

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

PEDRO BALDERAS, Individually and On  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

360 DIGITECH, INC., HAISHENG WU,  
JIANG WU, and ZUOLI XU,

Defendants.

Case No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiff Pedro Balderas (“Plaintiff”), individually and on behalf of all others similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of the Defendants’ public documents, conference calls and announcements made by Defendants, United States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding 360 DigiTech, Inc. (“360 DigiTech” or the “Company”), analysts’ reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

**NATURE OF THE ACTION**

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired 360 DigiTech securities between April 30, 2020 and July 7, 2021, both dates inclusive (the “Class Period”), seeking to

recover damages caused by Defendants' violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. 360 DigiTech, through its subsidiaries, operates a digital consumer finance platform under the 360 Jietiao brand in the People's Republic of China ("PRC"). Its platform provides online consumer finance products to the borrowers funded by institutional funding partners. The Company also provides incremental credit assessment, collection, and other services, as well as guarantee for defaulted loans. The Company was formerly known as 360 Finance, Inc. and changed its name to 360 DigiTech, Inc. in September 2020.

3. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company's business, operations, and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) the Company had been collecting personal information in violation of relevant PRC laws and regulations; (ii) accordingly, 360 DigiTech was exposed to an increased risk of regulatory scrutiny and/or enforcement action; and (iii) as a result, the Company's public statements were materially false and misleading at all relevant times.

4. On July 8, 2021, reports circulated on social media to the effect that the Company's core product, the 360 IOU app, had been removed from major app stores. The reports came on the heels of the removal of other companies' apps as Chinese regulators investigated their customer data protection practices.

5. On this news, 360 DigiTech's stock price fell \$7.12 per share, or 21.48%, to close at \$26.02 per share on July 8, 2021.

6. Then, on July 9, 2021, *Seeking Alpha* reported that 360 DigiTech confirmed the removal of its 360 IOU app from the Android app store and quoted a Company spokesperson, who disclosed that the Company had “submitted a new rectification plan and stepped up the whole process.”

7. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have suffered significant losses and damages.

### **JURISDICTION AND VENUE**

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

9. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act.

10. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b), as the alleged misstatements entered and the subsequent damages took place in this Judicial District. Pursuant to 360 DigiTech’s most recent Annual Report, as of December 31, 2020, there were 304,453,780 of the Company’s ordinary shares outstanding. 360 DigiTech’s securities trade on the Nasdaq Global Select market (“NASDAQ”). Accordingly, there are presumably hundreds, if not thousands, of investors in 360 DigiTech’s securities located within the U.S., some of whom undoubtedly reside in this Judicial District.

11. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited

to, the mails, interstate telephone communications, and the facilities of the national securities markets.

### **PARTIES**

12. Plaintiff, as set forth in the attached Certification, acquired 360 DigiTech securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosures.

13. Defendant 360 DigiTech is a Cayman Islands corporation with principal executive offices located at 7/F Lujiazui Finance Plaza, No. 1217, Dongfang Road, Pudong New Area, Shanghai 200122, PRC. The Company's common shares trade in an efficient market on the NASDAQ under the ticker symbol "QFIN".

14. Defendant Haisheng Wu ("H. Wu") has served as 360 DigiTech's Chief Executive Officer and as a Director at all relevant times.

15. Defendant Jiang Wu ("J. Wu") served as 360 DigiTech's Chief Financial Officer from prior to the start of the Class Period until September 2020, and has served as 360 DigiTech's Chief Strategy Officer since September 2020.

16. Defendant Zuoli Xu ("Xu") has served as 360 DigiTech's Chief Financial Officer since September 2020.

17. Defendants H. Wu, J. Wu, and Xu are sometimes referred to herein as the "Individual Defendants."

18. The Individual Defendants possessed the power and authority to control the contents of 360 DigiTech's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of 360 DigiTech's SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and

opportunity to prevent their issuance or to cause them to be corrected. Because of their positions with 360 DigiTech, and their access to material information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading. The Individual Defendants are liable for the false statements and omissions pleaded herein.

19. 360 DigiTech and the Individual Defendants are collectively referred to herein as “Defendants.”

### **SUBSTANTIVE ALLEGATIONS**

#### **Background**

20. 360 DigiTech, through its subsidiaries, operates a digital consumer finance platform under the 360 Jietiao brand in the PRC. Its platform provides online consumer finance products to the borrowers funded by institutional funding partners. The Company also provides incremental credit assessment, collection, and other services, as well as guarantee for defaulted loans. The Company was formerly known as 360 Finance, Inc. and changed its name to 360 DigiTech, Inc. in September 2020.

#### **Materially False and Misleading Statements Issued During the Class Period**

21. The Class Period begins on April 30, 2020, when 360 DigiTech filed an Annual Report on Form 20-F with the SEC, reporting the Company’s financial and operating results for the year ended December 31, 2019 (the “2019 20-F”). The 2019 20-F stated, in relevant part:

#### ***Privacy protection***

We are dedicated to privacy protection of our borrowers during our risk management process, and we adopt policies to make sure we always obtain users’ consent for our use of data and enquire from other sources of their information. We also obtain consent from our borrowers to use the data collected by 360 Group for

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