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17 UNITED STATES DISTRICT COURT
18 NORTHERN DISTRICT OF CALIFORNIA

19 _____, INDIVIDUALLY AND ON) CIVIL ACTION NO.
20 BEHALF OF ALL OTHERS SIMILARLY)
21 SITUATED,)
22)
23 Plaintiff,) CLASS ACTION COMPLAINT
24)
25 vs.)
26)
27 UCBH HOLDINGS, INC., THOMAS S.) **JURY TRIAL DEMANDED**
28 WU, AND EBRAHIM SHABUDIN,)
29)
30 Defendants.)

31 Plaintiff _____, individually and on behalf of all other persons similarly situated,
32 by his undersigned attorneys, for his complaint against defendants, alleges the following
33 based upon personal knowledge as to himself and his own acts, and information and

1 belief as to all other matters, based upon, *inter alia*, the investigation conducted by and
2 through his attorneys, which included, among other things, a review of the defendants'
3 public documents, conference calls and announcements made by defendants, United
4 States Securities and Exchange Commission ("SEC") filings, wire and press releases
5 published by and regarding UCBH Holdings Corp. ("UCBH," or the "Company"),
6 securities analysts' reports and advisories about the Company, and information readily
7 obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist
8 for the allegations set forth herein after a reasonable opportunity for discovery.

9 **NATURE OF THE ACTION**

10 1. This is a federal securities class action on behalf of a class consisting of all
11 persons other than defendants and their executive officers and directors who purchased
12 the securities of UCBH during the period from April 24, 2008 through September 8,
13 2009, inclusive (the "Class Period"), seeking to recover damages caused by Defendants'
14 violations of federal securities laws and pursue remedies under the Securities Exchange
15 Act of 1934 (the "Exchange Act").

16 **JURISDICTION AND VENUE**

17 2. The claims asserted herein arise under and pursuant to Sections 10(b) and
18 20(a) of the Exchange Act, (15 U.S.C. §78j(b) and 78t(a)), and Rule 10b-5 promulgated
19 thereunder (17 C.F.R. §240.10b-5).

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

22 4. Venue is proper in this Judicial District pursuant to §27 of the Exchange
23 Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1391(b). UCBH's principal place of business is
24 in the Northern District of California and Defendants Wu and Shabudin reside in the
25 Northern District of California. Many of the acts and transactions alleged herein,
26 including the preparation and dissemination of materially false and misleading
27 information, occurred in substantial part in this District.

1 15. Plaintiff's claims are typical of the claims of the members of the Class, as
2 all members of the Class are similarly affected by defendants' wrongful conduct in
3 violation of federal law that is complained of herein.

4 16. Plaintiff will fairly and adequately protect the interests of the members of
5 the Class and has retained counsel competent and experienced in class and securities
6 litigation.

7 17. Common questions of law and fact exist as to all members of the Class
8 and predominate over any questions solely affecting individual members of the Class.
9 Among the questions of law and fact common to the Class are:

10 (a) whether the federal securities laws were violated by defendants' acts as
11 alleged herein;

12 (b) whether statements made by defendants to the investing public during
13 the Class Period misrepresented material facts about the business, financial performance,
14 and management of UCBH; and

15 (a) to what extent the members of the Class have sustained damages and
16 the proper measure of damages.

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

23 **ALLEGATIONS OF FRAUD**

24 19. On April 24, 2008, UCBH issued a press release announcing its financial
25 results for the first quarter of 2008, including net income of \$2.2 million. The press
26 release also stated that the provision for loan losses is \$35.1 million, net loan charge-offs
27 are \$12.3 million and non-performing assets are \$185.1 million.

1 20. On May 9, 2008, UCBH filed a quarterly report with the SEC that
2 contained financial statements consistent with the financial information in its April 24,
3 2008 press release.

4 21. On July 24, 2008, UCBH issued a press release announcing its financial
5 results for the second quarter of 2008, including net income of \$7.7 million. The press
6 release also stated that the provision for loan losses is \$32.6 million, net loan charge-offs
7 are \$26.2 million and non-performing assets \$200 million.

8 22. On August 11, 2008, UCBH filed a quarterly report with the SEC that
9 contained financial statements consistent with the financial information in its July 24,
10 2008 press release.

11 23. On October 23, 2008, UCBH issued a press release announcing its
12 financial results for the third quarter of 2008, including a net loss of \$493,000. The press
13 release also stated that the provision for loan losses is \$43.2 million, net loan charge-offs
14 are \$31.1 million and non-performing assets were \$251.6 million.

15 24. On November 10, 2008, UCBH filed a quarterly report with the SEC that
16 contained financial statements consistent with the financial information in its October 23,
17 2008 press release.

18 25. On January 22, 2009, UCBH issued a press release announcing its
19 financial results for the fourth quarter and full fiscal year 2008, including a quarterly net
20 loss of \$53.7 million. The press release also stated that the provision for loan losses is
21 \$112.1 million for the quarter and \$222.9 million for the full-year, net loan charge-offs
22 were \$43.6 million for the quarter and \$113.2 million for the year, and non-performing
23 assets were \$433.8 million as of December 31, 2008.

24 26. On March 16, 2009, UCBH filed its annual report on Form 10-K with the
25 SEC that contained financial statements for fiscal year 2008. The annual report stated
26 that net loss for the full fiscal-year 2008 was \$67.7 million. The annual report also stated
27

1 that the provision for loan losses was \$262.9 million, and net loan charge-offs were
2 \$113.2 million.

3 27. The financial statements and information issued by UCBH in its press
4 releases, quarterly reports and annual reports for fiscal year 2008 set forth above were
5 false and misleading because UCBH intentionally concealed millions of dollars of loan
6 charge-offs and mounting bad loans.

7 28. On May 20, 2009, UCBH filed a report on form 8-K stating the Company
8 would have to restate its financial statements for 2008 because “certain loan impairments,
9 and related reserves and charge-offs associated with specific collateral dependent loans
10 and other real estate owned properties which had been analyzed and recorded during the
11 first quarter of 2009, should have been more appropriately recorded and reflected in the
12 fourth quarter of 2008.”

13 29. On September 8, 2009, the Company issued a press release disclosing for
14 the first time the fraud engaged in by defendants. UCBH admitted that its managers had
15 intentionally concealed millions of dollars in bad loans to hide the full extent of the loan
16 losses and the rapidly increasing level of non-performing loans at UCBH in each of its
17 quarterly and fiscal year 2008 financial statements and press releases.

18 30. The Individual Defendants were forced to resign as a result of the fraud.

19 **DEFENDANTS CAUSED PLAINTIFF’S LOSSES**

20 31. During the Class Period, defendants engaged in a scheme to deceive the
21 market and a course of conduct that artificially inflated UCBH’s share price and operated
22 as a fraud or deceit on purchasers of UCBH shares by misrepresenting the Company’s
23 financial condition and business prospects. Once defendants’ misrepresentations and
24 fraudulent conduct were disclosed to the market, UCBH’s share price reacted negatively
25 as the artificial inflation was removed from its share price. As a result of their purchases
26 of UCBH’s shares during the Class Period, Plaintiff and other members of the Class
27 suffered economic loss.

1 through regular disseminations of press releases on the national
2 circuits of major newswire services and through other wide-
3 ranging public disclosures, such as communications with the
4 financial press and other similar reporting services; and

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

10 (f) Numerous NASD member firms were active market-makers in
11 UCBH stock at all times during the Class Period;

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

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

21 **FIRST CLAIM**

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

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

24 **Promulgated Thereunder Against All Defendants**

25
26 38. Plaintiff repeats and re-alleges each and every allegation contained
27 above as if fully set forth herein.

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

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

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

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

1 engaged in transactions, practices and a course of business which operated as a fraud and
2 deceit upon the purchasers of UCBH's shares during the Class Period.

3 43. The Defendants had actual knowledge of the misrepresentations and
4 omissions of material facts set forth herein, or acted with reckless disregard for the truth
5 in that they failed to ascertain and to disclose such facts, even though such facts were
6 available to them. Such Defendants' material misrepresentations and/or omissions were
7 done knowingly or recklessly and for the purpose and effect of concealing UCBH's
8 operating condition and future business prospects from the investing public and
9 supporting the artificially inflated price of its shares. As demonstrated by defendants'
10 overstatements and misstatements of the Company's financial condition throughout the
11 Class Period, Defendants, if they did not have actual knowledge of the misrepresentations
12 and omissions alleged, were reckless in failing to obtain such knowledge by deliberately
13 refraining from taking those steps necessary to discover whether those statements were
14 false or misleading.

15 44. As a result of the dissemination of the materially false and misleading
16 information and failure to disclose material facts, as set forth above, the market price of
17 UCBH's shares was artificially inflated during the Class Period. In ignorance of the fact
18 that market prices of UCBH's shares were artificially inflated, and relying directly or
19 indirectly on the false and misleading statements made by defendants, or upon the
20 integrity of the market in which the shares trade, and/or on the absence of material
21 adverse information that was known to or recklessly disregarded by defendants but not
22 disclosed in public statements by defendants during the Class Period, plaintiff and the
23 other members of the Class acquired UCBH shares during the Class Period at artificially
24 high prices and were or will be damaged thereby.

25 45. At the time of said misrepresentations and omissions, Plaintiff and other
26 members of the Class were ignorant of their falsity, and believed them to be true. Had
27 Plaintiff and the other members of the Class and the marketplace known the truth

1 regarding UCBH's financial results, which were not disclosed by Defendants, Plaintiff
2 and other members of the Class would not have purchased or otherwise acquired their
3 UCBH shares, or, if they had acquired such shares during the Class Period, they would
4 not have done so at the artificially inflated prices that they paid.

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

7 47. As a direct and proximate result of Defendants' wrongful conduct,
8 Plaintiff and the other members of the Class suffered damages in connection with their
9 respective purchases and sales of the Company's shares during the Class Period.

10 48. This action was filed within two years of discovery of the fraud and within
11 five years of plaintiff's purchases of securities giving rise to the cause of action.

12 **SECOND CLAIM**

13 **Violation of Section 20(a) of**

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

15 49. Plaintiff repeats and re-alleges each and every allegation contained above
16 as if fully set forth herein.

17 50. Defendants Wu and Shabudin acted as controlling persons of UCBH
18 within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of
19 their high-level positions, and ownership and contractual rights, participation in and/or
20 awareness of the Company's operations and/or intimate knowledge of the false financial
21 statements filed by the Company with the SEC and disseminated to the investing public,
22 the Defendants Wu and Shabudin had the power to influence and control and did
23 influence and control, directly or indirectly, the decision-making of the Company,
24 including the content and dissemination of the various statements which plaintiff
25 contends are false and misleading. Defendants Wu and Shabudin were provided with or
26 had unlimited access to copies of the Company's reports, press releases, public filings and
27 other statements alleged by plaintiff to be misleading prior to and/or shortly after these

1 statements were issued and had the ability to prevent the issuance of the statements or to
2 cause the statements to be corrected.

3 51. In particular, each of these defendants had direct and supervisory
4 involvement in the day-to-day operations of the Company and, therefore, is presumed to
5 have had the power to control or influence the particular transactions giving rise to the
6 securities violations as alleged herein, and exercised the same.

7 52. As set forth above, UCBH and Defendants Wu and Shabudin each violated
8 Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint.

9 53. By virtue of their positions as controlling persons, Defendant Wu and
10 Shabudin are liable pursuant to Section 20(a) of the Exchange Act. As a direct and
11 proximate result of defendants' wrongful conduct, plaintiff and other members of the
12 Class suffered damages in connection with their purchases of the Company's shares
13 during the Class Period.

14 54. This action was filed within two years of discovery of the fraud and within
15 five years of each plaintiff's purchases of securities giving rise to the cause of action.

16 **WHEREFORE**, plaintiff prays for relief and judgment, as follows:

17 (a) Determining that this action is a proper class action, designating
18 plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23
19 of the Federal Rules of Civil Procedure and plaintiff's counsel as Lead Counsel;

20 (b) Awarding compensatory damages in favor of plaintiff and the other
21 Class members against all defendants, jointly and severally, for all damages sustained as a
22 result of defendants' wrongdoing, in an amount to be proven at trial, including interest
23 thereon;

24 (c) Awarding plaintiff and the Class their reasonable costs and expenses
25 incurred in this action, including counsel fees and expert fees; and

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

27 **JURY TRIAL DEMANDED**

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Plaintiff hereby demands a trial by jury.

Dated: September 10, 2009

Respectfully submitted,

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