock. This estimate is based on the assumptions set forth in the preceding paragraphs. Your actual recovery, if any, will vary depending on the dates of your transactions, your purchase and sales price(s) and the number of claims filed.
- In this case Lead Plaintiffs contended that CEU and members of its senior management team violated the federal securities laws by providing investors with allegedly false or misleading information about its business and financial condition. However, the defendants that have appeared in this case denied that there was anything improper about the information CEU or members of its senior management team provided to investors, and deny any wrongdoing whatsoever. Based on their experts' analysis, Lead Plaintiffs believe that, if they prevailed on all the claims on behalf of the Class and the Court accepted their theory of damages, the Class would recover approximately $2.41 per damaged CEU share, before deductions for fees and expenses and assuming that the full amount of the judgment was collectable. The defendants appearing in this case believe that, if this case proceeded they would win every claim, and Lead Plaintiff and the Class would recover nothing. These defendants (as described below) deny the allegations in the lawsuit and deny any wrongdoing
- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, *please read this notice carefully*.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM NO LATER THAN JANUARY 25, 2013	Remain in the Class, be bound by the Court Order and Final Judgment (including the Release) and receive settlement benefits. This is the only way to get a payment.
EXCLUDE YOURSELF NO LATER THAN FEBRUARY 11, 2013	Get no payment. This is the only option that allows you to be part of any other lawsuit against Defendants and related parties with respect to the "Settled Claims" (as defined below).
OBJECT NO LATER THAN FEBRUARY 18, 2013	Write to the Court about why you do not like the Settlement, the proposed Plan of Allocation or the request for payment of attorney's fees and expenses or a payment to the Lead Plaintiffs.
GO TO A HEARING ON MARCH 11, 2013	Speak in Court about the fairness of the Settlement.
DO NOTHING	Remain in the Class, be bound by the Court's Order and Final Judgment (including the Release) but without receiving any payment. Give up your rights to sue Defendants and related parties on the claims in this case.

INQUIRIES

Please do not contact the Court regarding this notice. All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class members should be directed to:

China Education Alliance Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

or

Class Counsel:
Laurence M. Rosen, Esq.
Phillip Kim, Esq.
The Rosen Law Firm, P.A.
275 Madison Avenue, 34th Floor
New York, NY 10016
Tel.: (212) 686-1060
www.rosenlegal.com

COMMON QUESTIONS AND ANSWERS CONCERNING THIS CASE AND THE SETTLEMENT

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BASIC INFORMATION

1. Why did I get this Notice?

You or someone in your family or household may have purchased CEU Stock during the Class Period.

2. What is this lawsuit about?

The case is known as *In re China Education Alliance, Inc. Securities Litigation*, Case No. 2:10-CV-09239 (CAS) (the "Litigation"), and the Court in charge of the case is the Honorable Christina A. Snyder of the United States District Court for the Central District of California.

In this class action, Keith Troxler, Brian Landrum, and Robert Schilling were appointed by the Court to represent all Class Members and were designated as the "Lead Plaintiffs" for the case and The Rosen Law Firm, P.A. ("The Rosen Law Firm") was appointed by the Court to serve as "Lead Counsel."

Defendants in this case are CEU and certain of its current and former officers and directors – Xiqun Yu, Zibing Pan, Susan Liu, Chunqing Wang, James Hsu, Liansheng Zhang, and Yizhao Zhang (the "Defendants"). Lead Plaintiffs purchased CEU Stock during the Class Period, like all Class Members. Lead Plaintiffs allege that the Defendants violated the federal securities laws during the Class Period by issuing or approving materially false and misleading financial statements and information to investors about CEU's business and financial condition.

CEU is a NYSE-listed for-profit educational company that purports to offer on-line education services and on-site tutoring in China.

On November 29, 2010, the analyst firm Kerrisdale Capital published a report alleging that CEU was a fraudulent company. Specifically, the Kerrisdale Report claimed that CEU filed inflated earnings figures with the Securities Exchange Commission ("SEC"), and that many of CEU's business operations were either non-existent or non-operational.

When this adverse information hit the market, CEU's stocks lost nearly half of its value, falling from $4.41 per share on November 29, 2010 to $2.34 by December 7, 2010.

Lead Plaintiffs filed their initial complaint in December 2010 and a second amended complaint ("Complaint") on December 5, 2011. In their Complaint, Lead Plaintiffs allege that CEU fraudulently maintained two sets of books: a set of accurate financial records filed with Chinese regulatory and tax authorities showing little to no revenue and earnings; and a false set of financial records filed with the SEC showing a growing and thriving business. The Complaint allegedly corroborated the findings of the Kerrisdale Report.

The class action has proceeded against CEU, James Hsu, and Yizhao Zhang (the "Settling Defendants"), who deny that they or anyone acting on behalf of CEU engaged in any wrongdoing, and emphatically disagree with any claim that they in any respect misled investors, violated the securities laws, or otherwise acted improperly.

Lead Plaintiff and the Settling Defendants also disagree on the existence and amount of damages.

The Settlement resolves all of the claims in the Class Action.

3. Why is this a class action?

In a class action, one or more people or entities, called a class representative or Lead Plaintiffs, sue on behalf of all persons and/or entities who have similar claims. All of these people and entities are called the "Class". These individual persons and/or entities are known as "Class Members". One court resolves all of the issues for all Class Members, except for those Class Members who exclude themselves from the Class.

4. Why is there a Settlement?

As noted, Lead Plaintiffs and the Settling Defendants do not agree on the merits of Lead Plaintiffs' allegations with respect to liability or the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail at trial on each claim. This case has not gone to trial and the Court did not decide in favor of Lead Plaintiffs or the Settling Defendants. Instead, both sides agreed to a settlement. That way, everyone avoids the cost and risks of further litigation and trial. Given the risks involved in this litigation, Lead Plaintiffs and their attorneys think the Settlement is best for all Class Members. Even if the Settling Defendants' potential motions for summary judgment were denied and Lead Plaintiffs won at trial, and also prevailed on any appeal, Lead Plaintiffs might not be able to collect some, or all, of any judgment awarded to the Class. Consequently, Class Counsel is concerned that, if this matter is not settled, the Class Members may receive little or nothing even if the Lead Plaintiffs win the case.

Thus, the principal reason Lead Plaintiffs have agreed to the Settlement is to provide a benefit to the Class Members now. This benefit must be compared to the risk that no recovery might be achieved. Although Class Counsel were prepared to move forward in the case, and ultimately go to trial, and were confident in their ability to present a case, they recognize that such motions and trial are risky propositions and that Lead Plaintiffs and the Class might not have prevailed. The claims advanced by the Class involve numerous complex legal and factual issues, requiring extensive witness and expert testimony, which would add considerably to the expenses and duration of the litigation, which would have gone on for some years. In addition, had the case proceeded, the Settling Defendants would assert that their statements were not false or misleading, and certainly not intentionally false or misleading, when made. The Settling Defendants would have further asserted that none of them acted with an intent to deceive or recklessness, which is a required element of Lead Plaintiffs' claims.

In addition, if this case were to proceed, the parties would disagree on numerous other issues that could affect the outcome of the litigation and, if resolved in favor of the Settling Defendants, could result in Class Members receiving little or even nothing. The issues include: (1) the amount by which any CEU Stock was allegedly artificially inflated (if at all) during the relevant time period; (2) the extent to which the various allegedly materially false and misleading statements made by Defendants influenced (if at all) the trading prices of CEU Stock; (3) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleged were not disclosed to the public influenced (if at all) the trading prices of CEU Stock; and (4) whether the statements made or facts allegedly omitted were false, misleading, material, or otherwise actionable under the federal securities laws.

Despite these issues and risks, this Settlement enables the Class to recover a substantial amount now. As a result, Lead Plaintiffs and Lead Counsel believe this Settlement is fair and reasonable and provides a reasonable recovery to the Class.

WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the Class settlement?

To be a Class Member, you must have purchased CEU Stock during the period from May 15, 2008 through and including December 7, 2010, and suffered losses on your investment as a result of the decline in the value of CEU Stock, which Lead Plaintiffs allege occurred because of Defendants' misconduct.

6. Are there exceptions to being included?

Yes. You are not a Class Member if you are:

a Defendant, a member of a Defendant's immediate family, a Defendant's heir, successor or assign, any entity in which any Defendant has or had a controlling interest, or a predecessor of CEU; or

a present or former officer or director of CEU; or

if you exclude yourself from the Class, as described below.

If you sold CEU Stock during the Class Period, that does not make you a Class Member. You are a Class Member only if you purchased CEU Stock from May 15, 2008 through and including December 7, 2010.

If one of your mutual funds purchased or owns shares of CEU Stock, that alone does not make you a Class Member.

7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for free help. For more information, you can contact the Claims Administrator, Strategic Claims Services, by phone at (866) 274-4004, by facsimile at (610) 565-7985, visit the website at www.strategicclaims.net or you can fill out and return the claim form described in Question 9, to see if you qualify.

THE SETTLEMENT BENEFITS—WHAT YOU RECEIVE

8. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement calls for the creation of a "Settlement Fund" in the amount of $2,425,000 in cash. The Settlement will not become effective unless it is approved by the Court. Subject to the Court's approval, a portion of the Settlement Fund will be used to pay Class Counsel's attorneys' fees and reasonable litigation expenses. A portion of the Settlement Fund will also be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and any notice costs and claims administration expenses incurred in the case. After these deductions from the Settlement Fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Class Members who submit valid claim forms.

b. What can you expect to receive under the proposed Settlement?

If you are entitled to a payment, your share of the Net Settlement Fund will depend on the number of valid claim forms that Class Members submit, how many shares of CEU Stock you purchased, and when you bought and sold your CEU Stock. By following the Plan of Allocation described below, you can calculate your "Recognized Loss." The Claims Administrator will distribute the Net Settlement Fund according to the Plan of Allocation after the deadline for submission of Proof of Claim forms has passed.

The Claims Administrator will determine each Class Member's *pro rata* share of the Net Settlement Fund based upon each Class Member's valid "Recognized Loss." **The Recognized Loss formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; it also is not an estimate of the amount that will be paid to Class Members pursuant to the Settlement.** The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Class Members with valid claims.

The Net Settlement Fund will be distributed to Class Members who submit valid, timely claim forms ("Authorized Claimants") under the following Plan of Allocation, which reflects Lead Plaintiffs' contention that because of alleged misrepresentations and omissions contained in CEU's financial results and other public statements, the price of CEU Stock was artificially inflated during the Class Period and that disclosures of the true facts caused changes in the inflated stock price.

PLAN OF ALLOCATION

1. For purposes of determining the amount an Authorized Claimant will recover from the Settlement, Lead Counsel has consulted with a damages consultant who has developed the Plan of Allocation. It is designed to fairly allocate the proceeds of the Net Settlement Fund to Authorized Claimants.

2. The Court has not made any finding that the Released Parties are liable to the Class or that the Class has suffered any compensable damages, nor has the Court made any finding that the payments allowed under this Plan of Allocation are an accurate measure of damages.

3. The Claims Administrator will determine each Class Member's *pro rata* share of the Net Settlement Fund based upon each claimant's "Recognized Claim" from transactions in CEU common stock during the entire Class Period.

    I. For shares purchased between May 15, 2008 and November 28, 2010, and held on March 6, 2011, recognized loss per share is the lesser of:

        A. The price paid less $2.34.

        B. $2.07.

    II. For shares purchased between May 15, 2008 and November 28, 2010, and sold between December 7, 2010 and March 6, 2011, recognized loss per share is the lesser of:

        A. The price paid less $2.34.

        B. $2.07.

        C. The price paid less the price received.

        D. The price paid less the amount in Table A (set forth below) on the date of sale.

    III. For shares purchased between May 15, 2008 and November 28, 2010, and sold between November 29, 2010 and December 6, 2010, recognized loss per share is the lesser of:

        A. $1.48.

        B. The price paid less the price received.

    IV. For shares purchased and sold between May 15, 2008 and November 28, 2010, the recognized loss per share is $0.00.

    V. For shares purchased between November 29, 2010 and December 7, 2010 and held on March 6, 2011, recognized loss per share is the lesser of:

        A The price paid less $2.34.

        B. $.91.

VI. For shares purchased between November 29, 2010 and December 7, 2010 and sold between December 7, 2010 and March 6, 2011, recognized loss per share is the lesser of:

A. The price paid less the price received.

B. The price paid less $2.34.

C. $.91.

D. The price paid less the amount in Table A (set forth below) on the date of sale.

VII. For shares purchased and sold between November 29, 2010 and December 7, 2010, the recognized loss per share is $0.00.

TABLE A

Date	Amount	Date	Amount	Date	Amount	Date	Amount
12/7/2010	$ 2.34	12/30/2010	$ 2.49	1/24/2011	$ 2.46	2/10/2011	$ 2.40
12/8/2010	$ 2.52	12/31/2010	$ 2.49	1/25/2011	$ 2.45	2/11/2011	$ 2.39
12/9/2010	$ 2.61	1/3/2011	$ 2.49	1/26/2011	$ 2.45	2/14/2011	$ 2.39
12/10/2010	$ 2.63	1/4/2011	$ 2.49	1/27/2011	$ 2.45	2/15/2011	$ 2.39
12/13/2010	$ 2.63	1/5/2011	$ 2.49	1/28/2011	$ 2.44	2/16/2011	$ 2.38
12/14/2010	$ 2.61	1/6/2011	$ 2.50	1/31/2011	$ 2.44	2/17/2011	$ 2.38
12/15/2010	$ 2.59	1/7/2011	$ 2.50	2/1/2011	$ 2.43	2/18/2011	$ 2.38
12/16/2010	$ 2.56	1/10/2011	$ 2.50	2/2/2011	$ 2.43	2/22/2011	$ 2.37
12/17/2010	$ 2.56	1/11/2011	$ 2.50	2/3/2011	$ 2.42	2/23/2011	$ 2.37
12/20/2010	$ 2.55	1/12/2011	$ 2.49	2/4/2011	$ 2.42	2/24/2011	$ 2.36
12/21/2010	$ 2.53	1/13/2011	$ 2.49	2/7/2011	$ 2.41	2/25/2011	$ 2.36
12/22/2010	$ 2.52	1/14/2011	$ 2.48	2/8/2011	$ 2.41	2/28/2011	$ 2.36
12/23/2010	$ 2.50	1/18/2011	$ 2.47	2/9/2011	$ 2.40	3/1/2011	$ 2.35
12/27/2010	$ 2.50	1/19/2011	$ 2.47	3/2/2011	$ 2.35		
12/28/2010	$ 2.49	1/20/2011	$ 2.46	3/3/2011	$ 2.34		
12/29/2010	$ 2.49	1/21/2011	$ 2.46	3/4/2011	$ 2.34		

How You Receive a Payment—Submitting A Claim

9. How can I get a payment?

To qualify for a payment, you must be an eligible Class Member and must send in a form entitled "Proof of Claim and Release". This Claim Form was mailed with this Notice. You may also obtain a Claim Form at www.strategicclaims.net. Read the instructions carefully, fill out the form, sign it in the location indicated, and mail the Claim Form together with all required documentation, postmarked no later than January 25, 2013, to:

China Education Alliance Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

The Claims Administrator will process your claim and determine whether you are an "Authorized Claimant."

10. What am I giving up to get a payment or stay in the Class?

If you are a member of the Class, and do not exclude yourself, you will give up and release any claims you might have against the Defendants relating to the "Settled Claims," as described more fully below. All of the Court's orders will apply to you and legally bind you. ***If you are a Class Member, this will be true even if you do not submit or sign a Proof of Claim and Release form, unless you exclude yourself from the Class (in which case you will not receive any payment).***

If the proposed Settlement is approved, the Court will enter an Order and Final Judgment of Dismissal with prejudice. The Judgment will dismiss the "Settled Claims" with prejudice as to all "Released Parties". The Judgment will provide that all Class Members on behalf of themselves, their current and former heirs, executors, administrators, successors, attorneys, legal representatives, and assigns, shall be deemed to have released and to have forever relinquished and discharged all Settled Claims against all Released Parties. Each of the Defendants will also release all claims they may have against any Class Member, to the extent set forth in the Stipulation of Settlement.

"Released Parties" means the Defendants, and any of their current, former or future parents, subsidiaries, affiliates, partners, joint venturers, officers, directors, principals, shareholders, members, agents (acting in their capacity as agents), employees, attorneys, insurers, reinsurers, advisors, accountants, associates and/or any other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants and the current, former and future legal representatives, heirs, successors in interest or assigns of the Defendants.

"Settled Claims" means any and all claims, debts, demands, liabilities, rights and causes of action of every nature and description whatsoever (including but not limited to any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims, (i) that have been alleged or asserted in the Litigation by the Lead Plaintiffs and/or Class Members or any of them against any of the Defendants; or (ii) that could have been alleged or asserted in the Litigation, including but not limited to any claim arising out of or relating to any of the acts, omissions, misrepresentations, facts, events, matters, transactions or occurrences referred to in the Litigation or otherwise alleged or asserted in the Litigation; provided, however, that Settled Claims do not include any pending shareholder derivative litigation; and provided, further, that Settled Claims do not include any claims to enforce any of the terms of the Stipulation or of the Order and Final Judgment.

"Unknown Claims" means any Settled Claim which Lead Plaintiffs or any member of the Class does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, which if known by him, her or it, might have affected his, her or its decision with respect to the Settlement, including, but not limited to, the decision not to object to the Settlement, and any Settled Defendants' Claims which any Defendant does not know or expect to exist in his or its favor, which if known by him or it might have affected his or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Settled Defendants' Claims, the Parties stipulate and agree that upon the Effective Date, the Lead Plaintiffs and Defendants shall expressly waive, and each Class Member shall be deemed to have and by operation of the Order and Final Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to Cal. Civ. Code § 1542 which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

If you desire, please read the Stipulation of Settlement at the website (or call for a copy of it) for a fuller explanation of the definition of "Settled Claims," all of which you will be deemed to release if the Settlement is approved by the Court.

If you do not exclude yourself, you may sign and submit a Claim Form to claim a share in the Net Settlement Fund and this will be the only compensation from the Settlement you will receive for any losses you may have incurred from purchases of CEU stock during the Class Period.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep the right to sue or continue to sue the Defendants with respect to the Settled Claims, then you must take steps to get out of the Settlement. This is called excluding yourself from — or "opting out" of — the Settlement. To exclude yourself from the Settlement, you must mail a letter stating you want to be excluded as a Class Member from *In re China Education Alliance, Inc. Securities Litigation*, Case No. 2:10-CV-09239 (CAS). You must include your name, address, telephone number, e-mail address and your signature, along with an accurate list of all of your purchases and sales of CEU Stock in the Class Period, including the dates of each purchase and sale, the number of shares in each transaction, and the amounts paid or received in each transaction (excluding commissions, taxes and other

charges). You must mail your exclusion request, so that it is received no later than February 11, 2013, to the following three addresses:

China Education Alliance Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

CLASS COUNSEL	DEFENSE COUNSEL
Laurence M. Rosen, Esq. Phillip Kim, Esq. The Rosen Law Firm, P.A. 275 Madison Avenue, 34th Floor New York, NY 10016 212-686-1060	Jerome S. Fortinsky, Esq. Brian G. Burke, Esq. Shearman & Sterling LLP 599 Lexington Avenue New York, NY 10022 212-848-4000

You cannot exclude yourself by telephone or by e-mail or at the wesbite.

If you properly exclude yourself, you will not receive a settlement payment, you cannot object to the Settlement, and you will not be legally bound by anything that happens in this case.

12. If I do not exclude myself, can I later sue Defendants on the same claims?

No. Unless you exclude yourself, you give up any right to sue Defendants or the Released Parties for the Settled Claims. If you have a pending lawsuit, speak to your lawyer in that case immediately, since you may have to exclude yourself from this Class to continue your own lawsuit.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court appointed The Rosen Law Firm, P.A. to represent you and the other Class Members. These lawyers are called Lead Plaintiffs' Counsel or Class Counsel. You will not be individually charged for the work of these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. Contact information for The Rosen Law Firm, P.A. is provided above.

14. How will the lawyers be paid?

Class Counsel and counsel working under their direction have expended considerable time litigating this action on a contingent fee basis, and have paid for the expenses of the litigation themselves. As is customary in this type of litigation, they did so with the expectation that if they were successful in recovering money for the Class, they would receive attorneys' fees and be reimbursed for their litigation expenses from the Settlement Fund. Class Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses otherwise. Therefore, Class Counsel will file a motion asking the Court to make a payment of attorneys' fees in an amount not to exceed 25% of the $2,425,000 Settlement Amount and for reimbursement of their already paid or incurred litigation expenses not to exceed $100,000. Class Counsel also intends to ask the Court to grant each Lead Plaintiff and award of $1,500, for a total award of $4,500. This request is in the range of fees awarded to counsel in other cases of this type. The Court may award less than these amounts. *Any amounts awarded by the Court will come out of the Settlement Fund.*

If the above amounts for fees, expenses, and award to Lead Plaintiffs are requested and approved by the Court, the average cost per share of CEU Stock will be $.1714.

On or before February 4, 2013 the filed copy of Class Counsel's request for attorneys' fees and expenses will be available on the settlement website, www.strategicclaims.net.

OBJECTING TO THE SETTLEMENT

15. How do I tell the Court that I do not like the Settlement or any part of it?

If you are a Class Member, you can tell the Court you do not agree with the Settlement or any part of it, including the proposed Plan of Allocation, or the request for attorneys' fees and expenses to Class Counsel, or the request for payment to Lead Plaintiff. You must mail a letter stating that you object to the Settlement in *In re China Education Alliance, Inc. Securities Litigation*, Case No. 2:10-CV-09239 (CAS) and must include your name, address, telephone number, e-mail address, signature, a list of your purchases and sales of CEU Stock in the Class Period in order to show your membership in the Class, and all of the reasons you object to the Settlement or any part of it or any request for payment. Be sure to mail the letter to the following three addresses, so that it is received no later than February 18, 2013, so the Court will consider your views:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Central District of California 312 North Spring Street Los Angeles, CA 90012-4701	Laurence M. Rosen, Esq. Phillip Kim, Esq. THE ROSEN LAW FIRM, P.A. 275 Madison Avenue, 34th Floor New York, NY 10016	Jerome S. Fortinsky, Esq. Brian G. Burke, Esq. SHEARMAN & STERLING LLP 599 Lexington Avenue New York, NY 10022

16. What is the difference between objecting and requesting exclusion?

Objecting is telling the Court you do not like something about the Settlement, the proposed Plan of Allocation, or the requests for attorneys' fees or similar payments. You can object only if you stay in the Class. By contrast, requesting exclusion is telling the Court that you do not want to be part of the Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer affects you.

THE COURT'S FINAL SETTLEMENT HEARING

17. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Settlement Hearing on March 11, 2013, at 10:00 a.m., at the United States District Court for the Central District of California, Courtroom 5, 312 North Spring Street, Los Angeles, CA 90012.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel for attorneys' fees and expenses. The Court may adjourn or postpone the date of the hearing without further notice to the Class.

18. Do I have to come to the hearing?

No, although you are welcome to attend at your own expense. If you object to the Settlement in writing, and do so in compliance with the instructions set forth in this Notice, the Court will consider it, and you do not have to come to Court to talk about it. If, however, you, or an attorney you hire at your own cost, intend to appear and speak at the hearing, you must indicate that you will do so in the letter containing your objections or in a separate letter which must be sent to the same persons by the same deadline as noted in Question No. 15 above. You must indicate who will speak, any witnesses you will question and all evidence you will ask the Court to consider.

IF YOU DO NOTHING

19. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, if the Settlement is approved, you or anyone acting or purporting to act on your behalf will be permanently and forever enjoined from prosecuting, attempting to prosecute, or assisting others in the prosecution of any Settled Claims against the Released Parties.

20. How can I get more information about the Settlement and Class Counsel's request for attorneys' fees and expenses or Lead Plaintiff's request for a payment?

This is only a summary of the Settlement and the other matters discussed here. You can get more information about the Settlement by contacting the Claims Administrator or Class Counsel at the addresses and numbers noted above. A copy of the full Stipulation and Agreement of Settlement, which has been filed with the Court, and all related documents can be found on the Claims Administrator's web site at www.strategicclaims.net.

The papers submitted in support of the Settlement and Class Counsel's request for the Court's approval of an award of fees and expenses, and Lead Plaintiffs' request for a case contribution payment, will be filed by February 4, 2013 and posted on this website.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO NOMINEES

If you purchased or otherwise acquired CEU Stock during the Class Period for the beneficial interest of a person or organization other than yourself, the Court has directed that within fourteen (14) days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim form by first class mail to all such persons or entities, or (2) provide a list of the names and addresses of such persons or entities to the Claims Administrator.

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

In either case, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: NOVEMBER 19, 2012.

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
CENTRAL DISTRICT OF CALIFORNIA

China Education Alliance, Inc. Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

PROOF OF CLAIM AND RELEASE

MUST BE POSTMARKED BY JANUARY 25, 2013

IF YOU PURCHASED THE PUBLICLY-TRADED COMMON STOCK OF CHINA EDUCATION ALLIANCE, INC. ("CEU") DURING THE PERIOD FROM MAY 15, 2008 THROUGH AND INCLUDING DECEMBER 7, 2010 (THE "CLASS PERIOD"), YOU MAY BE A "CLASS MEMBER" AND THEREFORE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS.

IF YOU ARE A CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS. HOWEVER, FILING A PROOF OF CLAIM IS NOT A GUARANTEE THAT YOU WILL SHARE IN THE PROCEEDS OF THE SETTLEMENT.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND RELEASE ("PROOF OF CLAIM") AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN JANUARY 25, 2013 TO STRATEGIC CLAIMS SERVICES, THE CLAIMS ADMINISTRATOR, AT THE FOLLOWING ADDRESS:

China Education Alliance, Inc. Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

YOUR FAILURE TO SUBMIT YOUR CLAIM BY JANUARY 25, 2013 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY FROM THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL; SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

IF YOU ARE A CLASS MEMBER AND DO NOT SUBMIT A PROOF OF CLAIM OR REQUEST EXCLUSION FROM THE CLASS, YOU WILL BE BOUND BY THE TERMS OF ANY ORDER AND JUDGMENT ENTERED IN THE LITIGATION.

DEFINITIONS AND INSTRUCTIONS

1. All capitalized terms used in this Proof of Claim and Release are defined in the Notice.

2. How To Identify Yourself For the Form:

   You are a beneficial and record acquirer if you:

   - Acquired China Education Alliance common stock from May 15, 2008 through and including December 7, 2010 on a national securities exchange or an electronic quotation system, and
   - Held the certificate(s) in your name.

   You are the beneficial acquirer and a third party is the record acquirer if:

   - The certificate(s) were registered in the name of a third party. A third party could be a nominee or brokerage firm.

Please Note: This Proof of Claim must be filed by the actual beneficial acquirer(s), or the legal representative of such acquirer(s), of the China Education Alliance common stock purchased or sold in the Class Period.

3. All joint purchasers of China Education Alliance common stock must sign this Proof of Claim and Release. Executors, administrators, guardians, conservators and trustees must complete and sign this Proof of Claim on behalf of persons represented by them; a copy of proof of their authority must accompany this Proof of Claim, and their titles or capacities must be stated. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

4. Use Part II, entitled "Schedule of Transactions in China Education Alliance, Inc. Common Stock", to supply all required information regarding your ownership of and transaction(s) in China Education Alliance common stock. If you need more space or additional schedules, attach separate sheets with all of the same information. Sign and print or type your name on each additional sheet.

5. List each purchase and sale from May 15, 2008 through and including March 6, 2011, separately and in chronological order, by trade date. Start with the earliest date. You must accurately provide the month, day and year of each transaction you list, along with the quantity and selling price.

6. Any loans of China Education Alliance common stock to persons engaged in a "short sale" are not considered a sale.

7. You must attach photocopies of the documentation of all your transactions in China Education Alliance common stock. This includes any one of these documents: broker confirmation slips, broker statements, or other documentation. Failure to provide this documentation will delay verification of your claim and could result in rejection of your claim. Please do not send original documents.

8. The Claims Administrator may request additional information as required to calculate your claim. If the Claims Administrator cannot perform the calculation accurately or at a reasonable cost to the Class, it may require the production of additional information.

Notice Regarding Electronic Files: Certain claimants with a large number of transactions, such as institutional holders, may ask (or be asked) to submit claim information in an electronic format. The Claims Administrator will decide when electronic filing of information will be authorized. In these cases, all claimants must also submit a manually-signed paper Proof of Claim and Release form, listing all transactions in China Education Alliance common stock. Only electronic files authorized by the Claims Administrator will be considered properly submitted.

CLAIMANT'S STATEMENT

1. I (we) purchased the publicly-traded common stock of China Education Alliance, Inc. ("CEU") and was (were) damaged thereby.

2. By submitting this Proof of Claim, I (we) state that I (we) believe in good faith that I am (we are) a Class Member(s) as defined above and in the Notice, or am (are) acting for such person(s); that I am (we are) not a Defendant in the Litigation; that I am (we are) not excluded from the Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion.

3. I (we) consent to the jurisdiction of the Court with respect to this Claim, the enforcement of all related releases, and all questions concerning the validity of this Claim. I (we) understand and agree that my (our) claim may be subject to verification on all issues, including investigation and discovery to determine my (our) status as a Class Member(s) and the validity and amount of my (our) claim.

4. I (we) have set forth where requested below all relevant information with respect to each purchase of CEU common stock during the Class Period, and each sale, if any, of such securities. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.

5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, sale or retention of CEU common stock listed below in support of my (our) claim.

6. Upon the occurrence of the Court's approval of the Settlement and its Effective Date, as detailed in the Notice, I (we) agree and acknowledge that I (we) am (are) bound by the terms of any judgment in the Litigation, and my (our) signature(s) on this document will effect and constitute a full and complete release, remise and discharge by me (us) and my (our) current and former heirs, executors, administrators, successors, attorneys, legal representatives, and assigns of each of the "Released Parties" of all "Settled Claims," as defined in the Notice. If I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, this release is made by it, him, her or them, and by its, his, her or their current and former heirs, executors, administrators, successors, attorneys, legal representatives, and assigns. Note: This means that you are giving up all rights to sue concerning the claims in this Litigation and all related claims, defined as the "Settled Claims". The "Released Parties" are CEU, James Hsu, Yizhao Zhang, Xiqun Yu, Zibing Pan, Susan Liu, Chunqing Wang, Liansheng Zhang, and any of their current, former or future parents, subsidiaries, affiliates, partners, joint venturers, officers, directors, principals, shareholders, members, agents (acting in their capacity as agents), employees, attorneys, insurers, reinsurers, advisors, accountants, associates and/or any other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants and the current, former and future legal representatives, heirs, successors in interest or assigns of the Defendants. "Settled Claims" means any and all claims, debts, demands, liabilities, rights and causes of action of every nature and description whatsoever (including but not limited to any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims, (i) that have been asserted in the Litigation by the Lead Plaintiffs and/or Class Members or any of them against any of the Defendants; or (ii) that could have been alleged, asserted or contended in the Litigation, including but not limited to any claim arising out of or relating to any of the acts, omissions, misrepresentations, facts, events, matters, transactions or occurrences referred to in the Litigation or otherwise alleged, asserted or contended in the Litigation; provided, however, that with respect to (ii), Settled Claims do not include those wholly unrelated to the purchase, acquisition or holding of CEU common stock; and provided, further, that Settled Claims do not include any claims to enforce any of the terms of this Stipulation or of the Order and Final Judgment. ***Please read the Notice for a much more complete definition of these terms.***

7. I (we) have not submitted any other claim covering the same acquisitions or sales of CEU common stock. I (we) know of no other Person having done so on my (our) behalf.

I. CLAIMANT INFORMATION

Name

Street Address

City: State: Zip Code: –

Foreign Province and Postal Code: Foreign Country:

Social Security Number or Taxpayer Identification Number (if U.S. Citizen/Resident)

Social Security Number (for individuals) – –

Taxpayer Identification Number (for estates, trusts, corporations, etc.) –

(used only to verify claim, and failure to provide could delay same or result in rejection of claim)

Area Code Telephone No. (Day) – Area Code Telephone No. (Night) – Area Code Facsimile Number –

Email Address

Check One: ☐ Individual ☐ Joint Owners (if any, identify here): _____

☐ IRA ☐ Estate ☐ Corporation ☐ Other: _____

II. SCHEDULE OF TRANSACTIONS IN CHINA EDUCATION ALLIANCE, INC. COMMON STOCK

Opening Holdings:

State the total number of shares of CEU common stock owned at the close of trading on May 14, 2008, long or short (*must be documented*).

Purchases:

Separately list each and every open market purchase of CEU common stock during the period from May 15, 2008 through and including March 6, 2011 and provide the following information (*must be documented):*

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Purchased	Price Per Share	Total Cost (excluding commissions, taxes and fees)
/ /		$.	$.
/ /		$.	$.
/ /		$.	$.
/ /		$.	$.

Sales:

Separately list each and every sale of CEU common stock during the period from May 15, 2008 through and including March 6, 2011 and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Price Per Share	Amount Received (excluding commissions, taxes and fees)
/ /		$.	$.
/ /		$.	$.
/ /		$.	$.
/ /		$.	$.

Ending Holdings:

State the total number of shares of CEU common stock owned at the close of trading on March 6, 2011, long or short (*must be documented).*

If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification number at the top of each sheet.

III. SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service ("I.R.S.") requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number
(for individuals)
☐☐☐ – ☐☐ – ☐☐☐☐

or

Taxpayer Identification Number
(for estates, trusts, corporations, etc.)
☐☐ – ☐☐☐☐☐☐☐

IV. CERTIFICATION

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign):

_____
(Signature)

_____
(Signature)

_____
(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)
Please enclose proof of authority to file.

Date: _____

THIS PROOF OF CLAIM MUST BE POSTMARKED NO LATER THAN JANUARY 25, 2013 AND MUST BE MAILED TO:

China Education Alliance, Inc. Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

A Proof of Claim received by the Claims Administrator will be deemed to have been submitted when posted, if mailed by first-class mail by January 25, 2013 and if a postmark is indicated on the envelope. In all other cases, a Proof of Claim will be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please be patient.

REMINDER CHECKLIST

- Please be sure to sign this Proof of Claim on page 14. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
- Please remember to attach copies of supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- Do NOT use highlighter on the Proof of Claim or any supporting documents.
- If you move after submitting this Proof of Claim, please notify the Claims Administrator of the change in your address.

China Education Alliance, Inc. Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

FIRST CLASS MAIL
U.S. POSTAGE
PAID
PERMIT NO. 138
PHILADELPHIA, PA

PLEASE FORWARD

FIRST CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE

EXHIBIT B

REQUEST FOR NAMES AND ADDRESSES OF CLASS MEMBERS

STRATEGIC CLAIMS SERVICES
600 N. JACKSON STREET, SUITE 3
MEDIA, PA 19063
PHONE: (610) 565-9202 EMAIL: info@strategicclaims.net FAX: (610) 565-7985

November 28, 2012

This letter is being sent to all entities whose names have been made available to us, or which we believe may know of potential class members.

We request that you assist us in identifying any individuals who fit the following description:

ALL PERSONS OR ENTITIES WHO PURCHASED THE PUBLICLY-TRADED COMMON STOCK OF CHINA EDUCATION ALLIANCE, INC. ("CEU") DURING THE PERIOD FROM MAY 15, 2008 THROUGH AND INCLUDING DECEMBER 7, 2010.

Excluded from the Class are Defendants, members of a Defendant's immediate family, a Defendant's heir, successor or assign, any entity in which any Defendant has or had a controlling interest, or a predecessor of CEU; or a present or former officer or director of CEU.

The information below may assist you in finding the above requested information.

China Education Alliance Securities Litigation **Case No.: 2:10-CV-09239 CAS (JCx)** Claims Filing Deadline: January 25, 2013 Exclusion Deadline: February 11, 2013 Objection Deadline: February 18, 2013 Fairness Hearing: March 11, 2013	Cusip No.: Common Stock # 16938Y207 (during Class Period) 16938Y306 (after Class Period)

PLEASE RESPOND WITHIN 14 DAYS FROM THE DATE OF THIS NOTICE.

Please comply in one of the following ways:

1. If you have no beneficial purchasers/owners, please so advise us in writing; or
2. Supply us with the names and addresses of your beneficial purchasers/owners and we will do the mailing of the Notice and Proof of Claim. Please provide us this information electronically. If you are not able to do this, labels will be accepted but it is important that a hardcopy list also be submitted of the names of your clients; or
3. Advise us of how many beneficial purchasers/owners you have and we will supply you with ample forms to do the mailing.

You are able to bill us for any reasonable cost not to exceed $0.10 per name and address plus postage expenses, if applicable. If you believe your invoice will be more than the allowed amount, please contact our office.

You are on record as having been notified of this legal matter. A copy of the Notice of Pendency and Proposed Settlement of Class Action and the Proof of Claim and Release form are available on our website at www.strategicclaims.net. You can also request a copy via email at info@strategicclaims.net.

Thank you for your prompt response.

Sincerely,

Claims Administrator
China Education Alliance Securities Litigation

EXHIBIT C

Josephine Bravata

From: support@globenewswire.com
Sent: Thursday, December 13, 2012 8:01 AM
To: jbravata@strategicclaims.net
Subject: GlobeNewswire Cross Time Report: The Rosen Law Firm PA

NASDAQ OMX | GlobeNewswire *Cross Time Report*

Cross Time: December 13, 2012 at 08:00 AM (Eastern)

Headline: The Rosen Law Firm, P.A. Announces Proposed Class Action Settlement on Behalf of Purchasers of Publicly-Traded Common Stock of China Education Alliance, Inc. -- CEAI

This email message serves as a formal confirmation that your release was transmitted on GlobeNewswire's distribution network as requested, including any fax or email broadcasts.

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YAHOO! FINANCE

The Rosen Law Firm, P.A. Announces Proposed Class Action Settlement on Behalf of Purchasers of Publicly-Traded Common Stock of China Education Alliance, Inc. -- CEAI

GlobeNewswire **Press Release**: The Rosen Law Firm PA – 1 hour 6 minutes ago

LOS ANGELES, Dec. 13, 2012 (GLOBE NEWSWIRE) -- The Rosen Law Firm, P.A. announces that the United States District Court Central District of California, Western Division has approved the following announcement of a proposed class action settlement that would benefit purchasers of publicly-traded common stock of China Education Alliance, Inc. (Pink Sheets:CEAI):

SUMMARY NOTICE OF PENDENCY AND PROPOSED CLASS ACTION SETTLEMENT

TO: ALL PERSONS OR ENTITIES WHO PURCHASED THE PUBLICLY-TRADED COMMON STOCK OF CHINA EDUCATION ALLIANCE, INC. FROM MAY 15, 2008 THROUGH AND INCLUDING DECEMBER 7, 2010 AND WHO WERE ALLEGEDLY DAMAGED THEREBY

YOU ARE HEREBY NOTIFIED that this class action is pending and that a settlement of it for $2,425,000 has been proposed. A hearing will be held on March 11, 2013 at 10:00 a.m. in Courtroom 5 before the Honorable Christina A. Snyder, United States District Judge of the Central District of California, 312 North Spring Street, Los Angeles, California 90012 (the "Settlement Hearing") for the purpose of determining: (1) whether the proposed settlement should be approved by the Court as fair, reasonable, and adequate; (2) whether the proposed plan for distribution of the settlement proceeds is fair, reasonable and adequate; and (3) whether the application for an award of attorneys' fees of 25% of the settlement amount, reimbursement of expenses of not more than $100,000, and award to Lead Plaintiffs of not more than a total of $4,500, should be approved.

IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT FUND. If you think you may be a member of the Class but have not received the full printed Notice of Pendency and Proposed Settlement of Class Action and the Proof of Claim and Release form you may obtain copies of these documents by contacting:

> China Education Alliance Securities Litigation
> c/o Strategic Claims Services
> P.O. Box 230
> 600 N. Jackson Street, Suite 3
> Media, PA 19063
> Tel: (866) 274-4004
> www.strategicclaims.net

or by printing them at www.strategicclaims.net. The motion for payment of attorneys' fees and costs will be filed with the Court and posted at this website by February 4, 2013.

For any questions or inquiries, other than requests for copies of the Notice and Proof of Claim, please contact Counsel for the Class:

> Laurence M. Rosen, Esq.
> Phillip Kim, Esq.
> The Rosen Law Firm, P.A.
> 275 Madison Avenue, 34th Floor

New York, NY 10016
212-686-1060

To participate in this settlement, you must submit a Proof of Claim no later than January 25, 2013. You will be bound by the Order and Final Judgment rendered in the Litigation whether or not you file a claim. As more fully described in the Notice, if you wish to object to the proposed settlement or motion for fees and costs, your objection must be received by February 18, 2013. If you want to exclude yourself from the Class, you can do so by filing a request; your request for exclusion must be received by February 11, 2013, in the manner described in the Notice.

Further information may be obtained by directing your inquiry in writing to the Claims Administrator, Strategic Claims Services, at the address listed above or through the website.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.

DATED: NOVEMBER 19, 2012

BY ORDER OF THE COURT



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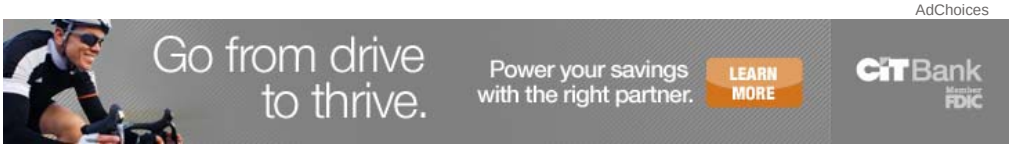

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INVESTOR'S BUSINESS DAILY®

Affidavit of Publication

Name of Publication:	Investor's Business Daily
Address:	12655 Beatrice Street
City, State, Zip:	Los Angeles, CA 90066
Phone #:	310.448.6737
State of:	California
County of:	Los Angeles

I, Paul Mayberry, for the publisher of **Investor's Business Daily**, published in the city of Los Angeles, state of California, county of Los Angeles hereby certify that the attached notice(s): Master File No. 2:10-CV-09239 CAS (JCx) was printed in said publication on the following date(s): **December 13, 2012**

State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on the 13th day of December, 2012, by Paul Mayberry, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature _____ (Seal)

RICHARD C. BRAND II
Commission # 1923876
Notary Public - California
Los Angeles County
My Comm. Expires Feb 25, 2015

+14 CMValBetF x +7 42.36n -.36
Legg Mason I
$ 9.0 bil 800-822-5544
+19 LgAggGr x +8 136.15n -4.14
Litman Gregory
$ 1.6 bil 415-461-8999
+17 MstSlIntl +7 14.66n +.07
LKCM Funds
$ 1.3 bil 800-688-5526
+ 8 SmCapEqInst +5 24.16n -.12
Longleaf Prtnrs
$ 12.6 bil 800-445-9469
+18 Intl +6 13.89n +.16
+17 Partners +5 26.66n -.01
+22 Small Cap +5 28.70n +.09
Loomis Syls
$ 38.0 bil 800-633-3330
+15 Bond Instl +2 15.25n +.02
+14 Bond Ret +2 15.19n +.02
+ 8 GlobBd Inst +1 17.40n +.00
+ 9 SmCapGr Inst +5 18.60n -.09
+13 SmCapVl Rt +7 29.25n -.13
+13 SmCpValInst +7 29.58n -.13
+13 Strat Inc A +3 15.53 +.04
+12 Strat Inc C +3 15.61n +.04
+19 Value Y +6 21.27n +.05
Loomis Syls Inv
$ 14.8 bil 800-633-3330
+15 Fixed Income +2 15.20n +.02

$ 11.7 bil 800-789-2742
+25 AsGr&IncInv +4 18.56n +.03
+ 9 CmStkV +5 23.40n +.11
+19 DividInv +4 14.50n +.08
+20 PacTigerInv +4 24.31n +.13
+ 3 † *Merger Fund* +216.07
n +.01
Meridian Funds
$ 2.9 bil 800-446-6662
+12 Growth +5 46.59n -.13
Metro West
$ 26.7 bil 800-241-4671
+13 HiYieldBd M +2 10.44n +.02
+ 7 Low Dur Bd 0 8.80n +.01
+11 TotRetBdI 0 11.11n -.01
+11 TotRetBdM 0 11.12n +.00
MFS Funds A
$ 49.5 bil 800-637-2929
+10 Bond 0 14.30 -.02
+10 ConsrvAlloc +2 13.65 -.01
+16 Growth +6 48.45 -.04
+15 GrowthAlloc +5 15.27 +.01
+24 Intl Nw Ds +6 23.75 +.09
+15 Intl Val +5 27.39 +.08
+17 IntlDivrs A +6 14.18 +.04
+18 MA Inv Tr +5 22.03 -.02
+16 MA InvGrSk +6 17.83 -.05

NorthCoastAsstMgmt
$ 57 mil 800-274-5448
+ 2 Core Alt +1 11.08 -.02
Northern
$ 37.3 bil 800-595-9111
+ 4 BondIndex 0 11.07n -.01
+16 EmMktsEqInd +7 11.90n +.06
+ 7 Fixed Income 0 10.88n +.00
+26 GlbRlEstIdx +6 9.20n +.01
+15 HiYldFxInc +2 7.55n +.01
+16 Intl Eq Idx +8 10.39n +.04
+ 6 Intmd Tax Ex 0 11.07n -.02
+17 Mid Cap Idx +7 13.53n -.02
+17 MltMgrEmMk +7 18.99n +.09
+25 MltMgrGlbRE +6 18.92n +.04
+16 MltMgrIntEq +7 9.56n +.00
+14 MltMgrMidCp +6 12.40n -.01
+13 Sm Cap Index +7 9.24n -.06
+11 Sm Cap Val +7 16.65n -.11
+19 SoSunSmlnv +9 23.34n -.07
+16 Stock Index +6 17.81n +.01
+ 9 Tax Ex 0 11.45n -.02
Nuveen Cl A
$ 13.9 bil 800-257-8787
+13 All Am Mun +1 11.88 -.02
+22 Ht Yld Muni +1 17.39 -.03
+ 3 LtdTrmMuni 0 11.28 -.01

+ 8 Ltd Muni C +1 15.20n -.02
+14 MainStSCCx +7 20.38n -.10
Oppenheim Roch
$ 20.6 bil 800-225-5677
+ 7 LtdTrmNY A +1 3.43 +.00
+ 6 LtdTrmNY C +1 3.41n +.00
+15 Muni A +2 17.43 -.01
+14 Muni C +2 17.40n -.01
+20 NatlMuni A +2 7.75 -.01
+19 NatlMuni C +2 7.72n -.02
Optimum Instl
$ 3.5 bil 800-914-0278
+ 7 Fixed Inc 0 10.14n -.01
+14 Sml Cp Grow +6 12.94n -.05
+14 Sml-Mid Val +7 12.82n -.05
Osterweis Capital
$ 3.6 bil 866-236-0050
+ 8 Strat Inc +1 11.81n +.01

—P—Q—R—

Pace Funds P
$ 5.6 bil 800-647-1568
+15 SmMd Co Gr +7 17.99n -.07
Pace Funds Y
$ 1.1 bil 800-647-1568
+15 Lrg Co Gr +5 20.45n +.00
Parnassus
+10 Total Return x +1 11.38n -.28
Pioneer A
$ 4.1 bil 800-225-6292
+13 High Yield +3 10.35 +.01
+13 Oak Sml Gr +8 29.41 -.12
+10 Pioneer +5 32.55 +.01
+10 Strat Inc +1 11.30 +.00
+13 Value +5 12.03 +.03
Pioneer C
$ 3.5 bil 800-225-6292
+ 9 Strat Inc +1 11.06n +.00
Pioneer Y
$ 7.6 bil 800-225-6292
+42 Pioneer +35 32.72n +.01
+10 Strat Inc +1 11.30n +.00
Price Advisor
$ 16.3 bil 800-638-5660
+18 Blu Chp Gr +6 45.41n +.00
+17 EquityInc +6 26.50n +.07
+18 Growth Stk +5 37.20n +.05
+13 Mid Cap Gr +5 58.41n +.10
+16 Retire 2030 +5 19.02n +.03
+14 SmlCapVal +6 39.05n -.23
Price Funds
$ 391 bil 800-638-5660
+13 Balanced +4 21.14n +.01
+18 BlueChip Gr +6 45.60n +.00

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LEGAL NOTICES

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

IN RE CHINA EDUCATION ALLIANCE, INC. SECURITIES LITIGATION	) Master File No. 2:10-CV-09239 CAS (JCx)
THIS DOCUMENT RELATES TO: ALL ACTIONS	) CLASS ACTION

SUMMARY NOTICE OF PENDENCY AND PROPOSED CLASS ACTION SETTLEMENT

TO: ALL PERSONS OR ENTITIES WHO PURCHASED THE PUBLICLY-TRADED COMMON STOCK OF CHINA EDUCATION ALLIANCE, INC. FROM MAY 15, 2008 THROUGH AND INCLUDING DECEMBER 7, 2010 AND WHO WERE ALLEGEDLY DAMAGED THEREBY

YOU ARE HEREBY NOTIFIED that this class action is pending and that a settlement of it for $2,425,000 has been proposed. A hearing will be held on March 11, 2013 at 10:00 a.m. in Courtroom 5 before the Honorable Christina A. Snyder, United States District Judge of the Central District of California, 312 North Spring Street, Los Angeles, California 90012 (the "Settlement Hearing") for the purpose of determining: (1) whether the proposed settlement should be approved by the Court as fair, reasonable, and adequate; (2) whether the proposed plan for distribution of the settlement proceeds is fair, reasonable and adequate; and (3) whether the application for an award of attorneys' fees of 25% of the settlement amount, reimbursement of expenses of not more than $100,000, and award to Lead Plaintiffs of not more than a total of $4,500, should be approved.

IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT FUND. If you think you may be a member of the Class but have not received the full printed Notice of Pendency and Proposed Settlement of Class Action and the Proof of Claim and Release form you may obtain copies of these documents by contacting:

China Education Alliance Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3, Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

Or by printing them at www.strategicclaims.net. The motion for payment of attorneys' fees and costs will be filed with the Court and posted at this website by February 4, 2013.

For any questions or inquiries, other than requests for copies of the Notice and Proof of Claim, please contact Counsel for the Class:

Laurence M. Rosen, Esq.
Phillip Kim, Esq.
The Rosen Law Firm, P.A.
275 Madison Avenue, 34th Floor
New York, NY 10016
212-686-1060

To participate in this settlement, you must submit a Proof of Claim no later than January 25, 2013. You will be bound by the Order and Final Judgment rendered in the Litigation whether or not you file a claim. As more fully described in the Notice, if you wish to object to the proposed settlement or motion for fees and costs, your objection must be received by February 18, 2013. If you want to exclude yourself from the Class, you can do so by filing a request, your request for exclusion must be received by February 11, 2013, in the manner described in the Notice.

Further information may be obtained by directing your inquiry in writing to the Claims Administrator, Strategic Claims Services, at the address listed above or through the website.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.

DATED: NOVEMBER 19, 2012 BY ORDER OF THE COURT

 EXHIBIT D

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA—WESTERN DIVISION

IN RE CHINA EDUCATION ALLIANCE, INC. SECURITIES LTIGATION	Master File No. 2:10-CV-09239 CAS (JCx)
THIS DOCUMENT RELATES TO: ALL ACTIONS	CLASS ACTION

OBJECTION TO PORTION OF PROPOSED SETTLEMENT

Class Member's Name: Richard T. Taylor
121 Geneva St
Decatur GA 30030
Tel # 404-373-0067
Email rttatty@gmail.com

List of purchases: 10 shares @ $4.49 on 8/12/2010
1:3 reverse stock split on 9/27/11
current # of shares = 3.3333

Richard Taylor
Objection

Basis of objection: It appears that Kerrisdale Capital's published report contained much of the investigation upon which the litigation is based. The award of attorney's fees should reflect this.

January 5, 2013

Richard T. Taylor

Copies of this objection have been sent as follows:

CLASS COUNSEL	DEFENSE COUNSEL
Laurence M. Rosen, Esq. Phillip Kim, Esq. THE ROSEN LAW FIRM, P.A. 275 Madison Avenue, 34th Floor New York, NY 10016	Jerome S. Fortinsky, Esq. Brian G. Burke, Esq. SHEARMAN & STERLING LLP 599 Lexington Avenue New York, NY 10022

Melvyn Klein
48 Peerless Drive
Oyster Bay, NY 11771

January 22, 2013

Laurence M. Rosen, Esq.
Phillip Kim, Esq.
The Rosen Law Firm, P.A.
275 Madison Avenue, 34th Floor
New York, NY 10016

Ref: China Education Alliance Inc.

Dear Sirs:

I do not agree with the settlement or any part of it, including plan of allocation and request for attorney's fees. Case # 2:10-CV-09239(CAS).

Here is the list purchase:

9/22/09 25,000 Shares @ $6.02 each total $15,060.00
10/01/09 25,000 Shares @ $5.22 each total $13,039.66

Total Loss $2,020.34

Name is: Melvyn Klein
Address: 48 Peerless Drive
Oyster Bay, NY 11771

Email : Mkle4800@aol.com

Thank you,



Melvyn Klein

E*TRADE FINANCIAL
Trading • Investing • Banking

E*TRADE Securities
Investment Account

TRADE CONFIRMATION

Account Number: 5560-5802
Account Type:

E*TRADE Securities LLC
P.O. Box 1542
Merrifield, VA 22116-1542
1-800-ETRADE-1 (1-800-387-2331)
etrade.com

Account Name:
MELVYN KLEIN

Customer Update
SmartMoney Magazine recognizes E*TRADE Securities as the #1 Online Broker for the third straight year. Learn more at www.etrade.com/accolades.

TRADE DATE	SETL DATE	MKT / CPT	SYMBOL / CUSIP	BUY / SELL	QUANTITY	PRICE	ACCT TYPE
09/22/09	09/25/09	6 1	CEU	BUY	2,500	$6.02	Margin

CHINA EDUCATION ALLIANCE INC NEW

PRINCIPAL	$15,050.00
COMMISSION	$10.00
NET AMOUNT	$15,060.00

▲ DETACH HERE

MELVYN KLEIN
48 PEERLESS DRIVE
OYSTER BAY NY 11771-3615

DETACH HERE ▲

Use This Deposit Slip **Acct: 5560-5802**

Please do not send cash

Dollars	Cents

TOTAL DEPOSIT

Make checks payable to E*TRADE Clearing LLC.
Mail deposits to:

E*TRADE CLEARING LLC
P.O. Box 1542
Merrifield, VA 22116-1542

092220090001 900556058023

E*TRADE FINANCIAL
Trading • Investing • Banking

E*TRADE Securities
Investment Account

TRADE CONFIRMATION

Account Number: 5560-5802
Account Type:

E*TRADE Securities LLC
P.O. Box 1542
Merrifield, VA 22116-1542
1-800-ETRADE-1 (1-800-387-2331)
etrade.com

Account Name:
MELVYN KLEIN

Customer Update
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TRADE DATE	SETL DATE	MKT / CPT	SYMBOL / CUSIP	BUY / SELL	QUANTITY	PRICE	ACCT TYPE
10/01/09	10/06/09	6 1	CEU	SELL	2,500	$5.22	Margin

CHINA EDUCATION ALLIANCE INC NEW

PRINCIPAL	$13,050.00
COMMISSION	$10.00
FEE	$0.34
NET AMOUNT	$13,039.66

▲ DETACH HERE

MELVYN KLEIN
48 PEERLESS DRIVE
OYSTER BAY NY 11771-3615

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P.O. Box 1542
Merrifield, VA 22116-1542

100120090001 900556058023

Melvyn Klein
600 Three Islands Blvd. Apt 104
Hallandale, Florida. 33009

MIAMI FL 331
23 JAN 2013 PM 4 L

USA FIRST-CLASS FOREVER

Laurence M. Rosen Esq
Phillip Kim, Esq.
The Rosen Law Firm P.A
275 Madison Avenue 34th Floor
New York NY 10016

10016$1101

Exhibit 2

Laurence M. Rosen (SBN 219683)
THE ROSEN LAW FIRM P.A.
355 South Grand Avenue, Suite 2450
Los Angeles, CA 90071
Telephone: (213) 785-2610
Facsimile: (213) 226-4684
lrosen@rosenlegal.com

Lead Counsel for Lead Plaintiff and the Class

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

In re China Education Alliance, Inc. Securities Litigation This Document Relates to All Actions	Case No.: 2:10-CV-09239 CAS (JCx) **DECLARATION OF LAURENCE M. ROSEN ON BEHALF OF THE ROSEN LAW FIRM, P.A. CONCERNING ATTORNEYS' FEES AND EXPENSES** CLASS ACTION Date: March 11, 2013 Time: 10 a.m. Judge: Hon. Christina A. Snyder Courtroom: 15 (Spring Street)

DECLARATION OF LAURENCE M. ROSEN ON BEHALF OF THE ROSEN LAW FIRM, P.A. CONCERNING ATTORNEYS' FEES AND EXPENSES

I, Laurence M. Rosen, declare and state, under penalty of perjury, that the following is true and correct to the best of my knowledge, information and belief:

1. I am an attorney duly licensed to practice law in California, New York, New Jersey, and Florida. I am the managing shareholder of The Rosen Law Firm, P.A., Lead Counsel for Lead Plaintiff and the Class in this litigation (the

"Action"). I have personal knowledge of the matters set forth herein and, if called upon, I could and would completely testify thereto.

2. The Rosen Law Firm, P.A. has been involved in this Action from the pre-filing investigation beginning in November 2010 and the filing of this action in December 2010 and throughout all other aspects of this Action.

3. Attached hereto is a true and correct copy of our firm's resume.

4. My firm rendered the following legal services in connection with the prosecution of this Action: conducted lengthy case investigation and assessment of the factual and legal bases of the action; communications with clients; drafted the complaint; prepared the motion for appointment of lead plaintiff and lead counsel; conducted an intensive investigation in China which culminated in the filing of the operative amended complaint; successfully opposed motions to dismiss; participated in mediation; negotiated and prepared the settlement documents; and conferred with clients about the Settlement.

5. The chart below is a summary of time expended by the attorneys and professional staff of the Rosen Law Firm, P.A. on this Action, and the lodestar calculation based on their current billing rate. The chart was prepared from contemporaneous, daily time records regularly prepared and maintained by my firm. Time spent in preparing this Declaration in support of my firm's application for fees and reimbursement of expenses and any other time related to billing or periodic time reporting has not been included in this chart:

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Professional (position)*	Hourly Rate	Hours Worked	Total Lodestar
Laurence M. Rosen (P)	$750	147.4	$110,522
Phillip Kim (A)	$550	202.8	$111,518
Timothy Brown (A)	$450	4.0	$1,800
Sophie Zhang (A)	$425	144.1	$61,243
Jonathan Horne (A)	$425	127.1	$53,996
Yu Shi (A)	$400	11.8	$4,700
Kevin Chan (A)	$375	42.0	$15,750
Leonid Prilutskiy (PL)	$200	22.9	$4,576
Yev Yalon (PL)	$200	2.1	$426
Total		704.0	$364,531
		Requested Fee	$606,250
		Multiplier	1.66

* Partner (P), Associate (A), Of Counsel (OC), Paralegal (PL). Law Clerk (LC)

6. From the inception of this Action through February 4, 2013, my firm performed a total of 704 professional work hours in the prosecution of this Action. The total lodestar amount for my firm is $364,531.

7. The Rosen Law Firm expended a total of $85,594.43 through February 4, 2012 --in un-reimbursed expenses in connection with the prosecution of this Action broken down as follows:

List of Unreimbursed Expenses	
Online computer legal research	793.01
Filing/court fees	1,524.05
Mediation fees	5,875.92
FedEx, postage and messenger service	904.40
Process server fees	3,023.70
Telephone, long distance & fax	75.23
Press releases to class members	2,200.00
Travel/transportation/hotels	13,366.63
Translation Fees	2,420.00
Photocopying and scanning documents	1,605.82
Private Investigators	34,855.67
Financial consultant fees (damages & plan of allocation)	10,520.00
Accounting consultant fees	8,430.00
Total expenses	**$ 85,594.43**

8. The expenses set forth above are reflected in the firm's books and records. These books and records are prepared from expense vouchers, check records, and financial statements prepared in the normal course of business for my firm and are an accurate record of the expenses incurred in the prosecution of this Action.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 4th day of February 4, 2013.

DATED: February 4, 2013



Laurence Rosen

THE ROSEN LAW FIRM P.A.
BIOGRAPHY

I. ATTORNEYS

LAURENCE ROSEN - MANAGING ATTORNEY

Laurence Rosen is a 1988 graduate of New York University School of Law. He earned an M.B.A. in finance and accounting at the University of Chicago Graduate School of Business and a B.A. in Economics from Emory University. Mr. Rosen served as a law clerk to the Honorable Stanley S. Brotman, Senior United States District Judge for the District of New Jersey. Mr. Rosen entered private practice as an associate at the law firm of Skadden Arps Slate Meagher & Flom in New York City where he participated in a number of complex securities class action and derivative litigation matters. He later served as an associate at McCarter & English in Newark, New Jersey where he specialized in securities and business litigation.

After practicing general securities and commercial litigation in New York City with Solton Rosen & Balakhovsky LLP, Mr. Rosen founded The Rosen Law Firm to represent investors exclusively in securities class actions and derivative litigation. Mr. Rosen is admitted to practice law in New York, California, Florida, New Jersey and the District of Columbia. Mr. Rosen is also admitted to practice before numerous United States District Courts throughout the country and the United States Court of Appeals for the Second, Fourth, and Sixth Circuits.

PHILLIP KIM – ATTORNEY

Mr. Kim graduated from Villanova University School of Law in 2002. He received a B.A. in Economics from The Johns Hopkins University in Baltimore, Maryland in 1999. Prior to joining The Rosen Law Firm, Mr. Kim served as Assistant Corporation Counsel for the City of New York in the Special Federal Litigation Division. In that position, Mr. Kim defended a

number of class action lawsuits, litigated numerous individual actions, and participated in more than seven trials. Mr. Kim focuses his practice on securities class actions and shareholder derivative litigation. Mr. Kim is admitted to the bar of the State of New York and admitted to practice in the United States District Courts for the Southern District of New York, the Eastern District of New York and the District of Colorado, and the United States Court of Appeals for the Second Circuit.

TIMOTHY W. BROWN – ATTORNEY

In 2004 Mr. Brown graduated from the University of Chicago School of Law at which he was a recipient of a merit scholarship. Mr. Brown received his B.A. in Business Economics, *magna cum laude*, from Brown University in 2001. Mr. Brown specializes in securities class actions and shareholder derivative litigation. Mr. Brown is admitted to the bar of the State of New York and admitted to practice in the United States District Court for the Southern District of New York. Mr. Brown was previously employed by UBS, AG.

SARA FUKS – ATTORNEY

Ms. Fuks graduated from Fordham University School of Law, *cum laude*, in February 2005, where she was a member of Fordham Law Review. She received her B.A. in Political Science, *magna cum laude*, from New York University in 2001. Ms. Fuks began her practice at Dewey Ballantine, LLP where she focused on general commercial litigation and then went on to prosecute numerous ERISA and securities class actions as an associate at Milberg LLP. Ms. Fuks is admitted to the bar of the State of New York and admitted to practice in the United States Southern and Eastern District Courts of New York.

JONATHAN HORNE- ATTORNEY

Mr. Horne is a 2009 graduate of New York University School of Law, where he received the Lederman/Milbank Law, Economics, and Business fellowship, and holds a B.A. in Economics & Philosophy from the University of Toronto. Mr. Horne began his practice at Kaye Scholer Fierman Hays & Handler LLP, where he participated in two federal trials. Mr. Horne specializes in securities litigation. He is admitted to practice in New York and numerous federal district courts.

YU SHI – ATTORNEY

Mr. Shi received his J.D. from Columbia University School of Law in 2011 and his B.A., *cum laude*, from Columbia University in 2008. Prior to joining The Rosen Law Firm, Mr. Shi served as a Special Assistant Corporation Counsel in the New York City Law Department's Economic Development Division, where he worked on business and commercial transactions involving the City of New York. Mr. Shi specializes in securities litigation. He is admitted to practice in New York.

YANQING LIANG – ATTORNEY

Ms. Liang graduated from The University of Pennsylvania Law School in 2011 with a Master of Laws (L.L.M.) degree, and earned a Business and Law Certificate from The Wharton School of Business. She received a Bachelor of Law degree from East China University of Political Science and Law in 2005. Ms. Liang worked as an associate in CSV Capital Partners, a China-focused US Private Equity firm, where she was responsible for the identification, analysis and management of investments. Prior to that, Ms. Liang was an associate in the Shanghai office of Jun He Law Offices, where she focused on Merger and Acquisitions and Private Equity. She is admitted to practice in China.

KEVIN CHAN

Mr. Chan graduated from Brooklyn Law School in 2012. He received an A.B. in Psychology from Harvard University in 2007. Prior to joining the Rosen Law Firm, Mr. Chan gained substantive experience as an intern with the U.S. Securities and Exchange Commission as part of its Summer Honors Law Program. Mr. Chan's admission to practice in New York is currently pending.

CHRISTOPHER S. HINTON – OF COUNSEL

Mr. Hinton is admitted to the bars of the State of New York, the United States District Court for the Southern District of New York, United States District Court for the Eastern District of Wisconsin, and the United States District Court for the District of Nebraska. He received a B.A. degree in Economics and Political Science in 1997, *magna cum laude*, from Marquette University, where he was elected to Phi Beta Kappa, and received a J.D. degree, cum laude, from University of Illinois College of Law at Champaign in 2002. His primary area of practice is securities and ERISA class action litigation. He co-authored Foreign Investors Serving as Lead Plaintiffs in U.S.- Based Securities Cases, International Practice Section Newsletter (Association of Trial Lawyers of America, Washington, D.C.), Winter 2004 and Spring 2005. Mr. Hinton has been a member of the plaintiffs' bar since 2003 and has focused on class action litigation.

II. RECENT ACCOMPLISHMENTS OF THE ROSEN LAW FIRM PA

In re Textainer Financial Servs. Corp., No. CGC 05-440303. The Rosen Law Firm was Co-Lead Counsel in this class action in the California Superior Court, San Francisco County alleging breach of fiduciary duty in connection with the sale of the assets of six related publicly traded limited partnerships. After winning the first phase of a multi-phase bench trial, Plaintiffs obtained a $10 million cash settlement for class members.

Friedman v. Quest Energy Partners LP, et al., Case No. CIV-08-936-M. The Rosen Law Firm was sole Lead Counsel on behalf of purchasers of Quest Resource Corporation's securities in this consolidated class action filed in the U.S. District Court for the Western District of Oklahoma. The complaint alleged violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements in connection with the Company's former CEO and CFO misappropriating nearly $10 million. All classes and parties to this litigation settled this action for $10.1 million in cash.

Hufnagle v. RINO International Corporation, No. CV 10-8695-VBF (VBKx). The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action pending in the U.S. District Court for the Central District of California. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements of revenue and earnings. The parties agreed to a partial settlement for $7 million in cash. The case is pending against RINO's auditor.

In re Nature's Sunshine Products, Inc. Securities Litigation, Case No. 2:06-cv-00267-TS-SA. The Rosen Law Firm was sole Lead Class Counsel in this class action in the U.S. District Court for the District of Utah. The complaint alleged violations of §§ 10b and 20(a) of the Securities Exchange Act arising out of the Company's materially false and misleading statements concerning its financial statements and business practices. Following the certification of the class and extensive discovery, Plaintiffs agreed to settle this case for $6 million in cash.

In re Entropin, Inc. Securities Litigation, Case No. CV 04-6180-RC. The Rosen Law Firm was counsel to Plaintiff in this securities class action in the United States District Court for the Central District of California, and Lead Counsel in the related class action brought in California state court against Entropin, Inc., a defunct pharmaceutical company. These actions alleged violations of §§ 10b and 20(a) of the Securities Exchange Act and violations various

state securities laws arising out of allegedly false and misleading statements about the Company's lead drug candidate Esterom, respectively. On the eve of trial, Defendants agreed to settle these cases for a $4.5 million cash payment to class members.

In re StockerYale, Inc. Securities Litigation, Case No. 1:05-cv-00177. The Rosen Law Firm served as sole Lead Counsel in this consolidated class action in the U.S. District Court for the District of New Hampshire. The complaint alleged violations of §§ 10b, 20(a) and 20A of the Securities Exchange Act arising out of the issuance of allegedly false and misleading press releases regarding certain contracts the Company claimed to have signed. Plaintiffs settled this class action for $3.4 million cash payment to class members.

Mallozzi v. Industrial Enterprises of America, Inc., Case No. 07-CV-10321 (GBD). The Rosen Law Firm was Co-Lead Counsel in this class action in the U.S. District Court for the Southern District of New York. The complaint alleged violations of §§ 10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements of revenues and earnings. During the pendency of the Company's bankruptcy, the parties settled this class action for $3.4 million in cash.

Meruelo Capital Partners 2, LLC et al. v. Wedbush Morgan Securities, Inc., Case no. BC 352498. The Rosen Law Firm was co-counsel to plaintiffs in this action brought in California Superior Court, Los Angeles County for violations of the California State securities laws against the securities issuer and broker-dealer in connection with the sale of $2.5 million worth of securities. On the eve of trial, plaintiffs settled the claims against the issuer for a cash payment of $1 million. Following an eight day jury trial, Plaintiffs obtained a jury verdict in their favor and against the underwriter for over $2.2 million (which included prejudgment interest). In sum, plaintiffs recovered over $3.2 million, which represented 100% of plaintiffs' principal

investment of $2.5 million and over $700,000 in prejudgment interest. The verdict was affirmed by the California 2nd District Court of Appeal.

Ray v. TierOne Corporation, Case No. 10CV199. The Rosen Law Firm was sole Lead Counsel in this class action brought in the U.S. District Court for the District of Nebraska. The complaint alleged violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements of earnings and the Company's banking operations and business. The parties settled this action for $3.1 million in cash.

In re Skilled Healthcare Group, Inc. Securities Litigation, Case No. 2:09-CV-5416-DOC (RZx). The Rosen Law Firm was Co-Lead Counsel in this class action in the U.S. District Court for the Central District of California. The complaint alleged violations of the §§ 11, 12(a)(2), and 15 of the Securities Act of 1933 and §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements of revenue and earnings. Plaintiffs settled this action for $3 million in cash.

Madden v. Pegasus Communications Corp, Case No. 2:05-cv-0568. The Rosen Law Firm was sole Lead Counsel in this class action in the U.S. District Court for the Eastern District of Pennsylvania. The action alleged violations of §§ 10b and 20(a) of the Securities Exchange Act arising out of the issuance of allegedly false and misleading statements concerning the Company's direct broadcast satellite agreement with DirecTV and the Company's reported subscriber growth and totals. Plaintiffs settled this action for a $2.95 million cash payment to class members.

In re TVIA, Inc. Securities Litigation, Case No. C-06-06403-RMW. The Rosen Law Firm was sole Lead Counsel in this consolidated class action in the U.S. District Court for the Northern District of California. The complaint alleged violations of §§ 10b, 20(a), 20A of the

Securities Exchange Act arising out of the Company's issuance of materially false and misleading financial statements by virtue of the Company improper recognition of revenues in violation of GAAP. Plaintiffs settled this action for a $2.85 million cash payment to class members.

Zagami v. Natural Health Trends Corp., et al., Case No. 3:06-CV-1654-D. The Rosen Law Firm served as sole Lead Counsel in this class action in the U.S. District Court for the Northern District of Texas. The complaint alleged violations of § 10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading financial statements in violation of GAAP. Plaintiffs settled this case for $2.75 million cash payment to class members.

In re Robert T. Harvey Securities Litigation, Case No. SA CV-04-0876 DOC (PJWx). The Rosen Law Firm served as Co-Lead Counsel in this class action in the U.S. District Court for the Central District of California and the related California state court class actions. This action alleged violations of §§ 10b and 20(a) of the Securities Exchange Act arising out of the sale of partnership interests that corresponded to the securities of Chaparral Network Storage and AirPrime, Inc., n/.k/a Sierra Wireless, Inc. Plaintiffs settled this and the related state court actions for an aggregate $2.485 million cash payment to class members.

In re China Education Alliance, Inc. Securities Litigation, No. C 10-9239-CAS (JCx). The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action pending in the U.S. District Court for the Central District of California. The complaint alleges violations of §§10b and 20(a) of the Exchange Act arising out of the Company's issuance of materially false and misleading statements of revenue and earnings. The parties have preliminarily agreed to settle this action for $2.425 million, subject to court approval.

In re Fuwei Films Securities Litigation, Case no. 07-CV-9416 (RJS). The Rosen Law Firm was sole Lead Counsel in this consolidated class action in the U.S. District Court for the Southern District of New York. The complaint alleged violations of §§ 11, 12(a)(2), and 15 of the Securities Act of 1933 in connection with material misrepresentations in the Company's Registration Statement and Prospectus in connection with the Company's $35 million IPO. The parties settled this action for $2.15 million cash payment to class members.

Henning v. Orient Paper, Inc., No. CV 10-5887-VBF (AJWx). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for the Central District of California. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act and certain violations of the Securities Act arising out of the Company's issuance of materially false and misleading statements about the Company's true financial condition and business prospects. The parties have preliminarily agreed to settle this action for $2 million, subject to court approval.

Burritt v. Nutracea, Inc., Case No.CV-09-00406-PHX-FJM. The Rosen Law Firm was sole Lead Counsel in this consolidated class action in the U.S. District Court for the District of Arizona. This action alleged violations of §§ 10b and 20(a) of the Securities Exchange Act of 1934 and the Arizona securities laws in connection with the Company's issuance of materially false and misleading statements of earnings and revenues. During the pendency of the Company's bankruptcy, Plaintiffs settled this action for $1.5 million in cash and a remainder interest of 50% of the issuer's directors' and officers' liability insurance policy.

Press v. Delstaff LLC, No. MSC 09-01051. The Rosen Law Firm was sole Lead Counsel in this class action in the California Superior Court for Contra Costa County, brought in connection with a "going private" transaction valued at $1.25/share for the 6.4 million shares

implicated in the transaction. The parties settled this action for $1,642,500 in additional compensation to shareholders.

In re Northfield Laboratories, Inc. Securities Litigation, Case No. 06 C 1493. The Rosen Law Firm was sole Lead Counsel in this consolidated class action in the U.S. District Court for the Northern District of Illinois. The complaint alleged violations of §§ 10b and 20(a) of the Securities Exchange Act arising out of the Company's materially false and misleading statements concerning its PolyHeme blood substitute product and business prospects. Following extensive class discovery and litigation activity in bankruptcy court, the parties agreed to settle this action for $1.5 million in cash.

In re PartsBase.com, Inc. Securities Litigation, Case No. 01-8319. The Rosen Law Firm was Co-Lead Counsel in this class action in the U.S. District Court for the Southern District of Florida. The action arose from a $45.5 million initial public offering of common stock by the defendant issuer and a syndicate of underwriters including Roth Capital Partners and PMG Capital Corp. Plaintiffs settled this action for $1.5 million cash settlement for class members.

In re Empyrean Bioscience Securities Litigation, Case No. 1:02CV1439. This class action in which the Rosen Law Firm was sole Lead Counsel was filed in the U.S. District Court for the Northern District of Ohio. The action alleged violations of §§10b and 20(a) of the Securities Exchange Act based on misrepresentations in defendants' SEC filings and press releases concerning the clinical testing of the Company's GEDA Plus microbicide gel. After the court denied defendants' motion to dismiss the complaint, the parties briefed the issue of whether the securities were traded in an efficient market. Prior to a decision on market efficiency, Plaintiffs settled the case for a $1.4 million payment to class members.

In re Himax Technologies, Inc. Securities Litigation, Case No. C 07-4891-DDP. The Rosen Law Firm served as Co-Lead Counsel in this consolidated class action in the U.S. District

Court for the Central District of California, Western Division. The complaint alleged violations of §§ 11 and 15 of the Securities Act arising out of the Company's IPO. Plaintiffs agreed to settle this case for $1.2 million cash payment to class members.

In re Flight Safety Technologies, Inc. Securities Litigation, Case No. 3:04-cv-1175. The Rosen Law Firm was sole Lead Counsel in this consolidated class action in the U.S. District Court for the District of Connecticut. The action alleged violations of §§ 10b and 20(a) of the Securities Exchange Act arising out of the defendants alleged failure to disclose material adverse information concerning the Company's products under development and misrepresenting the amount of time it would take to commercialize the products. Plaintiffs settled the case for a $1.2 million cash payment to class members.

In re: M.H. Meyerson & Co. Securities Litigation, Case No. 02-CV-2724. This class action, in which the Rosen Law Firm was sole Lead Counsel, was filed in U.S. District Court for District of New Jersey. The complaint alleged violations of §§10b and 20(a) of the Securities Exchange Act based on allegedly false and misleading SEC filings related to the planned launch of an online brokerage business, and other material misrepresentations, which allegedly inflated the price of Meyerson stock during the class period. Plaintiffs settled the case for a $1.2 million payment to class members.

In re OPUS360 Corp. Securities Litigation, Case No. 01-Civ-2938. The Rosen Law Firm was Co-Lead Counsel for this action brought in the Southern District of New York alleging violations of the federal securities laws arising from a $75.0 million initial public offering of common stock by the defendant issuer and a syndicate of underwriters including JP Morgan and Robertson Stephens, Inc. The Court certified the action as a class action and approved a final settlement.

Ansell v. National Lampoon, Inc., Case No. CV10-9292-PA (AGRx). The Rosen Law Firm was sole Lead Counsel in this class action in the U.S. District Court for the Central District of California. The complaint alleged violations of §§10b and 20(a) of the Securities Exchange Act arising out of a market manipulation scheme involving National Lampoon's common stock. The parties agreed to settle this action for $1 million in cash.

Fouladian v. Busybox.com, Inc., Case No. BC 248048. The Rosen Law Firm was Co-Lead Counsel in this class action brought in California Superior Court, Los Angeles County. The action arose from a $12.8 million initial public offering of securities by the defendant issuer and underwriter. California and federal securities laws claims (Cal. Corp. Code §25401 and §11 of 1933 Act) were brought on behalf of a nationwide class of public offering investors. The Court approved a $1.0 million cash settlement to a nationwide class of investors.

Gianoukas v. Tullio and Riiska, Case No. 02CC18223. The Rosen Law Firm was lead counsel to a group of twenty-one plaintiffs that brought claims of fraud and negligent misrepresentation in California Superior Court, Orange County against the former Chief Executive and Chief Financial Officers of a publicly traded software company, NQL Inc. The complaint alleged that the officers issued a series of false and misleading press releases concerning the business of NQL for the purpose of inducing the purchase and retention of NQL securities. Plaintiffs settled the action favorably for a confidential amount.

The BoxLot Company v. InfoSpace, Inc., Case No. GIC 779231. The Rosen Law Firm was plaintiff's counsel for this action filed in California Superior Court, San Diego County which arose from the aborted merger agreement and ultimate sale of The BoxLot Company's assets to InfoSpace. The action alleged violations of California securities laws (Cal. Corp. Code §25400 & §25401) and common laws and sought damages of $92.8 million from InfoSpace and its CEO, Naveen Jain. The case settled favorably for plaintiffs for a confidential amount.

Teague v. Alternate Energy Holdings, Inc., No. 10-CV-634-BLW. The Rosen Law Firm was sole Lead Counsel in this class action pending in the U.S. District Court for the District of Idaho. The complaint alleged violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading financial statements and business condition. The parties settled this action for $450,000.

Huttenstine v. Mast, Case No. 4:05-cv-152 F(3). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for the Eastern District of North Carolina. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's material misstatements and omissions concerning the nature of certain sales contracts it had entered into. Plaintiffs have preliminarily agreed to settle this action this action for $425,000 cash payment to class members.

Kinzinger v. Paradigm Medical Industries, Inc., Case No. 03-0922608. The Rosen Law Firm served as sole Lead Counsel in this class action filed in Utah state court alleged violations of the Utah Securities Act against Paradigm Medical arising out of false and misleading statements made to investors in a $5.0 million private placement of securities. The court approved a $625,000 settlement on behalf of the private placement purchasers.

III. SECURITIES CLASS ACTIONS IN WHICH THE ROSEN LAW FIRM P.A. IS CURRENTLY LEAD COUNSEL

Munoz v. China Expert Technology, Inc., Case No. 07-CV-10531 (AKH). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for the Southern District of New York. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of: (a) the Company's issuance of materially false statements of revenues and earnings; and (b) the Company's auditors' issuance

of materially false and misleading "clean" audit opinions. The class has been certified and the action is in discovery.

Nguyen v. Radient Pharmaceuticals Corporation, Case No. CV11-0405-DOC (MLGx). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court of the Central District of California. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the issuance of false statements concerning the Company's clinical trial involving its principal product. The class has been certified and the action is in discovery.

Snellink v. Gulf Resources, Inc., No.CV11-3722-ODW (MRWx). The Rosen Law Firm is currently serving as co-Lead Counsel in this class action pending in the U.S. District Court for the Central District of California. The complaint alleges violations of §§ 10b and 20(a) of the Securities Exchange Act arising out the Company's failure to disclose the related party nature of certain transactions, and the Company's issuance of false financial statements. This action is in discovery.

Katz v. China Century Dragon Media, Inc., Case no. CV 11-02769 JAK (SSx). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for the Central District of California. The complaint alleges violations of §§ 11, 12(a)(2), and 15 of the Securities Act of 1933 and §§10b and 20(a) of the Securities Exchange Act arising out the Company's issuance of materially false and misleading financial statements. The class has been certified and the action is in discovery.

Stanger v. China Electric Motor, Inc., Case no. CV 11-2794-R (AGRx). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for the Central District of California. The complaint alleges violations of §§ 11, 12(a)(2), and 15 of the Securities Act of 1933 and §§10b and 20(a) of the Securities Exchange Act arising

out the Company's issuance of materially false and misleading financial stEx-4atements. This action is in discovery.

Zhu v. UCBH Holdings, Inc., No. C 09-4208-JSW. The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action pending in the U.S. District Court for the Northern District of California. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements of revenue and earnings, and the Company's banking operations and business. This action is in discovery.

In re China Intelligent Lighting and Electronics, Inc. Securities Litigation, No. 2:11-CV-02768 PSG (SSx). The Rosen Law Firm is currently serving as co-Lead Counsel in this consolidated class action pending in the U.S. District Court for the Central District of California. The complaint alleges violations of §§ 11, 12(a)(2), and 15 of the Securities Act of 1933 and §§10b and 20(a) of the Securities Exchange Act arising out the Company's issuance of materially false and misleading financial statements. This action is in discovery.

Cheung v. Keyuan Petrochemicals, Inc., No. CV 11-9495-PSG (JCGx). The Rosen Law firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for the Central District of California. The complaint alleges violations of §§ 10b and 20(a) of the Securities Exchange Act of 1934 in connection with the Company's failure to disclose material related party transactions in periodic reports it filed with the SEC. This action is in discovery.

Guimetla v. Ambow Education Holding Ltd., No. CV-12-5062-PSG(AJWx). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court of the Central District of California. The complaint alleges violations of the

Securities Exchange Act of 1934 in connection with the Company's issuance of materially false and misleading financial statement. This action is at pleading stage.

Campton v. Ignite Restaurant Group, Inc., No. 12-CV-2196. The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for the Southern District of Texas. The complaint alleges violations of the Securities Act of 1933 in connection with material misrepresentations in the Company's Registration Statement and Prospectus issued for the company's IPO. This action is at the pleading stage.

Bensley v. FalconStor Software, Inc., No. 10-CV-4672 (ERK) (CLP). The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action pending in the U.S. District Court for the Eastern District of New York. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements about the Company's true financial and business condition. This action is at the pleading stage.

Leshinsky v. SmartHeat, Inc., No. 12-CV-6682 (PAE). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court of the Southern District of New York. The complaint alleges violation of §10b and 20(a) of the Securities Exchange Act out of the Company's failure to disclose insider stock sales. This action is at the pleading stage.

Kubala v. SkyPeople Fruit Juice, No. 11-CV-2700 (PKC). The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action pending in the U.S. District Court for the Southern District of New York. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act out of the Company's failure to disclose material related party transactions that rendered the Company's financial statements false. This action is at the pleading stage.

Rose v. Deer Consumer Products, Inc., Case No. CV11-3701 –DMG (MRWx). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court of the Central District of California. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising the issuance of false statements concerning the Company's true financial condition. This action is at the pleading stage.

Snellink v. Universal Travel Group, Inc., Case No.11-CV-2164 (SDW). The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for the District of New Jersey. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising the issuance of false statements concerning the Company's true financial condition. This action is at the pleading stage.

Vandevelde v. China Natural Gas, Inc., Case no. 10-728-SLR. The Rosen Law Firm is currently serving as sole Lead Counsel in the class action pending in the U.S. District Court for the District of Delaware. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the issuance of materially false and misleading financial statements. This action is at the pleading stage.

In re L&L Energy, Inc. Securities Litigation, No. C11-1423-RSL. The Rosen Law Firm is currently serving as sole Counsel in this class action pending in the U.S. District Court for the Western District of Washington. The complaint alleges violations of §§ 10b and 20(a) of the Securities Exchange Act arising out the Company's issuance of false financial statements. This action is at the pleading stage.

Howard v. Chanticleer Holdings, Inc.., No. 12-CV-81123-JIC. The Rosen Law Firm is currently serving as sole Lead Counsel in this class action pending in the U.S. District Court for the Southern District of Florida. The complaint alleges violations of the Securities Act of 1933 in connection with material misrepresentations in the Company's Registration Statement and

Prospectus issued for the Company's public offering of common stock and warrants. The action is at the pleading stage.

Cole v. Duoyuan Printing, Inc., Case No. 10-CV-7325(GBD). The Rosen Law Firm is currently serving a Co-Lead Counsel in this class action pending in the U.S. District Court for the Southern District of New York. The complaint alleges violations of §§ 11, 12(a)(2), and 15 of the Securities Act of 1933 and §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading statements about the Company's true financial condition and adequacy of the Company's internal controls. This action is at the pleading stage.

In re Puda Coal Securities Litigation, No. 11-CV-2598 (BSJ)(HBP). The Rosen Law Firm is currently serving as co-Lead Counsel in this consolidated class action pending in the U.S. District Court for the Southern District of New York. The complaint alleges violations of the Exchange Act and Securities Act arising out the Company's issuance of materially false and misleading financial statements. This action is at the pleading stage.

Blitz v. AgFeed Industries, No. 3:11-0992. The Rosen Law Firm is currently serving as co-Lead Counsel in this consolidated class action pending in the U.S. District Court for the Middle District of Tennessee. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out the Company's issuance of materially false and misleading financial statements. This action is at the pleading stage.

In re ChinaCast Education Corporation Sec. Litig., No. CV 12-4621- JFW (PLAx). The Rosen Law Firm is currently serving as co-Lead Counsel in this consolidated class action currently on appeal with the U.S. Court of Appeals or the Ninth Circuit. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out the Company overstating it assets and cash balances and misstating the Company's internal controls.

Petrie v. Electronic Game Card, Inc., No. SACV 10-0252-DOC (RNBx). The Rosen Law Firm is currently serving as sole Lead Counsel in this consolidated class action currently on appeal with the U.S. Court of Appeals for the Ninth Circuit. The complaint alleges violations of §§10b and 20(a) of the Securities Exchange Act arising out of the Company's issuance of materially false and misleading financial statements in violation of Generally Accepted Accounting Principles and the Company's publicly stated internal policies.

Wolfe v. AspenBio Pharma, Inc., No. 11 CV 165-REB-KMT. The Rosen Law Firm is currently serving as sole Lead Counsel in this class action currently on appeal with the U.S. Court of Appeals for the Tenth Circuit. The complaint alleges violations §§10b and 20(a) of the Securities Exchange Act arising out the Company's misstatements and omissions concerning the effectiveness of its main product AppyScore.