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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

██████████, INDIVIDUALLY
AND ON BEHALF OF ALL OTHERS
SIMILARLY SITUATED,

Plaintiff,

vs.

UNIVERSAL TRAVEL GROUP, INC.,
JIANGPING JIANG, YIZHAO ZHANG,
and JING XIE,

Defendants.

CASE No.:

COMPLAINT

CLASS ACTION

JURY TRIAL DEMANDED

Plaintiff ██████████ individually and on behalf of all other persons
similarly situated, by his undersigned attorneys, for his complaint against Universal
Travel Group, Inc. (“UTA” or the “Company”), alleges the following based upon
personal knowledge as to himself and his own acts, and information and belief as to
all other matters, based upon, *inter alia*, the investigation conducted by and through
his attorneys, which included, among other things, a review of the Defendant’s

1 public documents, conference calls and announcements made by the Defendants,
2 United States Securities and Exchange Commission (“SEC”) filings, wire and press
3 releases published by and regarding the Company, securities analysts’ reports and
4 advisories about the Company, and information readily obtainable on the Internet.
5 Plaintiff believes that substantial evidentiary support will exist for the allegations
6 set forth herein after a reasonable opportunity for discovery.
7
8

9 **SUBSTANTIVE ALLEGATIONS**

10 1. This is a securities class action on behalf of all persons or entities who
11 purchased or otherwise acquired the securities of UTA during the period from
12 January 19, 2010 to April 12, 2011, inclusive (the “Class Period”), seeking to
13 pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of
14 1934 (the “Exchange Act”).
15
16

17 **JURISDICTION AND VENUE**

18 2. The claims asserted herein arise under and pursuant to Sections 10(b)
19 and 20(a) of the Exchange Act, (15 U.S.C. §78j(b) and 78t(a)), and Rule 10b-5
20 promulgated thereunder (17 C.F.R. §240.10b-5).
21

22 3. This Court has jurisdiction over the subject matter of this action
23 pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. § 1331.
24

25 4. Venue is proper in this Judicial District pursuant to §27 of the
26 Exchange Act, 15 U.S.C. § 78aa, 28 U.S.C. § 1391(b).
27
28

1 18. The Class Period begins on January 19, 2010 when the Company
2 issued a press release announcing the Company's acquisition of Hebei Tianyuan
3 Travel Agency ("HTT") for approximately \$4.2 million. The announcement states
4 in relevant part:
5

6
7 **Universal Travel Group Announces Acquisition of Hebei Tianyuan**
8 **Travel Agency**

9 SHENZHEN, China, January 19, 2010 – Universal Travel Group (NYSE:
10 UTA) ("Universal Travel Group" or the "Company"), a leading travel
11 services provider in China, today announced that it has entered into a Letter
12 of Intent to acquire Hebei Tianyuan Travel Agency ("Tianyuan") for RMB
13 29 million (approximately \$4.2 million), 80% of which shall be paid in cash
14 and 20% of the consideration in shares of the Company's common stock. The
purchase consideration may be subject to adjustment after completion of
acquisition audit on Tianyuan by the Company.

15 Founded in 1999, Tianyuan was the first authorized travel agency in the
16 Hebei Province in China. In addition, Tianyuan is the exclusive provider of
17 travel agency services to Mount Lu and Lushan National Park, both domestic
18 tourist attractions listed on the UNESCO World Heritage Site. Tianyuan was
19 the organizer of the International Economy & Culture
20 Communication Forum sponsored by the local government and the exclusive
21 organizer of the Young Journalist Summer Camp sponsored by the Yanzhao
22 Evening Paper. The Company believes that Taiyuan's exclusive service with
23 these regional sites and unique partnership with the government provide
Tianyuan with an advantage to be a market leader in travel services in the
region. Unaudited full year 2009 revenues and net income for Tianyuan are
approximately \$7.2 million and \$0.7 million, respectively.

24 "This acquisition represents a further step in our expansion strategy of
25 increasing our geographic coverage over the most popular national tourist
26 destinations in China such as Mount Lu ," said Ms. Jiangping Jiang,
27 Chairwoman and Chief Executive Officer. "We look forward to leveraging
28 our experience in providing high quality, comprehensive travel services with
Tianyuan's unique regional tourism resources and we are confident that this

1 acquisition will strengthen [sic] Universal Travel Group's domestic market
2 presence and increase the Company's profitability in 2010."

3
4 19. On January 26, 2010 the Company issued an announcement that it had
5 acquired Zhengzhou Yulongkang Travel Service Company ("ZYT") for
6 approximately \$5.7 million. The Company claimed that ZYT in the fiscal year
7 ended had revenue of \$10.5 million and net income of \$.86 million. The
8 announcement states in relevant part:
9

10 **Universal Travel Group Announces Acquisition of Zhengzhou**
11 **Yulongkang Travel Service Company**

12 SHENZHEN, China, January 26, 2010 – Universal Travel Group (NYSE:
13 UTA) ("Universal Travel Group" or the "Company"), a leading travel
14 services provider in China offering package tours, air ticketing, and hotel
15 reservation services via the Internet and customer service representatives,
16 announced today that it has entered into a Letter of Intent to acquire
17 Zhengzhou Yulongkang Travel Service Company ("Zhengzhou
18 Yulongkang") for RMB 39 million (approximately \$5.7 million), 90% of
19 which to be paid in cash and 10% of the purchase consideration in shares of
20 the Company's common stock. The purchase consideration may be subject to
21 adjustment after the completion of acquisition audit on Zhengzhou
22 Yulongkang by the Company.

23 Zhengzhou Yulongkang was founded in 2000 in Zhengzhou, Henan
24 Province. Zhengzhou Yulongkang has a team of experienced and
25 knowledgeable tour guides that take tourists on more than ten proprietary
26 regional routes and hundreds of points of interest. Zhengzhou Yulongkang is
27 a one-stop shop, providing comprehensive travel services and maintaining
28 long-term cooperation with transportation agents, travel destinations, hotels,
and air ticket agencies. In addition, Zhengzhou Yulongkang has developed
outdoor team building programs in 2004 based on its chosen travel
destination, Wengcheng Waterfall. Unaudited 2009 revenue and net income
will be about \$10.5 million and \$0.86 million, respectively.

1 “Our recent acquisitions of travel service providers of national tourist
2 destinations demonstrate our commitment to expand into domestic travel
3 markets and raise awareness of our Company and the services we provide in
4 these targeted [sic] regions. Zhengzhou Yulongkang’s addition will further
5 enhance Universal Travel Group’s core business segments and complement
6 our packaged tour business,” said Ms. Jiangping Jiang, Chairwoman and
7 Chief Executive Officer. “Through these acquisitions, we will strengthen our
8 product portfolio, geographic coverage and brand awareness to build a larger
9 network of customers. We believe we are strategically positioned to be in the
10 forefront of the rising China travel market.”

11 20. On March 5, 2010 the Company filed with the SEC its annual report
12 for the fiscal year ended December 31, 2009, signed by defendants Jiang and
13 Zhang. Filed with the 10-K were separately executed Sarbanes-Oxley Act of 2002
14 certifications by defendants Jiang and Zhang, attesting to, among other things, the
15 accuracy and completeness of the 10-K.

16 21. The 10-K described the HTT acquisition as follows:

17 On January 19, 2010, we entered into a letter of intent to acquire Hebei
18 Tianyuan Travel Agency (“Tianyuan”) for RMB 29 million (approximately
19 \$4.2 million), 80% of which shall be paid in cash and 20% of the
20 consideration in shares of the Company’s common stock. The purchase
21 consideration may be subject to adjustment after completion of acquisition
22 audit on Tianyuan by the Company. Founded in 1999, Tianyuan was the first
23 authorized travel agency in the Hebei Province in China. In addition,
24 Tianyuan is the exclusive provider of travel agency services to Mount Lu and
25 Lushan National Park, both domestic tourist attractions listed on the
26 UNESCO World Heritage Site. Tianyuan was the organizer of the
27 International Economy & Culture Communication Forum sponsored by the
28 local government and the exclusive organizer of the Young Journalist
Summer Camp sponsored by the Yanzhao Evening Paper. We believe that
Tianyuan’s exclusive service with these regional sites and unique partnership
with the government provides Tianyuan with an advantage to be a market
leader in travel services in the region.

1 22. The 10-K described the e ZYT acquisition as follows:

2 On January 26, 2010, we entered into a letter of intent to acquire Zhengzhou
3 Yulongkang Travel Service Company (“Zhengzhou Yulongkang”) for RMB
4 39 million (approximately \$5.7 million), 90% of which to be paid in cash and
5 10% of the purchase consideration in shares of the Company’s common
6 stock. The purchase consideration may be subject to adjustment after the
7 completion of acquisition audit on Zhengzhou Yulongkang by the Company.
8 Zhengzhou Yulongkang Travel Service Company was established in 2000 in
9 Zhengzhou, Henan Province of China. The company currently has a
10 management team of 25 people and over 60 tour organizers and guides. The
11 Company provides comprehensive travel services and maintains long-term
12 cooperation relations with transportation agents, travel destinations, hotels,
13 and air ticket agencies. Its regional tour routes include “Charming Tibet”,
14 “Winter Hot Spring”, “Passion Ski Trip”, etc. Zhengzhou Yulongkang Travel
15 Service Company has received a series of industry and corporate awards
16 from 2003 to 2006.

17 23. On March 31, 2010 the Company issued an announcement stating the
18 completion of its acquisition of HTT and ZYT. The announcement states in
19 relevant part:

20 Universal Travel Group Completes Previously Announced Acquisitions and
21 Updates Guidance

22 SHENZHEN, China, March 31 /PRNewswire-Asia-FirstCall/ -- Universal
23 Travel Group (NYSE:UTA) ("Universal Travel Group" or the "Company"), a
24 leading travel services provider in China, today announced that the Company
25 has completed the previously announced acquisitions of Huangshan Holiday
26 Travel Service Co., Ltd. ("Huangshan Holiday"), Hebei Tianyuan
27 International Travel Agency Co., Ltd. ("Tianyuan"), and Zhengzhou
28 Yulongkang Travel Agency Co., Ltd. ("Yulongkang").

 The Company acquired Huangshan Holiday for RMB 20 million
(approximately \$2.9 million), of which 80% is in cash and 20% in stock;
Tianyuan for RMB 30 million (approximately \$4.4 million), of which 80% is
in cash and 20% in stock; and Yulongkang for RMB 39 million
(approximately \$5.7 million), of which 90% is in cash and 10% in stock.

1 Huangshan Holiday provides comprehensive travel services in the
2 Huangshan District in the Anhui Province of China. Huangshan, a national
3 geological park and UNESCO World Heritage Site, is one of China's most
4 popular travel destinations, with over eight million tourists annually.
5 Huangshan Holiday provides guided and self-guided package tours and
6 airline and hotel reservation services for both leisure and business travelers.
7 Huangshan Holiday serves as the exclusive hotel reservation agency for
8 several major online travel service providers in China and has an over 70%
9 share of the mid- to high-end hotel reservation market in the Huangshan
10 Tourism District.

11 Tianyuan was founded in 1999 and was the first authorized travel agency in
12 the Hebei Province in China. In addition, Tianyuan is the exclusive provider
13 of travel agency services to Mount Lu and Lushan National Park, a domestic
14 tourist attraction listed on the UNESCO World Heritage Site. Tianyuan's
15 exclusive service with these regional sites and unique partnership with the
16 government provide Tianyuan with an advantage to be a market leader in
17 travel services in the region.

18 Yulongkang provides comprehensive travel services and maintains long-term
19 cooperation agreements with transportation agents, travel destinations, hotels,
20 and air ticket agencies. In addition, Zhengzhou Yulongkang has developed
21 outdoor team building programs based on its main travel market which is the
22 Wengcheng Waterfall.

23 "We are pleased to have completed our recently announced strategic
24 acquisitions," said Ms. Jiangping Jiang, Chairwoman and Chief Executive
25 Officer. "These acquisitions of travel service providers for national tourist
26 destinations in China demonstrate our commitment to expanding into
27 additional domestic travel markets and raise the awareness of our Company
28 and the services we provide in these targeted regions. Through these
acquisitions we are strengthening our product portfolio, geographic coverage
and brand awareness to build a larger network of customers. Overall, we
believe these acquisitions will help us to strategically position Universal
Travel Group to be in the forefront of the growing China travel market."

The Company also announced that the financial results from these three
acquisitions will be included in the Company's quarterly report for the three
months ended March 31, 2010. In addition, as a result of the synergy from
these three acquisitions, for full year 2010, the Company expects to achieve a
growth rate range of between 45% and 55% in both revenues and net income,

1 excluding the effect of non-cash charges related to the change in fair value of
2 derivative liabilities and stock-based compensation.

3 24. On May 4, 2010 the Company issued an announcement stating its
4 intention to acquire four travel agencies for \$19.5 million, including Kunming
5 Business Travel Agency ("KBT"), Sanxi Jun Yang Travel Agency Co. ("SJT") and
6 Shandong Shi Ji Aviation Development Co. ("SVC"). The announcement states in
7 relevant part:
8

9
10 Universal Travel Group Announces Intention to Acquire Four Travel
11 Agencies for a Total Purchase Consideration of \$19.5 Million

12 SHENZHEN, China, May 4 /PRNewswire-Asia-FirstCall/ -- Universal
13 Travel Group (NYSE:UTA - News) ("Universal Travel Group" or the
14 "Company"), a leading travel services provider in China, today announced
15 that the Company has entered into letters of intent to acquire four travel
16 agency businesses in China -- Tianjin Hongxun Aviation Agency Co., Ltd.
17 ("Tianjin Hongxun), Shanxi Jinyang Travel Agency Co., Ltd. ("Shanxi
18 Jinyang"), Kunming Business Travel Agency Co., Ltd. ("Kunming Business
19 Travel"), and Shandong Century Aviation Development Co., Ltd.
20 ("Shandong Century") -- for a total purchase consideration of \$19.5 million.
The combined unaudited 2009 revenue and net income for the four travel
agencies were \$23.0 million and \$3.0 million, respectively. The final
purchase consideration each of these companies may be subject to adjustment
after completion of due diligence by the Company.

21 Shanxi Jinyang was founded in 1988 in Taiyuan, Shanxi Province and is one
22 of the largest travel agencies in Shanxi Province in terms of tourist volume
23 and revenues. Shanxi Jinyang provides comprehensive travel services and
24 has good business relationships with travel destinations, hotels, and air
25 ticketing agencies. Unaudited 2009 revenue and net income were \$5.6
26 million and \$0.4 million, respectively. We plan to acquire Shanxi Jinyang for
\$2.3 million, 90% of which shall be paid in cash and 10% in shares of the
Company's common stock.

27 Tianjin Hongxun was founded in 1999 in Tianjin and is a leading airline
28 ticket agency in its region, with supplementary hotel, train and car

1 reservation service offerings. Tianjin Hongxun has a customer database of
2 approximately 400,000 that consists of both individual tourists and
3 businesses and has an average daily volume of 100,000 inbound calls and
4 over 2,000 tickets issued. Unaudited 2009 revenue and net income were \$3.7
5 million and \$0.9 million, respectively. We plan to acquire Tianjin Hongxun
6 for \$5.9 million, 65% of which shall be paid in cash and 35% in shares of the
7 Company's common stock.

8 Kunming Business Travel was founded in 1993 in Kunming, Yunnan
9 Province and is the premier golf travel service agency in its region. Kunming
10 Business Travel has partnerships with seven golf clubs and provides services,
11 including reservations, event planning, hosting business trips and golf
12 competitions. Kunming Business Travel is the only professional golf travel
13 service provider in the Yunnan Province. Unaudited 2009 revenue and net
14 income were \$9.4 million and \$0.9 million, respectively. We plan to acquire
15 Kunming Business Travel for \$5.7 million, 90% of which shall be paid in
16 cash and 10% in shares of the Company's common stock.

17 Shandong Century, founded in 1996, has the largest electronic ticket
18 reservation platform and is the largest airline ticket agency in the Shandong
19 Province. Its major business lines include air ticketing, hotel reservation,
20 train ticketing, group tours, and business cargo services. Shandong Century
21 has a call center with 100 customer service representatives and an average
22 daily volume of 2,500 ticket reservations. Unaudited 2009 revenue and net
23 income were \$4.4 million and \$0.8 million, respectively. We plan to acquire
24 Kunming Century for \$5.6 million, 65% of which shall be paid in cash and
25 35% in shares of the Company's common stock.

26 "We are continuing to capitalize on the fast growing China travel market
27 through organic growth and strategic acquisitions," said Ms. Jiangping Jiang,
28 Chairwoman and Chief Executive Officer. "After the acquisition of these
four travel agencies, we will have expanded our geographic coverage to ten
provinces in mainland China and the variety of services we offer our clients.
We are confident these acquisitions, once complete, will have a positive
impact on our top and bottom line in 2010."

25. On May 11, 2010 the Company filed with the SEC its first quarter
ended March 31, 2010 results on Form 10-Q, signed by defendants Jiang and
Zhang. Filed with the 10-Q were separately executed SOX certifications by Jiang

1 and Zhang, attesting to the accuracy of the 10-Q. As the acquisitions announced
2 immediately above, the 10-Q states in relevant part:

3
4 On March 4, 2010, the company announced that it has entered into letters of
5 intent to acquire four travel agency businesses in China – Tianjin Hongxun
6 Aviation Agency Co., Ltd. (“Tianjin Hongxun”), Shanxi Jinyang Travel
7 Agency Co., Ltd. (“Shanxi Jinyang”), Kunming Business travel Agency
8 Co., Ltd. (“Kunming Business Travel”), and Shandong Century Aviation
9 Development Co., Ltd. (“Shandong Century”) – for a total purchase
10 consideration of \$19.5 million. The combined unaudited 2009 revenue and
11 net income for the four travel agencies were \$23.0 million and \$3.0 million,
12 respectively. The final purchase consideration each of these companies may
13 be subject to adjustment after completion of the diligence by the Company.

14 * * *

15 Recently in May 2010, we also announced our intention of acquiring four
16 more travel agency businesses in the People’s Republic of China – Tianjin
17 Hongxun Aviation Agency Co., Ltd. (“Tianjin Hongxun), Shanxi Jinyang
18 Travel Agency Co., Ltd. (“Shanxi Jinyang”), Kunming Business Travel
19 Agency Co., Ltd. (“Kunming Business Travel”), and Shandong Century
20 Aviation Development Co., Ltd. (“Shandong Century”).

21 We believe that we are able to improve the sales volume and operation
22 efficiency of these new acquisitions, and on the other hand, they will also
23 help lift the sales volume and operation efficiency of our existing
24 subsidiaries.

25
26 26. On June 22, 2010 the Company announced the closing of a \$20 million
27 common stock offering. According the announcement, the “proceeds from this
28 financing will be used to fund the cash portion of its four recently announced
acquisitions and for working capital to expand the Company’s core business
segments.”

29 27. On June 30, 2010 the Company announced that it completed the
acquisitions of KBT and SJT. The announcement states in relevant part:

1 Universal Travel Group Completes Acquisitions of Shanxi Jinyang Travel
2 Agency and Kunming Business Travel Agency

3 SHENZHEN, China, June 30 /PRNewswire-Asia-FirstCall/ -- Universal
4 Travel Group (NYSE:UTA) ("Universal Travel Group" or the "Company"), a
5 leading travel services provider in China offering package tours, air ticketing,
6 and hotel reservation services, today announced that the Company has
7 completed the previously announced acquisitions of Shanxi Jinyang Travel
8 Agency Co., Ltd. ("Shanxi Jinyang") and Kunming Business Travel Agency
9 Co., Ltd. ("Kunming Business Travel") for \$8.0 million, of which 90% was
10 paid in cash and 10% in stock. The combined audited 2009 revenue and net
11 income for the two travel agencies was \$15.3 million and \$1.3 million,
12 respectively.

13 Shanxi Jinyang was founded in 1988 in Taiyuan, Shanxi Province and is one
14 of the largest travel agencies in Shanxi Province in terms of tourist volume
15 and revenues. Shanxi Jinyang provides comprehensive travel services and
16 has established business relationships with local travel destinations, hotels,
17 and air ticketing agencies.

18 Kunming Business Travel was founded in 1993 in Kunming, Yunnan
19 Province and is the premier golf travel service agency in its region. Kunming
20 Business Travel has partnerships with seven golf clubs and provides services,
21 including reservations, event planning, hosting business trips and golf
22 competitions. Kunming Business Travel is the only professional golf travel
23 service provider in the Yunnan Province.

24 With the closing of these two acquisitions, assuming no further dilutive effect
25 from financings or acquisitions, the Company now expects to achieve
26 between \$145.0 million and \$155.0 million in revenue, \$27.0 million and
27 \$28.0 million in net income, and \$1.35 and \$1.40 in diluted EPS in the fiscal
28 year 2010, excluding the effect of non-cash charges related to the change in
fair value of derivative liabilities and stock-based compensation.

"We are very pleased to have closed the first two of our recently announced
four acquisitions on schedule," said Ms. Jiangping Jiang, Chairwoman and
Chief Executive Officer. "These acquisitions of travel service providers will
help us to further expand our geographic coverage in the fast growing
domestic travel market. We believe Universal Travel Group's comprehensive
service platform and broad customer reach will enable us to further improve
their earnings and profit margins."

1 33. On March 8, 2011 a research firm called Glaucus Research Group
2 issued a report setting forth numerous red flags of fraud at UTA:
3 [http://www.glaucusresearch.com/GlaucusResearch-Universal_Travel-Group-UTA-](http://www.glaucusresearch.com/GlaucusResearch-Universal_Travel-Group-UTA-Strong_Sell-March_8_2011.pdf)
4 [Strong_Sell-March_8_2011.pdf](http://www.glaucusresearch.com/GlaucusResearch-Universal_Travel-Group-UTA-Strong_Sell-March_8_2011.pdf) (the “Report”).
5

6 34. The Report noted the following:
7

8 (a) UTA is fabricating its publicly filed financial statements. Its actual
9 underlying business is far smaller than its SEC filings indicate.

10 (b) UTA’s business model is not credible. For example, UTA claims to
11 have earned \$110 million in net revenue in the first three quarters of 2010 on an
12 advertising budget of \$247,449 in the highly competitive leisure travel market. Its
13 competitors spend five to 10 times more on marketing as a percentage of net
14 revenue, casting doubt on the authenticity of UTA’s revenue and net income.
15

16 (c) UTA has a deficient and unpopular website, boasts only a minimal
17 brick-and-mortar retail operation and has no kiosks under its control to directly sell
18 to consumers. Yet the company’s return on assets and asset turnover figures suggest
19 it is the most efficient company in the leisure travel space, consistently trouncing
20 the competition.
21

22 (d) UTA’s website is barely functional (as can be seen in our videos here,
23 here, here, here and here), offers a terrible user experience and receives only a small
24 fraction of the traffic of its Chinese competitors, despite the fact that the company
25 holds itself out as an online travel service provider.
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1 (e) UTA is a serial capital raiser, repeatedly returning to western
2 investors for cash despite supposedly having, according to its balance sheet, ample
3 cash on hand, which sits unused in an account earning .36% in interest per year.
4 UTA is lying about the amount of cash on its balance sheet, as is evidenced by its
5 inexplicably low interest income.
6

7
8 (f) UTA has destroyed shareholder value through a series of dilutive
9 acquisitions. The company's acquisition targets had much smaller earnings than
10 UTA claimed in its public filings.
11

12 (g) UTA's purported relationship with Agoda, a subsidiary of
13 Priceline.com, is overstated.
14

15 (h) UTA has burned through 4 low-quality auditors and 3 CFOs in 5 years.

16 35. As to acquisitions described above, the Report identified numerous
17 misstatements in the Company's public statements to investors about the nature and
18 quality of the Company's business acquisitions during the Class Period.
19 Particularly, the financial statements filed by the Company's acquired companies
20 with PRC authorities list merely a fraction of the revenue, net income, and assets,
21 when compared to the Company's public disclosures made to investors. The
22 following chart summarizes the material discrepancies:
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Acquired Companies in 2010		Zhengzhou Yu Long Kang Travel Agency Co. (ZYT)	Hebei Tian Yuan International Travel Agency Co. (HTT)	Kunming Business Travel Agency Co. (KBT)	Shanxi Jin Yang Travel Agency Co. (JIT)	Shandong Shi Ji Aviation Development Co.
<i>All figures are in USD, using forex rate of \$1=6.85 RMB</i>	Date of Acq.	March 2010	March 2010	June 2010	June 2010	June 2010
	Purchase Price	\$5,700,000	\$4,400,000	\$5,700,000	\$2,300,000	\$5,600,000
UTA Claimed Figures for 2009	Revenue	\$10,500,000	n/a	\$9,400,000	\$5,600,000	\$4,400,000
	Net Income	\$800,000	n/a	\$900,000	\$400,000	\$800,000
AIC Filings - 2009	Revenue	\$58,394	\$102,797	\$1,671,128	\$734,868	\$494,755
	Net Income	\$4,978	(\$101,687)	\$42,483	\$1,866	\$16,747
	Assets	\$84,433	\$336,333	\$687,543	n/a	\$438,149
UTA Claimed Net Income Multiple paid	Net Income	7.1	n/a	6.3	5.8	7.0
Actual Acquired Multiples Paid	Revenue	97.6	42.8	3.4	3.1	11.3
	Net Income	1145.0	n/a	134.2	1232.6	334.4
	Assets	67.5	13.1	8.3	n/a	12.8

36. The Report caused the Company's stock price to fall, 7.6% on March 9, 2011 or to \$5.71 per share.

37. The Company did not respond to these allegations with a press release or an SEC filing, and the Company's stock ultimately dropped to \$5.18 per share on March 14, 2011.

38. On March 15, 2011 in an effort to apparently instill confidence about the accuracy of the Company's financial statements, the Company issued a press release entitled "Universal Travel Group, Inc. Confirms it Will Release Fiscal Year 2010 Audited Financial Results in Addition to Fourth Quarter Financial Results" on March 30, 2011.

39. On March 29, 2011 after market-close, the Company shocked the market when it announced that it would have to postpone its earnings conference call "to Later in 2011."

1 40. This announcement caused the Company's stock to fall on March 30,
2 2011 from \$5.39 per share to \$4.33 per share, or 19.6%, on extraordinary volume.
3
4 The Company's stock continued to fall the next two trading days, closing at \$4.19
5 per share on April 1, 2011.

6 41. On April 12, 2011 trading in the Company's stock was inexplicably
7 halted.
8

9 42. On April 14, 2011 the Company filed an 8-K with the SEC announcing
10 that its independent auditor, Windes had resigned. According the 8-K Windes
11 noted several reportable events calling into question material aspects of the
12 Company's internal controls and accuracy of its financial statements. The 8-K
13 states in relevant part:
14

15
16 Item 4.01 Changes in Registrant's Certifying Accountant

17 On April 10, 2011, Universal Travel Group (the "Company" or "we")
18 received notification that its principal independent accountants, Windes &
19 McClaughry Accountancy Corporation ("Windes") had resigned its
20 engagement with the Company effective April 9, 2011. Windes was engaged
21 by us on September 30, 2010. Windes' resignation as the Company's
22 principal independent accountant was accepted by the Audit Committee on
23 April 11, 2011.

24 The following reportable disagreements occurred within the period from
25 Windes' engagement through the date of its resignation, which if not
26 resolved to the satisfaction of Windes, would have caused it to make a
27 reference to the subject matter of the disagreements in connection with its
28 report.

**Windes had informed the Company in its resignation letter that it was
no longer able to complete the audit process. Windes stated this was due
in part to Management and/or the Audit Committee being non-**

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responsive, unwilling or reluctant to proceed in good faith and imposing scope limitations on Windes' audit procedures.

Windes also stated that Windes had lost confidence in the Board of Directors' and the Audit Committee's commitment to sound corporate governance and reliable financial reporting.

Prior to its resignation, Windes raised the following issues (some of which may be considered to be disagreements) encountered during the audit, including issues related to the authenticity of confirmations, a loss of confidence in confirmation procedures carried out under circumstances which Windes believed to be suspicious; issues concerning the lack of evidence of certain tour package contracts and related cash payments.

As a result, Windes had requested authority to perform additional audit procedures and the above issues to be addressed by an independent Audit Committee investigation. Windes stated in its resignation letter that, in its view, the Company was not willing to proceed in good faith with the course of action requested by Windes. Windes also stated in its resignation letter that in its opinion, Windes believed that certain statements made by Management and the Audit Committee, between March 29, 2011 and its resignation letter, impaired its independence as it related to the Company.

We disagree with Windes' reasons for resignation, in particular Management and/or the Audit Committee's purported unwillingness or reluctance and/or non-responsiveness to proceed in good faith and imposition of scope limitations on Windes' audit procedures, the Company's purported unwillingness to proceed in good faith with courses of action requested by Windes and Management and the Audit Committee's purported impairment of Windes' independence in relation to the Company a result of certain statement made by them.

We believe that we have acted responsively, prudently and in good faith to address the numerous issues raised by Windes during the entire audit process. Windes disagrees. Management, the Audit Committee and Windes attempted to resolve these disagreements to no avail.

The Company has authorized Windes to respond fully to the inquiries of its successor accountant regarding the subject matter of each of such disagreements.

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Windes has not provided any opinions, qualification or modification to our financial statements for each of the past two fiscal years. The Company does not have, as otherwise disclosed above, any other disagreements or reportable events as described under Item 304(a)(1) of Regulations S-K.

Applicability of Presumption of Reliance:

Fraud-on-the-Market Doctrine

43. At all relevant times, the market for UTA’s common stock was an efficient market for the following reasons, among others:

- (a) The Company’s stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;
- (b) As a regulated issuer, UTA filed periodic public reports with the SEC and the NYSE;
- (c) UTA regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services;

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(d) UTA was followed by several securities analysts employed by major brokerage firms who wrote reports that were distributed to the sales force and certain customers of their respective brokerage firms during the Class Period. Each of these reports was publicly available and entered the public marketplace; and

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

Applicability of Presumption of Reliance:

Affiliated Ute

45. Neither Plaintiff nor the Class need prove reliance – either individually or as a class because under the circumstances of this case, positive proof of reliance is not a prerequisite to recovery, pursuant to ruling of the United States Supreme Court in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972). All that is necessary is that the facts withheld be material in the sense that a reasonable investor

1 might have considered the omitted information important in deciding whether to buy or
2 sell the subject security.

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4 **FIRST CLAIM**
5 **Violation of Section 10(b) of**
6 **The Exchange Act and Rule 10b-5**
7 **Promulgated Thereunder Against All Defendants**

8 46. Plaintiff repeats and realleges each and every allegation contained
9 above as if fully set forth herein.

10 47. During the Class Period, defendants carried out a plan, scheme and
11 course of conduct which was intended to and, throughout the Class Period, did: (1)
12 deceive the investing public, including Plaintiff and other Class members, as
13 alleged herein; and (2) cause Plaintiff and other members of the Class to purchase
14 UTA’s securities at artificially inflated prices. In furtherance of this unlawful
15 scheme, plan and course of conduct, Defendants, and each of them, took the actions
16 set forth herein.
17

18 48. Defendants (a) employed devices, schemes, and artifices to defraud;
19 (b) made untrue statements of material fact and/or omitted to state material facts
20 necessary to make the statements not misleading; and (c) engaged in acts, practices,
21 and a course of business that operated as a fraud and deceit upon the purchasers of
22 the Company’s securities in an effort to maintain artificially high market prices for
23 UTA’s securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5
24 thereunder.
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1 49. Defendants, directly and indirectly, by the use, means or
2 instrumentalities of interstate commerce and/or of the mails, engaged and
3 participated in a continuous course of conduct to conceal adverse material
4 information about the business, operations and future prospects of UTA as specified
5 herein.
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8 39. Defendants employed devices, schemes, and artifices to defraud while
9 in possession of material adverse non-public information, and engaged in acts,
10 practices, and a course of conduct as alleged herein in an effort to assure investors
11 of the Company's value and performance and continued substantial growth, which
12 included the making of, or participation in the making of, untrue statements of
13 material facts and omitting to state material facts necessary in order to make the
14 statements made about the Company and its business operations and future
15 prospects in the light of the circumstances under which they were made, not
16 misleading, as set forth more particularly herein, and engaged in transactions,
17 practices and a course of business that operated as a fraud and deceit upon the
18 purchasers of the Company's securities during the Class Period.
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22 40. Defendants had actual knowledge of the misrepresentations and
23 omissions of material facts set forth herein, or acted with reckless disregard for the
24 truth in that they failed to ascertain and to disclose such facts, even though such
25 facts were available. Such material misrepresentations and/or omissions were done
26 knowingly or recklessly and for the purpose and effect of concealing the
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1 Company's operating condition and future business prospects from the investing
2 public and supporting the artificially inflated price of its securities. As
3 demonstrated by overstatements and misstatements of the Company's financial
4 condition throughout the Class Period, if the Defendants did not have actual
5 knowledge of the misrepresentations and omissions alleged, they were reckless in
6 failing to obtain such knowledge by deliberately refraining from taking those steps
7 necessary to discover whether those statements were false or misleading.
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10 41. As a result of the dissemination of the materially false and misleading
11 information and failure to disclose material facts, as set forth above, the market
12 price of UTA's securities was artificially inflated during the Class Period. In
13 ignorance of the fact that market prices of the Company's publicly-traded securities
14 were artificially inflated, and relying directly or indirectly on the false and
15 misleading statements made by the Defendants, or upon the integrity of the market
16 in which the common stock trades, and/or on the absence of material adverse
17 information that was known to or recklessly disregarded by the Defendants, but not
18 disclosed in public statements by the Defendants during the Class Period, Plaintiff
19 and the other members of the Class acquired UTA common stock during the Class
20 Period at artificially high prices, and were, or will be, damaged thereby.
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23 42. At the time of said misrepresentations and omissions, Plaintiff and
24 other members of the Class were ignorant of their falsity, and believed them to be
25 true. Had Plaintiff and the other members of the Class and the marketplace known
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1 the truth regarding UTA's financial results, which was not disclosed by the
2 Defendants, Plaintiff and other members of the Class would not have purchased or
3 otherwise acquired their UTA's securities, or, if they had acquired such securities
4 during the Class Period, they would not have done so at the artificially inflated
5 prices that they paid.
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8 43. As a direct and proximate result of the Defendants' wrongful conduct,
9 Plaintiff and other members of the Class suffered damages in connection with their
10 purchases of UTA's securities during the Class Period.
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12 44. This action was filed within two years of discovery of the fraud and
13 within five years of each Plaintiff's purchases of securities giving rise to the cause
14 of action.
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16 **SECOND CLAIM**
17 **Violation of Section 20(a) Of**
18 **The Exchange Act Against the Individual Defendants**

19 45. Plaintiff repeats and realleges each and every allegation contained
20 above as if fully set forth herein.

21 46. The Individual Defendants acted as controlling persons of UTA within
22 the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of
23 their high-level positions, agency, and their ownership and contractual rights,
24 participation in and/or awareness of the Company's operations and/or intimate
25 knowledge of the false financial statements filed by the Company with the SEC and
26 disseminated to the investing public, the Individual Defendants had the power to
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1 influence and control, and did influence and control, directly or indirectly, the
2 decision-making of the Company, including the content and dissemination of the
3 various statements that plaintiff contends are false and misleading. The Individual
4 Defendants were provided with or had unlimited access to copies of the Company's
5 reports, press releases, public filings and other statements alleged by Plaintiff to
6 have been misleading prior to and/or shortly after these statements were issued and
7 had the ability to prevent the issuance of the statements or to cause the statements to
8 be corrected.

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12 47. In particular, each Individual Defendant had direct and supervisory
13 involvement in the day-to-day operations of the Company and, therefore, is
14 presumed to have had the power to control or influence the particular transactions
15 giving rise to the securities violations as alleged herein, and exercised the same.

17 48. As set forth above, the Defendants each violated Section 10(b) and
18 Rule 10b-5 by their acts and omissions as alleged in this Complaint.

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20 49. By virtue of their positions as controlling persons, the Individual
21 Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct
22 and proximate result of Defendants' wrongful conduct, Plaintiff and other members
23 of the Class suffered damages in connection with their purchases of the Company's
24 common stock during the Class Period.
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50. This action was filed within two years of discovery of the fraud and within five years of each Plaintiff’s purchases of securities giving rise to the cause of action.

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

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

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants’ wrongdoing, in an amount to be proven at trial, including interest thereon;

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

(d) Awarding such other and further relief as the Court may deem just and proper.

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JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: April 15, 2011

Respectfully submitted,