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9
10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA

12 TYLER WARRINER, INDIVIDUALLY
13 AND ON BEHALF OF ALL OTHERS
14 SIMILARLY SITUATED,

15 Plaintiff,

16 vs.

17 PINGTAN MARINE ENTERPRISE LTD.,
18 XINRONG ZHUO, ROY YU, JIN SHI,
19 AND XUESONG SONG,

20 Defendants.

CASE No.:

CLASS ACTION
COMPLAINT FOR VIOLATIONS
OF THE FEDERAL SECURITIES
LAW

JURY TRIAL DEMANDED

21 Plaintiff Tyler Warriner, individually and on behalf of all other persons
22 similarly situated, by his undersigned attorneys, for his complaint against
23 Defendants, alleges the following based upon personal knowledge as to himself and
24 his own acts, and information and belief as to all other matters, based upon, *inter*
25 *alia*, the investigation conducted by and through his attorneys, which included,
26 among other things, a review of the Defendants' public documents, United States
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1 Securities and Exchange Commission (“SEC”) filings, and information readily
2 obtainable on the Internet. Plaintiff believes that substantial evidentiary support
3 will exist for the allegations set forth herein after a reasonable opportunity for
4 discovery.
5

6 **NATURE OF THE ACTION**
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8 1. This is a federal securities class action on behalf of a class consisting
9 of all persons other than Defendants who purchased the common stock of Pingtan
10 Marine Enterprise Ltd. (“Pingtan” or the “Company”) between May 14, 2013 and
11 November 6, 2014 (the “Class Period”), inclusive, seeking to recover compensable
12 damages caused by Defendants’ violations of federal securities laws and pursue
13 remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).
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15
16 2. On October 25, 2012 the companies China Growth Equity Investments
17 Ltd. (“CGEI”), China Dredging Group Co., Ltd. (“CDGC”) and Fujian Provincial
18 Pingtan County Ocean Fishing Group Co., Ltd. (“Pingtan Fishing”) announced that
19 CDGC was going to be merged into CGEI and that CGEI would then acquire
20 Pingtan Fishing. The merger was complete on February 25, 2013 with the resulting
21 entity now known as Defendant Pingtan Marine Enterprise Ltd. (“Pingtan”).
22

23
24 3. During the Class Period, the Company engaged in related party
25 transactions that were not properly disclosed to investors and were detrimental to
26 Pingtan and its shareholders.
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1 **PARTIES**

2 10. Plaintiff, as set forth in the accompanying certification, incorporated
3 by reference herein, purchased Pingtan common stock at artificially inflated prices
4 during the Class Period and has been damaged thereby.
5

6 11. Defendant Pingtan is incorporated in the Cayman Islands with its
7 headquarters located in Fuzhou in the People’s Republic of China (“PRC”). The
8 Company is an ocean fishing business that owns or operates vessels in the Indian
9 Exclusive Economic Zone and the Arafura Sea of Indonesia. The Company
10 provides seafood throughout the PRC. During the Class Period, the Company’s
11 stock was traded on the NASDAQ under the symbol “PME.”
12

13 12. Defendant Xinrong Zhuo (“Zhuo”) is and was the Company’s Chief
14 Executive Officer and Chairman of the Board of Directors at all relevant times
15 during the Class Period.
16

17 13. Defendant Roy Yu (“Yu”) is and was the Company’s Chief Financial
18 Officer at all relevant times during the Class Period.
19

20 14. Zhuo and Yu are collectively referred to hereinafter as the “Individual
21 Defendants.”
22

23 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

24 15. Plaintiff brings this action as a class action pursuant to Federal Rules
25 of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all persons
26 who purchased the common stock of Pingtan during the Class Period and who were
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1 damaged thereby. Excluded from the Class are Defendants, the officers and
2 directors of the Company at all relevant times, members of their immediate families
3 and their legal representatives, heirs, successors or assigns and any entity in which
4 Defendants have or had a controlling interest.
5

6 16. The members of the Class are so numerous that joinder of all members
7 is impracticable. Throughout the Class Period, Pingtan's common stock was
8 actively traded on the NASDAQ. While the exact number of Class members is
9 unknown to Plaintiff at this time and can only be ascertained through appropriate
10 discovery, Plaintiff believes that there are at least hundreds of members in the
11 proposed Class. Members of the Class may be identified from records maintained
12 by Pingtan or its transfer agent and may be notified of the pendency of this action
13 by mail, using a form of notice customarily used in securities class actions.
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16 17. Plaintiff's claims are typical of the claims of the members of the Class,
17 as all members of the Class are similarly affected by Defendants' wrongful conduct
18 in violation of federal law that is complained of herein.
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21 18. Plaintiff will fairly and adequately protect the interests of the members
22 of the Class and has retained counsel competent and experienced in class and
23 securities litigation.
24

25 19. Common questions of law and fact exist as to all members of the Class
26 and predominate over any questions solely affecting individual members of the
27 Class. Among the questions of law and fact common to the Class are:
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1 (a) whether the federal securities laws were violated by Defendants’
2 acts as alleged herein;

3
4 (b) whether the misstatements and omissions alleged herein were
5 made with scienter;

6
7 (c) whether statements made by Defendants to the investing public
8 during the Class Period misrepresented material facts about the business and
9 operations of Pingtan; and

10 (d) to what extent the members of the Class have sustained
11 damages, and the proper measure of damages.
12

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

22 21. The Class Period begins on May 14, 2013 when the Company filed
23 with the SEC a materially false and misleading Form 10-Q for the first quarter
24 ended March 31, 2013 (“1Q13 10-Q”). The 1Q13 10-Q contained incorrect
25 financial statements. The 1Q13 10-Q was signed by Defendants Zhou and Yu.
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1 Accompanying the 1Q13 10-Q were executed Sarbanes-Oxley Act of 2002
2 (“SOX”) certifications of Defendants Zhou and Yu.

3
4 22. On August 9, 2013, Pingtan filed with the SEC a materially false and
5 misleading Form 10-Q for the second quarter ended June 30, 2014 (the “2Q13 10-
6 Q”). The 2Q13 10-Q was false and misleading because they contained incorrect
7 financial statements. The 2Q13 10-Q was signed by Defendants Zhou and Yu.
8 Accompanying the 2Q13 10-Q were executed SOX certifications of Defendants
9 Zhou and Yu.
10

11
12 23. On November 14, 2013 Pingtan filed with the SEC a materially false
13 and misleading Form 10-Q for the third quarter ended September 30, 2103 (the
14 “3Q13 10-Q”). The 3Q13 10-Q failed to properly disclose related party
15 transactions. The 3Q13 10-Q states in relevant part:
16

17 On June 19, 2013, the Company entered into a master agreement with
18 a related company, Fuzhou Honglong Ocean Fishery Co.,Ltd (“Hong
19 Long”) to acquire 46 fishing vessels with total consideration of \$410.1
20 million that was based on independent valuation reports dated June 6,
21 2013. The major shareholder of Hong Long is Ms. Ping Lin, spouse of
22 Xingrong Zhuo, the Company’s Chairman and CEO, who holds
23 66.47% whereas the remaining two shareholders hold 33.53% during
24 the second quarter of 2013. Mr. Zhuo currently holds about 56.2% of
25 PME. The transaction between PME and Hong Long is accounted as
26 common control transaction. Based on Accounting Standards
27 Codification (“ASC”) 805-50, PME recorded the value of \$21.8
28 million (RMB 133,701,821) as the cost of the vessels which was the
net carrying amount recorded in Hong Long’s books at the date of
transfer. The balance of \$388.3 million above carrying amount treated
as a return of capital in the equity accounts. \$273.6 million was
recorded as a reduction in retained earnings and the balance of \$114.7
million applied to additional paid-in capital.

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2 24. The 3Q13 10-Q was signed by Defendants Zhou and Yu.
3 Accompanying the 3Q13 10-Q were executed SOX certifications signed by
4 Defendants Zhou and Yu.
5

6 25. On March 10, 2014 Pingtan filed with the SEC a materially false and
7 misleading Form 10-K for the year ended December 31, 2013 (the “2013 10-K”).
8 The 2013 10-K contained incorrect financial statements and the disclosure of
9 related party transactions were false and misleading. The 2013 10-K was signed by
10 Defendants Zhou and Yu. Accompanying the 2013 10-K were executed SOX
11 certifications signed by Defendants Zhou and Yu.
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14 26. On May 7, 2014 the Company filed with the SEC a materially false
15 and misleading Form 10-Q for the first quarter ended March 31, 2014 (the “1Q14
16 10-Q”). The financial statements contained in the 1Q14 10-Q and the disclosure of
17 related party transactions were false and misleading. The 1Q14 10-Q was signed by
18 Defendant Zhou and Yu. Accompanying the 1Q14 10-Q were the executed SOX
19 certifications of Defendants Zhou and Yu falsely attesting to the accuracy of the
20 1Q14 10-Q.
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23 27. On August 7, 2014 the Company filed with the SEC a materially false
24 and misleading Form 10-Q for the second quarter ended June 30, 2014 (the “2Q14
25 10-Q”). The financial statements contained in the 2Q14 10-Q and disclosure of
26 related party transactions were false and misleading.
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1 from Mr. Zhou's wife at prices in the range of 8-10 times more than
2 the cost of the vessels purchased from unrelated parties."

3 30. The release of this SeekingAlpha.com article shocked the market and
4 caused the Company's stock fall \$0.84 per share, or about 25%, to close at \$2.47
5 per share on June 13, 2014.
6

7 31. On November 6, 2014 the Company issued a press release entitled
8 "Pingtan Marine Enterprise Files Amended Financial Results To Reflect 20 Fishing
9 Vessels Leased At Historical Cost; Schedules 2014 Third Quarter Financial Results
10 And Conference Call." The press release disclosed the Company's need to restate
11 its previously issued financial statements for the years ending December 31, 2012
12 and 2013 and for the periods ending March 31, 2014 and 2013 as well as June 2014
13 and 2013. This press release also was filed as an exhibit to Form 8-K filed with the
14 SEC. The press release states in relevant part:
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18 FUZHOU, China, Nov. 6, 2014 /PRNewswire/ -- Pingtan Marine
19 Enterprise Ltd. (PME), ("Pingtan," or the "Company"), an integrated
20 marine services company in the People's Republic of China (PRC),
21 announced today that **the Company will restate its previously issued
22 annual financial statements for the years ended December 31, 2013
23 and 2012, and for the periods ended March 31, 2014 and 2013, and
24 June 2014 and 2013 primarily to reflect 20 fishing vessels leased
25 from a related party pursuant to an operating lease rights
26 agreement at historical cost in property, plant and equipment,
27 clarify certain disclosures, and record other miscellaneous
28 adjustments such as the reclassification of certain balance sheet
items and adjustments to depreciation and amortization expense.
This restatement had the effect of reducing total assets by \$188**

1 **million and stockholder's equity by \$187 million at December 31,**
2 **2013.**

3 The restatement had a positive impact on the consolidated statement of
4 income for all affected periods. For the year ended December 31,
5 2013, net income from continuing operations increased by
6 approximately \$1.6 million, or \$0.01 per basic and diluted share, to
7 \$47.1 million, or \$0.60 per basic and diluted share.

8 Mr. Xinrong Zhuo, Chairman and CEO of the Company, commented,
9 "We worked diligently with our newly appointed auditors, BDO
10 China, and our newly appointed financial accounting consultant to
11 properly reflect the accounting impact of these restatements and we
12 have improved our financial reporting capabilities. The immediate
13 impact of these restatements on our consolidated financial statements
14 was a reduction in our total assets and shareholders' equity, and a
15 benefit to our consolidated statement of income due to lower
16 depreciation and amortization expenses. We do not expect these
17 accounting changes to have any current or future impact on the profit
18 potential for Pingtan as we expand our fleet."

19 (emphasis added)

20 32. On November 6, 2014, the Company filed a Form 8-K with the SEC
21 announcing that previously issued financial statements could no longer be relied
22 upon. The announcement states in relevant part:

23 Item 4.02 Non reliance on Previously Issued Financial Statements or a
24 Released Audit Report or Completed Interim Review

25 On November 4, 2014, **the Audit Committee of the Board of**
26 **Directors of Pingtan Marine Enterprise., Ltd. (the "Company",**
27 **"us", "we"), ("our") concluded that certain of the Company's**
28 **consolidated financial statements could no longer be relied upon**
29 **and the Company needs to correct the following consolidated**
30 **financial statements to reflect these errors:**

31 • **our audited consolidated balance sheets as of December 31, 2013**
32 **and 2012 and the related consolidated statements of income and**

1 comprehensive income for the years ended December 31, 2013 and
2 2012.

3 • our unaudited consolidated balance sheet as of September 30,
4 2013 and the related condensed consolidated statements of income
5 and comprehensive income for the three and nine months ended
6 September 30, 2013.

7 • our unaudited condensed consolidated balance sheets as of June
8 30, 2014 and 2013 and the related condensed consolidated
9 statements of income and comprehensive income for the three and
10 six months ended June 30, 2014 and 2013.

11 • our unaudited condensed consolidated balance sheets as of
12 March 31, 2014 and 2013 and the related condensed consolidated
13 statements of income and comprehensive income for the three
14 months ended March 31, 2014 and 2013.

15 The Company, including the Audit Committee of the Board of
16 Directors, has discussed these matters with the Company's previous
17 independent registered public accounting firm, UHY VOCATION HK
18 CPA LIMITED.

19 We shall file an amended 10-K report for the year ended December 31,
20 2013. The amended Annual Report on Form 10-K/A of Pingtan
21 Marine Enterprise Ltd for the year ended December 31, 2013 will
22 reflect the restatement of our consolidated financial statements as of
23 December 31, 2013 and 2012 and for the years ended December 31,
24 2013 and 2012.

25 We will file amended 10-Q reports for the periods ended June 30, 2014
26 and March 31, 2014. The amended Quarterly Reports on Form 10-Q/A
27 of Pingtan Marine Enterprise Ltd for the periods ended June 30, 2014
28 and March 31, 2014 will reflect the restatement of our unaudited
consolidated financial statements as of June 30, 2014 and March 31,
2014, and for the three and six months ended June 30, 2014 and 2013,
and for the three months ended March 31, 2014 and 2013.

The Quarterly Reports on Form 10-Q of Pingtan Marine Enterprise Ltd
for the period ended September 30, 2014 will reflect the restatement of
our unaudited consolidated financial statements for the three and nine
months ended September 30, 2013.

The effect of this restatement in the Company's consolidated financial
statements at December 31, 2013 and 2012 and for the years ended
December 31, 2013 and 2012 are summarized and shown in the tables
as follows:

The Company's consolidated financial statements will be restated as of
December 31, 2013 and 2012 and for the years ended December 31,
2013 and 2012. **We incorrectly reflected certain balances of China
Growth Equity Investments Ltd. in our consolidated financial
statements at December 31, 2012 that should have been reflected
as part of the recapitalization of the Company on the effective date
of the share exchange agreement that occurred on February 25,**

1 **2013.** Accordingly, we will amend our consolidated financial
2 statements for the year ended December 31, 2013 and 2012 to only
3 reflect the historical consolidated financial statements of CDGC and
4 Merchant Supreme as the accounting acquirer prior to February 25,
5 2013 and the consolidated financial statements of PME, CDGC and
6 Merchant Supreme and related subsidiaries for all periods subsequent
7 to the closing date.

8 **In summary, the effect of such restatement at December 31, 2012**
9 **and for the year ended December 31, 2012 was primarily to reduce**
10 **cash by \$3,565,355 for the amount of cash acquired on the merger**
11 **date of February 25, 2013, to increase net income by \$2,376,347 by**
12 **reducing general administrative expense for amounts related to**
13 **accounting acquire prior to the merger date, to increase net**
14 **income and property and equipment by \$606,335 due to the**
15 **reduction of depreciation expense and an increase in capitalized**
16 **interest, and to remove additional paid-in capital related to the**
17 **accounting acquiree of approximately \$5.9 million.**

18 Additionally, we restated our consolidated financial statements as of
19 December 31, 2013 and for the year ended December 31, 2103 to:

- 20
- 21 a) adjust the prepaid vessel rights to the historical cost of the
22 vessels leased which is the historical cost of the 20 vessels
23 on the books of Hong Long, to reflect the historical cost of
24 the 20 leased vessels as a capital lease and reclassify such
25 amounts to property, plant and equipment, to adjust the
26 related depreciation and amortization expense, and to reflect
27 any excess amounts paid for the leased operating rights as a
28 capital distribution pursuant to ASC 805-50;
 - b) clarify certain disclosures related to the acquisition of 46
 vessels from a related party in June 2013 and disclosure
 related to the acquisition of operating license rights to 20
 vessels in December 2013 from a related party; and,
 - c) to record other miscellaneous adjustments such as the
 reclassification of certain balance sheet items and
 adjustment to adjust depreciation expense.

In summary, the effect of such restatement at December 31, 2013
 and for the year ended December 31, 2013 was to reduce total
 assets by approximately \$188 million primarily related to the
 adjustment of prepaid vessel rights to the historical cost of the
 vessels leased which is the historical cost of the 20 vessels on the
 books of Hong Long and to reflect the historical cost of the 20
 leased vessels as a capital lease and reclassify such amounts to
 property, plant and equipment, to reduce liabilities by \$1.3 million,
 and a related reduction of stockholders' equity by \$187 million.

 The restatement had a positive impact on the consolidated statement of
income for all affected periods. For the year ended December 31, 2013,
net income from continuing operations increased by approximately
\$1.6 million, or \$0.01 per basic and diluted share, to \$47.1 million, or
\$0.60 per basic and diluted share.

1 Accordingly, the Company's consolidated balance sheets at December
2 31, 2013 and 2012 and for the years ended December 31, 2013 and
3 2012, the consolidated statements of income and comprehensive
4 income (loss) and statement of cash flows have been restated herein.
The effect of correcting these error in the Company's consolidated
financial statements at December 31, 2013 and 2012 and for the years
ended December 31, 2013 and 2012 are shown in the tables as follows:

5 (emphasis added)

6 33. This announcement shocked the market and caused the Company's
7 stock fall \$0.10 per share, or about 7%, to close at \$1.29 per share on November 6,
8 2014.

9 34. Had the Plaintiff and the Class been aware of this adverse information
10 they would not have purchased the Company's securities at all or would not have
11 purchased such securities at the artificially inflated prices at which they did.

12 **Applicability of Presumption of Reliance:**
13 **Fraud-on-the-Market Doctrine**

14 35. At all relevant times, the market for Pingtan common stock was an
15 efficient market for the following reasons, among others:

16 (a) The Company's stock met the requirements for listing, and was listed
17 and actively traded on NASDAQ, a highly efficient and automated market;

18 (b) During the class period, on average, over hundreds of thousands of
19 shares of Pingtan stock were traded on a weekly basis, demonstrating a very active and
20 broad market for Pingtan and permitting a very strong presumption of an efficient
21 market;

1 (c) Pingtan regularly communicated with public investors via
2 established market communication mechanisms, including through regular
3 disseminations of press releases on the national circuits of major newswire
4 services and through other wide-ranging public disclosures, such as
5 communications with the financial press and other similar reporting services;
6

7
8 (d) Numerous FINRA member firms were active market-makers in
9 Pingtan stock at all times during the Class Period; and

10 (e) Unexpected material news about Pingtan was rapidly reflected
11 and incorporated into the Company's stock price during the Class Period.
12

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

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21 **ECONOMIC LOSS/LOSS CAUSATION**

22 37. The market for Pingtan's common stock was open, well-developed and
23 efficient at all relevant times. As a result of these materially false and misleading
24 statements and failures to disclose, Pingtan's securities traded at artificially inflated
25 prices during the Class Period. Plaintiffs and other members of the Class purchased
26 or otherwise acquired Pingtan's common stock relying upon the integrity of the
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1 market price of Pingtan's securities and market information relating to Pingtan, and
2 have been damaged thereby.

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4 38. During the Class Period, Defendants materially misled the investing
5 public, thereby inflating the price of Pingtan's common stock, by publicly issuing
6 false and misleading statements and omitting to disclose material facts necessary to
7 make Defendants' statements, as set forth herein, not false and misleading. Said
8 statements and omissions were materially false and misleading in that they failed to
9 disclose material adverse information and misrepresented the truth about the
10 Company, its business and operations, as alleged herein.
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13 39. At all relevant times, the material misrepresentations and omissions
14 particularized in this Complaint directly or proximately caused or were a substantial
15 contributing cause of the damages sustained by Plaintiffs and other members of the
16 Class. As described herein, during the Class Period, Defendants made or caused to
17 be made a series of materially false or misleading statements about Pingtan's
18 business and operations. These material misstatements and omissions had the cause
19 and effect of creating in the market an unrealistically positive assessment of Pingtan
20 and its business and operations, thus causing the Company's common stock to be
21 overvalued and artificially inflated at all relevant times. Defendants' materially
22 false and misleading statements during the Class Period resulted in Plaintiffs and
23 other members of the Class purchasing the Company's securities at artificially
24 inflated prices, thus causing the damages complained of herein.
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FIRST CLAIM
Violation of Section 10(b) of
The Exchange Act and Rule 10b-5
Promulgated Thereunder Against All Defendants

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4 40. Plaintiff repeats and realleges each and every allegation contained
5 above as if fully set forth herein.

6 41. During the Class Period, Defendants carried out a plan, scheme and
7 course of conduct which was intended to and, throughout the Class Period, did: (1)
8 deceive the investing public, including Plaintiff and other Class members, as
9 alleged herein; and (2) cause Plaintiff and other members of the Class to purchase
10 Pingtan's securities at artificially inflated prices. In furtherance of this unlawful
11 scheme, plan and course of conduct, each of the Defendants took the actions set
12 forth herein.
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15 42. Defendants: (a) employed devices, schemes, and artifices to defraud;
16 (b) made untrue statements of material fact and/or omitted to state material facts
17 necessary to make the statements not misleading; and (c) engaged in acts, practices,
18 and a course of business that operated as a fraud and deceit upon the purchasers of
19 the Company's securities in an effort to maintain artificially high market prices for
20 Pingtan's securities in violation of Section 10(b) of the Exchange Act and Rule
21 10b-5 promulgated thereunder. All Defendants are sued either as primary
22 participants in the wrongful and illegal conduct charged herein or as controlling
23 persons as alleged below.
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1 43. Defendants, individually and in concert, directly and indirectly, by the
2 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
3 and participated in a continuous course of conduct to conceal adverse material
4 information about the business, operations and future prospects of Pingtan as
5 specified herein.
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8 44. These Defendants employed devices, schemes, and artifices to defraud
9 while in possession of material adverse non-public information, and engaged in
10 acts, practices, and a course of conduct as alleged herein in an effort to assure
11 investors of Pingtan's value and performance and continued substantial growth,
12 which included the making of, or participation in the making of, untrue statements
13 of material facts and omitting to state material facts necessary in order to make the
14 statements made about Pingtan and its business operations and future prospects in
15 the light of the circumstances under which they were made, not misleading, as set
16 forth more particularly herein, and engaged in transactions, practices and a course
17 of business that operated as a fraud and deceit upon the purchasers of Pingtan's
18 securities during the Class Period.
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22 45. Each of the Individual Defendants' primary liability, and controlling
23 person liability, arises from the following facts: (1) the Individual Defendants were
24 high-level executives, directors, and/or agents at the Company during the Class
25 Period and members of the Company's management team or had control thereof;
26
27 (2) each of these Defendants, by virtue of his responsibilities and activities as a
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1 senior officer and/or director of the Company, was privy to and participated in the
2 creation, development and reporting of the Company's financial condition; (3) each
3 of these Defendants enjoyed significant personal contact and familiarity with the
4 other Defendants and was advised of and had access to other members of the
5 Company's management team, internal reports and other data and information
6 about the Company's finances, operations, and sales at all relevant times; and (4)
7 each of these Defendants was aware of the Company's dissemination of
8 information to the investing public which they knew or recklessly disregarded was
9 materially false and misleading.
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13 46. Defendants had actual knowledge of the misrepresentations and
14 omissions of material facts set forth herein, or acted with reckless disregard for the
15 truth in that they failed to ascertain and to disclose such facts, even though such
16 facts were available to them. Such Defendants' material misrepresentations and/or
17 omissions were done knowingly or recklessly and for the purpose and effect of
18 concealing Pingtan's operating condition and future business prospects from the
19 investing public and supporting the artificially inflated price of its securities. As
20 demonstrated by Defendants' overstatements and misstatements of the Company's
21 financial condition throughout the Class Period, Defendants, if they did not have
22 actual knowledge of the misrepresentations and omissions alleged, were reckless in
23 failing to obtain such knowledge by deliberately refraining from taking those steps
24 necessary to discover whether those statements were false or misleading.
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1 47. As a result of the dissemination of the materially false and misleading
2 information and failure to disclose material facts, as set forth above, the market
3 price of Pingtan's securities was artificially inflated during the Class Period. In
4 ignorance of the fact that market prices of Pingtan's publicly-traded securities were
5 artificially inflated, and relying directly or indirectly on the false and misleading
6 statements made by Defendants, or upon the integrity of the market in which the
7 common stock trades, and/or on the absence of material adverse information that
8 was known to or recklessly disregarded by Defendants but not disclosed in public
9 statements by Defendants during the Class Period, Plaintiff and the other members
10 of the Class acquired Pingtan's securities during the Class Period at artificially high
11 prices and were or will be damaged thereby.

12 48. At the time of said misrepresentations and omissions, Plaintiff and
13 other members of the Class were ignorant of their falsity, and believed them to be
14 true. Had Plaintiff and the other members of the Class and the marketplace known
15 the truth regarding Pingtan's financial results, which was not disclosed by
16 Defendants, Plaintiff and other members of the Class would not have purchased or
17 otherwise acquired their Pingtan's securities, or, if they had acquired such securities
18 during the Class Period, they would not have done so at the artificially inflated
19 prices that they paid.

20 49. By virtue of the foregoing, Defendants have violated Section 10(b) of
21 the Exchange Act, and Rule 10b-5 promulgated thereunder.
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1 reports, press releases, public filings and other statements alleged by Plaintiff to
2 have been misleading prior to and/or shortly after these statements were issued and
3 had the ability to prevent the issuance of the statements or to cause the statements to
4 be corrected.
5

6 54. In particular, each of these Defendants had direct and supervisory
7 involvement in the day-to-day operations of the Company and, therefore, is
8 presumed to have had the power to control or influence the particular transactions
9 giving rise to the securities violations as alleged herein, and exercised the same.
10

11 55. As set forth above, Pingtan and the Individual Defendants each
12 violated Section 10(b), and Rule 10b-5 promulgated thereunder, by their acts and
13 omissions as alleged in this Complaint.
14

15 56. By virtue of their positions as controlling persons, the Individual
16 Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct
17 and proximate result of Defendants' wrongful conduct, Plaintiff and other members
18 of the Class suffered damages in connection with their purchases of the Company's
19 securities during the Class Period.
20

21 57. This action was filed within two years of discovery of the fraud and
22 within five years of each Plaintiff's purchases of securities giving rise to the cause
23 of action.
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26 **WHEREFORE**, Plaintiff prays for relief and judgment, as follows:
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(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) 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: November 24, 2014

THE ROSEN LAW FIRM, P.A.

/s/ Laurence Rosen
Laurence M. Rosen, Esq. (SBN 219683)
355 South Grand Avenue, Suite 2450
Los Angeles, CA 90071
Telephone: (213) 785-2610
Facsimile: (213) 226-4684
Email: rosen@rosenlegal.com

Counsel for Plaintiffs

Certification and Authorization of Named Plaintiff Pursuant to Federal Securities Laws

The individual or institution listed below (the "Plaintiff") authorizes and, upon execution of the accompanying retainer agreement by The Rosen Law Firm P.A., retains The Rosen Law Firm P.A. to file an action under the federal securities laws to recover damages and to seek other relief against Pingtan Marine Enterprise Ltd.. The Rosen Law Firm P.A. will prosecute the action on a contingent fee basis and will advance all costs and expenses. The Pingtan Marine Enterprise Ltd.. Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The Rosen Law Firm P.A.

First name: Tyler
Middle initial: R
Last name: Warriner
Address: REDACTED
City:
State:
Zip:
Country:
Facsimile:
Phone:
Email:



Plaintiff certifies that:

1. Plaintiff has reviewed the complaint and authorized its filing.
2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.
4. Plaintiff represents and warrants that he/she/it is fully authorized to enter into and execute this certification.
5. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.
6. Plaintiff has made no transaction(s) during the Class Period in the debt or equity securities that are the subject of this action except those set forth below:

Acquisitions:

Type of Security	Buy Date	# of Shares	Price per Share
Common Stock	06/16/2014	700	2.7357
Common Stock	03/17/2014	1000	3.9993

7. I have not served as a representative party on behalf of a class under the federal security laws during the last three years, except if detailed below. []

I declare under penalty of perjury, under the laws of the United States, that the information entered is accurate:

YES

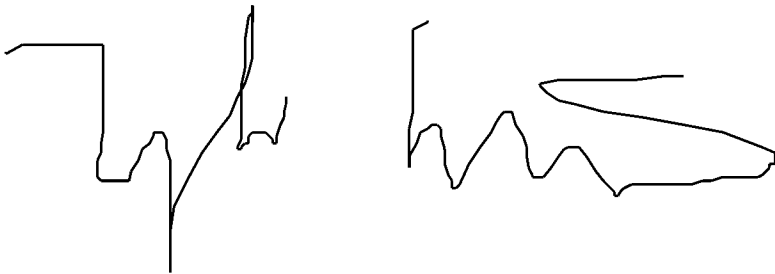
Certification for Tyler Warriner (cont.)

By clicking on the button below, I intend to sign and execute this agreement and retain the Rosen Law Firm, P.A. to proceed on Plaintiff's behalf, on a contingent fee basis.

YES

Signed pursuant to California Civil Code Section 1633.1, et seq. - and the Uniform Electronic Transactions Act as adopted by the various states and territories of the United States.

Date of signing: 11/10/2014

The image shows two handwritten signatures in black ink. The signature on the left is more complex and stylized, while the signature on the right is simpler and more legible, appearing to be 'T. Warriner'.