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8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10 DAN KATZ, INDIVIDUALLY AND ON
11 BEHALF OF ALL OTHERS SIMILARLY
12 SITUATED,

13 Plaintiff,

14 vs.

15 CHINA CENTURY DRAGON MEDIA,
16 INC., HAIMING FU, DAPENG DUAN,
17 HUHUA LI, ZHIFENG YAN, DAVID DE
18 CAMPO, YUE LU, FANG YUAN,
19 WESTPARK CAPITAL, INC., JOSEPH
20 GUNNAR & CO, LLC, I-BANKERS
SECURITIES, INC., AND AEGIS
CAPITAL CORPORATION,

21 Defendants.

CASE No.:

CV11-2769 RSW L (SSx)
COMPLAINT

CLASS ACTION

JURY TRIAL DEMANDED

F/S
21

22 Plaintiff Dan Katz, individually and on behalf of all other persons similarly
23 situated, by his undersigned attorneys, for his complaint against China Century
24 Dragon Media, Inc. ("CDM", or the "Company"), alleges the following based upon
25 personal knowledge as to himself and his own acts, and information and belief as to
26 all other matters, based upon, *inter alia*, the investigation conducted by and through
27 his attorneys, which included, among other things, a review of the Defendant's
28

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 (1) purchased or otherwise acquired the securities of CDM pursuant and/or
12 traceable to the Company’s Registration and Statement and Prospectus
13 (collectively, the “Registration Statement”) issued in connection with the
14 Company’s February 8, 2011 initial public offering (the “IPO” or the “Offering”)
15 seeking to pursue remedies under the Sections 11, 12(a)(2), and 15 of Securities Act
16 of 1933 (the “Securities Act”); and (2) purchased or otherwise acquired the
17 securities of CDM during the period from February 8, 2011 to March 25, 2011,
18 inclusive (the “Class Period”), seeking to pursue remedies under Sections 10(b) and
19 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”).
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24 2. On February 4, 2011 the Company filed with the SEC an amended
25 Registration Statement on Form S-1/A in connection with the Offering. The
26 Registration Statement also contained a Prospectus and both documents contained
27 the Company’s financial results for the fiscal years ended December 31, 2007,
28

1 2008, and 2009, interim quarterly reports thereof, and results for the first three
2 quarters ended in fiscal year 2010.

3
4 3. The Registration Statement was declared effective on February 7,
5 2011, and the Company filed the final prospectus with the SEC on February 8,
6 2011.

7
8 4. On February 8, 2011, the Company commenced the offering of 1.2
9 million shares of common stock priced at \$5.25 per share for total gross proceeds of
10 \$6.3 million.

11
12 5. Defendants WestPark Capital ("WestPark"), Joseph Gunnar & Co.,
13 LLC ("Gunnar"), I-Bankers Securities, Inc. ("I-Bankers"), and Aegis Capital
14 Corporation ("Aegis") were underwriters of the Offering. ("WestPark, Gunnar, I-
15 Bankers, and Aegis collectively the "Underwriters"). WestPark, Gunnar and I-
16 Bankers were the co-managers of the Offering. The Underwriters had a 45-day
17 option to purchase an additional 180,000 shares of common stock from the
18 Company to cover over-allotments.

19
20
21 6. Throughout the Class Period, the Defendants made false and/or
22 misleading statements, and failed to disclose material adverse facts about the
23 Company's business, operations, prospects and performance. Specifically, during
24 the Class Period, Defendants made false and/or misleading statements and/or failed
25 to disclose that the financial statements included in the Registration Statement as of
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1 December 31, 2009 and 2008 were materially false and misleading and could not be
2 relied upon as they contained material errors
3

4 JURISDICTION AND VENUE

5 7. The claims asserted herein arise under and pursuant to Sections 10(b)
6 and 20(a) of the Exchange Act, (15 U.S.C. §78j(b) and 78t(a)), and Rule 10b-5
7 promulgated thereunder (17 C.F.R. §240.10b-5). Additional claims arise under
8 Sections 11, 12(a)(2) and 15 of the Securities Act, 15 U.S.C. §§77k and 77o.
9

10 8. This Court has jurisdiction over the subject matter of this action
11 pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. § 1331 and
12 Section 22 of the Securities Act, 15 U.S.C. §77v.
13

14 9. Venue is proper in this Judicial District pursuant to §27 of the
15 Exchange Act, 15 U.S.C. § 78aa, 28 U.S.C. § 1391(b), and Section 22 of the
16 Securities Act, 15 U.S.C. §77v.
17

18 10. In connection with the acts, conduct and other wrongs alleged in this
19 Complaint, the Defendants, directly or indirectly, used the means and
20 instrumentalities of interstate commerce, including but not limited to, the United
21 States mails, interstate telephone communications and the facilities of the AMEX.
22

23 PARTIES

24 11. Plaintiff Dan Katz, as set forth in the attached PSLRA certification,
25 purchased CDM securities at artificially inflated prices during the Class Period and
26 has been damaged thereby.
27
28

1 12. Defendant CDM is a Delaware Corporation with its principal
2 executive officers in Guangdong Province, China. CDM purports to be a television
3 advertising Company in China.
4

5 13. Defendant HaiMing Fu (“Fu”) was at all relevant times CDM’s Chief
6 Executive Officer; and signed the Company’s Registration Statement in connection
7 with the Offering.
8

9 14. Defendant Dapeng Duan (“Duan”) was at all relevant times CDM’s
10 Chief Financial Officer; and signed the Company’s Registration Statement in
11 connection with the Offering.
12

13 15. Defendant HuiHua Li (“Li”) was at all relevant times CDM’s
14 Chairman of the Board; and signed the Company’s Registration Statement in
15 connection with the Offering.
16

17 16. Defendant Zhifeng Yan (“Yan”) was at all relevant times a CDM
18 Director; and signed the Company’s Registration Statement in connection with the
19 Offering.
20

21 17. Defendant David De Campo (“De Campo”) was a CDM Director; and
22 signed the Company’s Registration Statement in connection with the Offering. He
23 inexplicably resigned from the Company on March 15, 2011.
24

25 18. Defendant Yue Lu (“Lu”) was at all relevant times a CDM Director;
26 and signed the Company’s Registration Statement in connection with the Offering.
27
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1 19. Defendant Fang Yuan (“Yuan”) was at all relevant times a CDM
2 Director; signed the Company’s Registration Statement in connection with the
3 Offering.
4

5 20. Defendants Fu, Duan, Li, Yan, De Campo, Lu, and Yuan are
6 collectively the “Individual Defendants”.
7

8 21. Defendant WestPark Capital (“WestPark”), Inc. is a full service
9 investment banking company. WestPark’s headquarters are located at 1900 Avenue
10 of the Stars, Suite 310, Los Angeles, CA 90067. WestPark was an underwriter of
11 the Offering.
12

13 22. Defendant Joseph Gunnar & Co., LLC (“Gunnar”) is a full service
14 broker dealer. Gunnar is headquartered in New York, New York. Gunnar was an
15 underwriter of the Offering.
16

17 23. Defendant I-Bankers Securities, Inc. (“I-Bankers”) is a full service
18 investment banking company. I-Bankers’ headquarters are located at 6303
19 Owensmouth Ave, 10th Floor, Woodland Hills, CA 91367. I-Bankers was an
20 underwriter of the Offering.
21

22 24. Defendant Aegis Capital Corporation (“Aegis”) is a private equity
23 firm. Aegis was an underwriter of the Offering.
24

25 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

26 25. Plaintiff brings this action as a class action pursuant to Federal Rules
27 of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those
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1 who: (1) purchased or otherwise acquired the securities of CDM pursuant and/or
2 traceable to the Company's Registration Statement issued in connection with the
3
4 with the Company's February 8, 2011 IPO; and (2) purchased or otherwise
5 acquired the securities of CDM during the Class Period. Excluded from the Class
6 are the officers and directors of the Company at all relevant times, members of their
7
8 immediate families and their legal representatives, heirs, successors or assigns and
9 any entity in which Defendants have or had a controlling interest.

10 26. The members of the Class are so numerous that joinder of all members
11 is impracticable. Throughout the Class Period, the Company's common stock was
12 actively traded on the AMEX. While the exact number of Class members is
13 unknown to Plaintiff at this time, and can only be ascertained through appropriate
14 discovery, Plaintiff believes that there are at least hundreds of members in the
15 proposed Class. Members of the Class may be identified from records maintained
16 by CDM or its transfer agent, and may be notified of the pendency of this action by
17 mail using a form of notice customarily used in securities class actions.

18 27. Plaintiff's claims are typical of the claims of the members of the Class,
19 as all members of the Class are similarly affected by Defendants' wrongful conduct
20 in violation of federal law that is complained of herein.

21 28. 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.
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1 2008, and 2009, interim quarterly periods thereto, and results for the first three
2 quarters ended in fiscal year 2010.

3
4 32. The Registration Statement declared effective on February 7, 2011 and
5 the Company filed the final prospectus with the SEC on February 8, 2011.

6
7 33. On February 8, 2011, the Company commenced the offering of 1.2
8 million shares of common stock priced at \$5.25 per share; for total gross proceeds
9 of \$6.3 million.

10
11 34. WestPark, Gunnar and I-Bankers were the co-managers of the
12 Offering. The Underwriters had a 45-day option to purchase an additional 180,000
13 shares of common stock from the Company to cover over-allotments.

14
15 35. Throughout the Class Period, the Defendants made false and/or
16 misleading statements, and failed to disclose material adverse facts about the
17 Company's business, operations, prospects and performance. Specifically, during
18 the Class Period, Defendants made false and/or misleading statements and/or failed
19 to disclose that the financial statements included in the Registration Statement as of
20 December 31, 2009 and 2008 were materially false and misleading and could not be
21 relied upon as they contained material errors.
22

23
24 36. On March 21, 2011 the Company filed an 8-K with the SEC
25 announcing that defendant De Campo had resigned.

26
27 37. On March 22, 2011 the Company issued a press release announcing
28 that it had received a preliminary information request form the NYSE AMEX on

1 March 21, 2011 requesting additional information.

2 38. On March 28, 2011 the Company shocked the market, revealing,
3 among other things, the falsity of the financial statements contained in the
4 Registration Statement, the resignation of its auditor MaloneBailey LLP ("MB"),
5 MB's finding they could not rely on the representations of CDM's management,
6 and a formal SEC investigation. The announcement states in relevant part:
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10 China Century Dragon Media, Inc. Announces Resignation of Auditor and
Withdrawal of Audit Opinions; Amex Delisting Notice; SEC Investigation;
and Formation of Special Investigation Committee

11 **Press Release** Source: China Century Dragon Media, Inc. On Monday March 28, 2011,
12 6:05 pm EDT

13 BEIJING, March 28, 2011 /PRNewswire/ -- China Century Dragon Media, Inc. (NYSE
14 Amex: CDM) (the "Company"), today announced that the Company's registered
independent accounting firm, MaloneBailey LLP ("MB") has formally resigned its
15 engagement with the Company as of March 22, 2011. In its resignation letter, MB
16 informed the Company that due to discrepancies noted on customer confirmations and the
auditor's inability to directly verify the Company's bank records, they believe these
17 irregularities may be an indication that the accounting records have been falsified, which
would constitute an illegal act. Furthermore, MB's letter notes that the discrepancies
18 could indicate a material error in previously issued financial statements. As a result, MB
stated that it is unable to rely on management's representations as they relate to previously
19 issued financial statements and it can no longer support its opinions related to the financial
statements as of December 31, 2009 and 2008. The Company intends to seek and retain a
20 new auditor.

21 On March 23, 2011, the Company received notification from NYSE Amex LLC ("Amex")
22 of its intention to delist the Company's common stock pursuant to Section 1009(d) of the
Amex Company Guide based on a determination that it is necessary and appropriate for
23 the protection of investors to initiate immediate delisting proceedings. Based on Amex's
review of the resignation letter from MB, it determined that the Company is not in
24 compliance with Amex listing standards and is therefore subject to immediate delisting.
Specifically, the Company is subject to delisting pursuant to Section 1003(f)(iii) in that
25 the Company's actions and inactions led to MB's resignation and withdrawal of its audit
opinions casting material doubt on the integrity of the Company's financial statements,
26 which were relied upon by Amex; MB's withdrawal of its audit opinions and that its
opinions may no longer be relied upon constitutes a material misstatement and a violation
27 of Section 132(e); the withdrawal of MB's audit opinions and that there are no current
audited financial information available for the Company as a result have caused the
28

1 Company's filings to be noncompliant with regulations of the SEC and, thus,
2 noncompliant with Section 1003(d); MB's withdrawal of its audit opinions calls into
3 question whether the Company actually met the listing standards subjecting the Company
4 to delisting pursuant to Section 1002(e); and Amex states that, based on the withdrawal of
5 MB's opinions, the Company is not compliant with Section 127. The Company has until
6 March 30, 2011 a limited right to request an appeal. If the Company does not request an
7 appeal by then, then the decision will become final and Amex will submit an application
8 to the SEC to strike the Company's common stock from listing. If the Company requests
9 an appeal, then such request will stay a delisting action. The Company currently intends
10 to appeal the delisting determination. There can be no assurance that the Company's
11 request for continued listing will be granted. The details of the Amex delisting notice is
12 set forth in Item 3.01 of the Company's Form 8-K filed with the SEC on March 28, 2011.

13
14 The Company was also recently notified by the staff of the U.S. Securities and Exchange
15 Commission ("SEC") that it has initiated a formal, nonpublic investigation into whether
16 the Company had made material misstatements or omissions concerning its financial
17 statements, including cash accounts and accounts receivable. The SEC has informed the
18 Company that the investigation should not be construed as an indication that any
19 violations of law have occurred. On March 24, 2011, the SEC served the Company a
20 subpoena for documents relating to the matters under review by the SEC. The Company is
21 committed to cooperating with the SEC. It is not possible at this time to predict the
22 outcome of the SEC investigation, including whether or when any proceedings might be
23 initiated, when these matters may be resolved or what, if any, penalties or other remedies
24 may be imposed.

25 In light of these events, the Board of Directors of the Company has formed a Special
26 Investigation Committee consisting of independent members of the Board of Directors to
27 launch an investigation with respect to the concerns of MB. The Committee is authorized
28 to retain experts and advisers, including a forensic accounting firm and independent legal
advisors, in connection with its investigation. The Company does not intend to provide
further comment regarding the allegations until after the conclusion of the Special
Committee's investigation.

The Company expects that the filing of its Annual Report on Form 10-K for the year
ended December 31, 2010 will be delayed until completion of the internal investigation,
engagement of a new auditor and audit of the Company's financial statements. The
Company is unable to provide an estimated date of filing of the 10-K at this time.

39. To date, the trading in the Company's stock remains halted, and thus,
CDM's stock is illiquid and has a fraction of its value due to its illiquidity and the
adverse information detailed above.

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

1 40. At all relevant times, the market for CDM's common stock was an
2 efficient market for the following reasons, among others:

3
4 (a) The Company's stock met the requirements for listing, and
5 was listed and actively traded on the AMEX, a highly efficient
6 and automated market;

7
8 (b) As a regulated issuer, CDM filed periodic public reports with
9 the SEC and the AMEX;

10 (c) CDM regularly communicated with public investors via
11 established market communication mechanisms, including
12 through regular disseminations of press releases on the
13 national circuits of major newswire services and through
14 other wide-ranging public disclosures, such as
15 communications with the financial press and other similar
16 reporting services;

17
18 (d) CDM was followed by several securities analysts employed
19 by major brokerage firms who wrote reports that were
20 distributed to the sales force and certain customers of their
21 respective brokerage firms during the Class Period. Each of
22 these reports was publicly available and entered the public
23 marketplace; and
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1 were not identified as “forward-looking statements” when made. To the extent
2 there were any forward-looking statements, there were no meaningful cautionary
3 statements identifying important factors that could cause actual results to differ
4 materially from those in the purportedly forward-looking statements. Alternatively,
5 to the extent that the statutory safe harbor does apply to any forward-looking
6 statements pleaded herein, Defendants are liable for those false forward-looking
7 statements because at the time each of those forward-looking statements was made,
8 the particular speaker knew that the particular forward-looking statement was false,
9 and/or the forward-looking statement was authorized and/or approved by an
10 executive officer of the Company who knew that those statements were false when
11 made.
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16 **FIRST CLAIM**
17 **Violation of Section 10(b) of**
18 **The Exchange Act and Rule 10b-5**
19 **Promulgated Thereunder Against CDM, Fu and Duan.**

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

22 45. This Claim is asserted against defendants CDM, Fu and Duan
23 (collectively, “First Claim Defendants”)

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

6 47. First Claim Defendants (a) employed devices, schemes, and artifices to
7 defraud; (b) made untrue statements of material fact and/or omitted to state material
8 facts necessary to make the statements not misleading; and (c) engaged in acts,
9 practices, and a course of business that operated as a fraud and deceit upon the
10 purchasers of the Company's securities in an effort to maintain artificially high
11 market prices for CDM's securities in violation of Section 10(b) of the Exchange
12 Act and Rule 10b-5 thereunder.
13
14

15 48. First Claim Defendants, directly and indirectly, by the use, means or
16 instrumentalities of interstate commerce and/or of the mails, engaged and
17 participated in a continuous course of conduct to conceal adverse material
18 information about the business, operations and future prospects of CDM as
19 specified herein.
20
21

22 39. First Claim Defendants employed devices, schemes, and artifices to
23 defraud while in possession of material adverse non-public information, and
24 engaged in acts, practices, and a course of conduct as alleged herein in an effort to
25 assure investors of the Company's value and performance and continued substantial
26 growth, which included the making of, or participation in the making of, untrue
27
28

1 statements of material facts and omitting to state material facts necessary in order to
2 make the statements made about the Company and its business operations and
3 future prospects in the light of the circumstances under which they were made, not
4 misleading, as set forth more particularly herein, and engaged in transactions,
5 practices and a course of business that operated as a fraud and deceit upon the
6 purchasers of the Company's securities during the Class Period.
7

9 40. First Claim Defendants had actual knowledge of the
10 misrepresentations and omissions of material facts set forth herein, or acted with
11 reckless disregard for the truth in that they failed to ascertain and to disclose such
12 facts, even though such facts were available. Such material misrepresentations
13 and/or omissions were done knowingly or recklessly and for the purpose and effect
14 of concealing the Company's operating condition and future business prospects
15 from the investing public and supporting the artificially inflated price of its
16 securities. As demonstrated by overstatements and misstatements of the
17 Company's financial condition throughout the Class Period, if the First Claim
18 Defendants did not have actual knowledge of the misrepresentations and omissions
19 alleged, they were reckless in failing to obtain such knowledge by deliberately
20 refraining from taking those steps necessary to discover whether those statements
21 were false or misleading.
22

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27 41. As a result of the dissemination of the materially false and misleading
28 information and failure to disclose material facts, as set forth above, the market

1 price of CDM's securities was artificially inflated during the Class Period. In
2 ignorance of the fact that market prices of the Company's publicly-traded securities
3 were artificially inflated, and relying directly or indirectly on the false and
4 misleading statements made by the First Claim Defendants, or upon the integrity of
5 the market in which the common stock trades, and/or on the absence of material
6 adverse information that was known to or recklessly disregarded by the First Claim
7 Defendants, but not disclosed in public statements by the First Claim Defendants
8 during the Class Period, Plaintiff and the other members of the Class acquired
9 CDM common stock during the Class Period at artificially high prices, and were, or
10 will be, damaged thereby.

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

25 43. As a direct and proximate result of the First Claim Defendants'
26 wrongful conduct, Plaintiff and other members of the Class suffered damages in
27 connection with their purchases of CDM's securities during the Class Period.
28

1 52. For purposes of this claim, Plaintiff expressly disclaims and excludes
2 any allegations that could be construed as alleging fraud or intentional or reckless
3 misconduct as this cause of action is based expressly on claims of strict liability
4 and/or negligence under the Securities Act.
5

6 53. This claim is asserted by Plaintiff against all Defendants by, and on
7 behalf of, persons who acquired shares of the Company's securities pursuant to
8 and/or traceable to Registration Statement in connection with the Offering.
9

10 54. Individual Defendants as signatories of the Registration Statement, as
11 directors and/or officers of CDM and controlling persons of the issuer, owed to the
12 holders of the securities obtained through the Registration Statement the duty to
13 make a reasonable and diligent investigation of the statements contained in the
14 Registration Statement at the time they became effective to ensure that such
15 statements were true and correct, and that there was no omission of material facts
16 required to be stated in order to make the statements contained therein not
17 misleading. Defendants knew, or in the exercise of reasonable care should have
18 known, of the material misstatements and omissions contained in or omitted from
19 the Registration Statement as set forth herein. As such, defendants are liable to the
20 Class.
21

22 55. Underwriter Defendants owed to the holders of the securities obtained
23 through the Registration Statement the duty to make a reasonable and diligent
24 investigation of the statements contained in the Registration Statement at the time
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1 they became effective to ensure that such statements were true and correct and that
2 there was no omission of material facts required to be stated in order to make the
3 statements contained therein not misleading.
4

5 56. None of the Defendants made a reasonable investigation or possessed
6 reasonable grounds for the belief that the statements contained in the Registration
7 Statement were true or that there was no omission of material facts necessary to
8 make the statements made therein not misleading.
9

10 57. Defendants issued and disseminated, caused to be issued and
11 disseminated, and participated in the issuance and dissemination of, material
12 misstatements to the investing public, which were contained in the Registration
13 Statement, that misrepresented or failed to disclose, *inter alia*, the facts set forth
14 above. By reason of the conduct herein alleged, each defendant violated and/or
15 controlled a person who violated Section 11 of the Securities Act.
16
17

18 58. As a direct and proximate result of Defendants' acts and omissions in
19 violation of the Securities Act, the market price of CDM's securities sold in the
20 Offering was artificially inflated, and Plaintiff and the Class suffered substantial
21 damage in connection with their ownership of CDM's securities pursuant to the
22 Registration Statement.
23
24

25 59. CDM is the issuer of the securities sold via the Registration Statement.
26 As issuer of the securities, the Company is strictly liable to Plaintiff and the Class
27 for the material misstatements and omissions therein.
28

1 65. Defendants were sellers, offerors, underwriters and/or solicitors of
2 sales of the CDM securities offering pursuant to the February 2011 Prospectus.

3
4 66. The Prospectus contained untrue statements of material facts, omitted
5 to state other facts necessary to make the statements made not misleading, and
6 concealed and failed to disclose material facts. Defendants' actions of solicitation
7 included participating in the preparation of the false and misleading Prospectus.
8

9 67. Defendants owed, to the purchasers of CDM securities which were
10 sold in the February 2011 Offering, the duty to make a reasonable and diligent
11 investigation of the statements contained in the Prospectus, to insure that such
12 statements were true and that there was not omission to state a material fact
13 required to be stated in order to make the statements contained therein not
14 misleading. These Defendants knew of, or in the exercise of reasonable care should
15 have known of, the misstatements and omissions contained in the Offering
16 materials as set forth above.
17
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20 68. Plaintiff and other members of the Class purchased or otherwise
21 acquired CDM securities pursuant to and traceable to the defective Prospectus.
22 Plaintiff did not know, or in the exercise of reasonable diligence could not have
23 known of the untruths and omissions.
24

25 69. Plaintiff, individually and representatively, hereby offer to tender to
26 Defendants those securities which Plaintiff and other class members continue to
27
28

1 own, on behalf of all members of the Class who continue to own such securities, in
2 return for the considerations paid for those securities together with interest thereon.
3

4 70. By reason of the conduct alleges herein, these Defendants violated,
5 and/or controlled a person who violated, section 12(a)(2) of the Securities Act.
6 Accordingly, Plaintiffs and members of the Class who hold CDM securities
7 purchased pursuant and/or traceable to the February 2011 IPO have the right to
8 rescind and recover the consideration paid for their CDM securities and, hereby
9 elect to rescind and tender their CDM securities to the Defendants sued herein.
10 Plaintiff and class members who have sold their CDM securities are entitled to
11 rescissionary damages.
12
13

14 71. Less than three years elapsed from the time that the securities upon
15 which this count is brought were sold to the public to the time of the filing of this
16 action. Less than one elapsed from the time when Plaintiff discovered or reasonably
17 could have discovered the facts upon which this count is based to the time of the
18 filing of this action.
19
20

21 **FIFTH CLAIM**

22 **Violations of Section 15 of the Securities Act**

23 **Against the Individual Defendants**

24 72. Plaintiffs repeat and reallege each and every allegation contained
25 above as if fully set forth herein. This claim is not based on, and does not allege,
26 fraud.
27
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1 73. This claim is asserted against each of the Individual Defendants, each
2 of whom was a control person of CDM during the relevant time period.

3
4 74. For the reasons set forth above, CDM is liable to Plaintiff and the
5 members of the Class who purchased CDM common stock in the Offering on the
6 untrue statements and omissions of material fact contained in the Registration
7 Statement and Prospectus, under §§11 and 12(a)(2) of the Securities Act.

8
9 75. The Individual Defendants were control persons of CDM by virtue of,
10 among other things, their positions as senior officers, directors and/or controlling
11 shareholders of the Company. Each was in a position to control and did in fact
12 control CDM and the false and misleading statements and omissions contained in
13 the Registration Statement and Prospectus
14

15
16 76. None of the Individual Defendants made reasonable investigation or
17 possessed reasonable grounds for the belief that the statements contained in the
18 Registration Statement and Prospectus were accurate and complete in all material
19 respects. Had they exercised reasonable care, they could have known of the
20 material misstatements and omissions alleged herein.
21

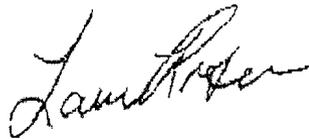
22
23 77. This claim was brought within one year after the discovery of the
24 untrue statements and omissions in the Registration Statement and Prospectus and
25 within three years after CDM common stock was sold to the Class in connection
26 with the public offering.
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Dated: March 31, 2011

Respectfully submitted,

THE ROSEN LAW FIRM, P.A.



Laurence M. Rosen, Esq. (SBN 219683)
THE ROSEN LAW FIRM, P.A.
333 South Grand Avenue, 25th Floor
Los Angeles, CA 90071
Telephone: (213) 785-2610
Facsimile: (213) 226-4684
Email: lrosen@rosenlegal.com

Counsel for Plaintiff

Rosen, Laurence

From: postmaster@rosenlegal.com
Sent: Tuesday, March 29, 2011 6:44 AM
To: lr54321@gmail.com
Subject: Confirmation of Receipt of Certification

Dear daniel s katz,

We have received your certification in the China Century Dragon Media, Inc. class action litigation. Thank you for submitting your information. Below is a copy of your certification - please retain it for your records. If you have any questions, please feel free to contact us at 1-866-rosenlegal (866-767-3653) or via e-mail at info@rosenlegal.com.

With increasing frequency, we find that our new clients were victimized by more than one company. If you think you may have lost monies in the market due to the dishonest acts or statements of a different company and would like it to be investigated, free of charge, please email us at reportfraud@rosenlegal.com.

Sincerely,

The Rosen Law Firm P.A.

CERTIFICATION

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 China Century Dragon Media, Inc.. The Rosen Law Firm P.A. will prosecute the action on a contingent fee basis and will advance all costs and expenses. The China Century Dragon Media, Inc. Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The Rosen Law Firm P.A.

First name: daniel

Last name: katz

Address: [REDACTED]

City: [REDACTED]

State, Zip: [REDACTED]

Email: [REDACTED]

Phone: [REDACTED]

REDACTED

The 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:

Shares Purchased:

Purchase Date(s): 03/10/11
Number of shares: 300
Price per Share: 5.04

Purchase Date(s): 03/10/11
Number of shares: 800
Price per Share: 5.03

Purchase Date(s): 03/10/11
Number of shares: 2000
Price per Share: 5.0399

Purchase Date(s): 03/10/11
Number of shares: 700
Price per Share: 5.03

Purchase Date(s): 03/10/11
Number of shares: 4000
Price per Share: 5.04

Purchase Date(s): 03/10/11
Number of shares: 2200
Price per Share: 5.0299

Purchase Date(s): 03/11/11
Number of shares: 1500
Price per Share: 4.55

Purchase Date(s): 03/11/11
Number of shares: 2000
Price per Share: 4.55

Shares Sold:

7. During the three years prior to the date of this Certification, Plaintiff has not sought to serve or served as a representative party for a class in an action filed under the federal securities laws except if detailed below:

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

By clicking on the button below, I intend to sign and execute this agreement: yes

Clicked to Submit Certification in the China Century Dragon Media, Inc. Action

Signed pursuant to California Civil Code Section 1633.1, et seq. - Uniform Electronic Transactions Act

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

I (a) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/> DAN KATZ, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED,	DEFENDANTS CHINA CENTURY DRAGON MEDIA, INC., et al. (see attached)
(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) Laurence M. Rosen, Esq. (SBN 219683), THE ROSEN LAW FIRM, P.A., 333 South Grand Avenue, 25th Floor, Los Angeles, CA 90071, Tel: (213) 785-2610, Fax: (213) 226-4684, Email: lrosen@rosenlegal.com	Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.) <input type="checkbox"/> 1 U.S. Government Plaintiff <input checked="" type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:30%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> <td style="width:40%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> </tr> <tr> <td>Citizen of This State</td> <td align="center"><input type="checkbox"/> 1</td> <td align="center"><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business in this State</td> <td align="center"><input type="checkbox"/> 4</td> <td align="center"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td align="center"><input type="checkbox"/> 2</td> <td align="center"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td align="center"><input type="checkbox"/> 5</td> <td align="center"><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td align="center"><input type="checkbox"/> 3</td> <td align="center"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td align="center"><input type="checkbox"/> 6</td> <td align="center"><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
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Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. ORIGIN (Place an X in one box only.)

1 Original Proceeding
 2 Removed from State Court
 3 Remanded from Appellate Court
 4 Reinstated or Reopened
 5 Transferred from another district (specify):
 6 Multi-District Litigation
 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: **JURY DEMAND:** Yes No (Check 'Yes' only if demanded in complaint.)

CLASS ACTION under F.R.C.P. 23: Yes No **MONEY DEMANDED IN COMPLAINT:** \$ _____

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)
 Class Action for Violations of the Federal Securities Laws, 15 U.S.C. §78j(b) and 78t(a), 15 U.S.C. §§77k and 77o

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Act <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes	CONTRACT <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	TORTS PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus-Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	TORTS PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General Habeas Corpus <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition FORFEITURE/PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609
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CV11-2769

FOR OFFICE USE ONLY: Case Number: _____

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? No Yes
If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? No Yes
If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) A. Arise from the same or closely related transactions, happenings, or events; or
 B. Call for determination of the same or substantially related or similar questions of law and fact; or
 C. For other reasons would entail substantial duplication of labor if heard by different judges; or
 D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.
 Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
	Florida

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.
 Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

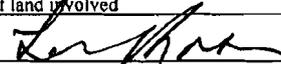
County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
	People's Republic of China

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.
Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER):  Date 3/31/2011

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

ATTACHMENT

PLAINTIFFS

DAN KATZ, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS
SIMILARLY SITUATED,

DEFENDANTS

CHINA CENTURY DRAGON MEDIA, INC., HAIMING FU, DAPENG DUAN,
HUHUA LI, ZHIFENG YAN, DAVID DE CAMPO, YUE LU, FANG YUAN,
WESTPARK CAPITAL, INC., JOSEPH GUNNAR & CO, LLC, I-BANKERS
SECURITIES, INC., AND AEGIS CAPITAL CORPORATION,