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9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11 NING WANG, Individually and on
12 Behalf of All Others Similarly Situated,

13 Plaintiff,

14 v.

15 CHEETAH MOBILE, INC., SHENG
16 FU, VINCENT ZHENYU JIANG,
17 and THOMAS JINTAO REN,

18 Defendants.
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Case No.

CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS

JURY TRIAL DEMANDED

1 Plaintiff Ning Wang (“Plaintiff”), individually and on behalf of all others similarly
2 situated, by and through Plaintiff’s attorneys, alleges the following upon information and
3 belief, except as to those allegations concerning Plaintiff, which are alleged upon personal
4 belief, except as to those allegations concerning Plaintiff, which are alleged upon personal
5 knowledge. Plaintiff’s information and belief is based upon, among other things, its
6 counsel’s investigation, which includes without limitation: (a) review and analysis of
7 regulatory filings made by Cheetah Mobile, Inc. (“Cheetah Mobile” or the “Company”)
8 with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review
9 and analysis of press releases and media reports issued by and disseminated by Cheetah
10 Mobile; and (c) review of other publicly available information concerning Cheetah
11 Mobile.
12 Mobile.
13 Mobile.
14 Mobile.

15 NATURE OF THE ACTION AND OVERVIEW

16 1. This is a class action on behalf of persons and entities that purchased or
17 otherwise acquired Cheetah Mobile securities between March 25, 2019 and February 20,
18 2020, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under
19 the Securities Exchange Act of 1934 (the “Exchange Act”).
20 the Securities Exchange Act of 1934 (the “Exchange Act”).
21 the Securities Exchange Act of 1934 (the “Exchange Act”).

22 2. Cheetah Mobile is a mobile Internet company that offers mobile utility
23 products (such as Clean Master and Cheetah Keyboard), casual games (such as Piano Tiles
24 2, Bricks n Balls), and live streaming product Live.me. The Company provides its
25 advertising customers, which include direct advertisers and mobile advertising networks
26 advertising customers, which include direct advertisers and mobile advertising networks
27 advertising customers, which include direct advertisers and mobile advertising networks
28 advertising customers, which include direct advertisers and mobile advertising networks

1 through which advertisers place their advertisements, with direct access to highly targeted
2 mobile users and global promotional channels.

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4 3. On February 21, 2020, before the market opened, the Company disclosed that
5 its Google Play Store, Google AdMob, and Google AdManager accounts were disabled
6 on February 20, 2020 “because some of the Company’s apps had not been compliant with
7 Google policies, resulting in certain invalid traffic.”
8

9 4. On this news, the Company’s share price fell \$0.61 per share, or nearly 17%,
10 to close at \$2.99 per share on February 21, 2020, on unusually heavy trading volume.
11

12 5. Throughout the Class Period, Defendants made materially false and/or
13 misleading statements, as well as failed to disclose material adverse facts about the
14 Company’s business, operations, and prospects. Specifically, Defendants failed to
15 disclose to investors that: (i) certain of Cheetah Mobile’s apps were not compliant with
16 the terms of its agreements with Google; (ii) as a result, there was a reasonable likelihood
17 that Google would terminate its advertising contracts with the Company; (iii) as a result
18 of the foregoing, the Company’s ability to attract new users would be adversely impacted;
19 (iv) as a result, the Company’s revenue was reasonably likely to decline; and (v) as a result
20 of the foregoing, Defendants’ positive statements about the Company’s business,
21 operations, and prospects were materially misleading and/or lacked a reasonable basis.
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1 6. As a result of Defendants' wrongful acts and omissions, and the precipitous
2 decline in the market value of the Company's securities, Plaintiff and other Class members
3 have suffered significant losses and damages.
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5 JURISDICTION AND VENUE

6 7. The claims asserted herein arise under Sections 10(b) and 20(a) of the
7 Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder
8 by the SEC (17 C.F.R. § 240.10b-5).
9

10 8. This Court has jurisdiction over the subject matter of this action pursuant to
11 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).
12

13 9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and
14 Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of
15 the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many
16 of the acts charged herein, including the dissemination of materially false and/or
17 misleading information, occurred in substantial part in this Judicial District.
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20 10. In connection with the acts, transactions, and conduct alleged herein,
21 Defendants directly and indirectly used the means and instrumentalities of interstate
22 commerce, including the U.S. mail, interstate telephone communications, and the facilities
23 of a national securities exchange.
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PARTIES

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2 11. Plaintiff, as set forth in the accompanying certification, incorporated by
3 reference herein, acquired Cheetah Mobile securities during the Class Period, and
4 suffered damages as a result of the federal securities law violations and false and/or
5 misleading statements and/or material omissions alleged herein.
6

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8 12. Defendant Cheetah Mobile is incorporated under the laws of the Cayman
9 Islands with its principal executive offices located in Beijing, China. Cheetah Mobile’s
10 American Depositary Shares (“ADS” or “shares”) trade on New York Stock Exchange
11 (“NYSE”) under the symbol “CMCM.”
12

13 13. Defendant Sheng Fu (“Fu”) was the Company’s Chief Executive Officer at
14 all relevant times.
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16 14. Defendant Vincent Zhenyu Jiang (“Jiang”) was the Company’s Chief
17 Financial Officer (“CFO”) from 2017 to January 31, 2020.
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19 15. Defendant Thomas Jintao Ren (“Ren”) has been the Company’s CFO since
20 January 31, 2020.
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22 16. Defendants Fu, Jiang, and Ren (collectively the “Individual Defendants”),
23 because of their positions with the Company, possessed the power and authority to control
24 the contents of the Company’s reports to the SEC, press releases and presentations to
25 securities analysts, money and portfolio managers and institutional investors, *i.e.*, the
26 market. The Individual Defendants were provided with copies of the Company’s reports
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