

1 Laurence M. Rosen, Esq. (SBN 219683)  
2 THE ROSEN LAW FIRM, P.A.  
3 333 South Grand Avenue, 25<sup>th</sup> Floor  
4 Los Angeles, CA 90071  
5 Telephone: (213) 785-2610  
6 Facsimile: (213) 226-4684  
7 Email: [rosen@rosenlegal.com](mailto:rosen@rosenlegal.com)

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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

MICHAEL STERN, INDIVIDUALLY AND  
ON BEHALF OF ALL OTHERS  
SIMILARLY SITUATED,

Plaintiff,

vs.

CHINA INTELLIGENT LIGHTING AND  
ELECTRONICS, INC., LI XUEMEI, KIU  
KEVIN JIANG, WU SHILANG, MICHAEL  
ASKEW, SU YANG, RUXIANG NIU,  
ZHANG HONGFENG, WESTPARK  
CAPITAL, INC., AND RODMAN &  
RENSHAW, LLC,

Defendants.

CASE No.:

COMPLAINT

CLASS ACTION

**JURY TRIAL DEMANDED**

Plaintiff Michael Stern, individually and on behalf of all other persons similarly situated, by his undersigned attorneys, for his complaint against China Intelligent Lighting and Electronics, Inc. (“CIL”, or the “Company”), alleges the following based upon personal knowledge as to himself and his own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through his attorneys, which included, among other

1 things, a review of the Defendant's public documents, conference calls and  
2 announcements made by the Defendants, United States Securities and Exchange  
3 Commission ("SEC") filings, wire and press releases published by and regarding  
4 the Company, securities analysts' reports and advisories about the Company, and  
5 information readily obtainable on the Internet. Plaintiff believes that substantial  
6 evidentiary support will exist for the allegations set forth herein after a reasonable  
7 opportunity for discovery.  
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### 10 **SUBSTANTIVE ALLEGATIONS**

11  
12 1. This is a securities class action on behalf of all persons or entities who:  
13 (1) purchased or otherwise acquired the securities of CIL pursuant and/or traceable  
14 to the Company's Registration and Statement and Prospectus (collectively, the  
15 "Registration Statement") issued in connection with the Company's June 18, 2010  
16 initial public offering (the "IPO" or the "Offering") seeking to pursue remedies  
17 under the Sections 11, 12(a)(2), and 15 of Securities Act of 1933 (the "Securities  
18 Act"); and (2) purchased or otherwise acquired the securities of CIL during the  
19 period from June 18, 2010 to March 29, 2011, inclusive (the "Class Period"),  
20 seeking to pursue remedies under Sections 10(b) and 20(a) of the Securities  
21 Exchange Act of 1934 (the "Exchange Act").  
22  
23

24  
25 2. On June 16, 2010 the Company filed with the SEC an amended  
26 Registration Statement on Form S-1/A in connection with the Offering. The  
27 Registration Statement also contained a Prospectus and both documents contained,  
28

1 among other things, the Company's financial results for the fiscal years ended  
2 December 31, 2009, interim quarterly reports thereof, and results for the first  
3 quarter ended March 31, 2010.  
4

5 3. The Registration Statement was declared effective on June 17, 2010,  
6 and the Company filed the final prospectus with the SEC on June 21, 2010.  
7

8 4. The Offering was for 3,350,000 shares of the Company's common  
9 stock at a price of \$3.00 per share. The Offering was underwritten by defendants  
10 WestPark Capital, Inc. ("WestPark") and Rodman & Renshaw, LLC ("Renshaw").  
11 WestPark and Renshaw are collectively referred to herein as the "Underwriters" or  
12 "Underwriter Defendants." Pursuant to the Offering the Underwriters had a 45-day  
13 option to purchase an additional 502,500 shares of the Company common stock to  
14 cover over-allotments.  
15  
16

17 5. On June 18, 2010 the Company completed the Offering and gross  
18 proceeds to the Company was \$10.05 million.  
19

20 6. Throughout the Class Period, the Defendants made false and/or  
21 misleading statements, and failed to disclose material adverse facts about the  
22 Company's business, operations, prospects and performance. Specifically, during  
23 the Class Period, Defendants made false and/or misleading statements and/or failed  
24 to disclose that the financial statements included in the Registration Statement as of  
25 December 31, 2009 was materially false and misleading and could not be relied  
26 upon as they contained material errors. Moreover, the Company's financial  
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1 statements for the quarterly periods in 2010 were also materially false and  
2 misleading and could not be relied upon.

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  
24 **PARTIES**

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

1           12. Defendant CIL is a Delaware Corporation with its principal executive  
2 offices in Guangdong Province, China. CIL purports to manufacture LED lighting  
3 products in China.  
4

5           13. Defendant Li Xuemei (“Xuemei”) at all relevant times herein was the  
6 Company’s Chief Executive Officer, President and Chairman of the Board.  
7 Xuemei signed the Registration Statement.  
8

9           14. Defendant Kui Kevin Jiang (“Jiang”) at all relevant times herein was  
10 the Company’s Chief Financial Officer and Corporate Secretary. Jiang signed the  
11 Registration Statement.  
12

13           15. Defendant Wu Shiliang (“Shiliang”) at all relevant times herein was  
14 the Company’s Executive Vice President, and Sales and Marketing Director.  
15 Shiliang signed the Registration Statement.  
16

17           16. Defendant Michael Askew (“Askew”) was Company Director until he  
18 resigned on or about March 24, 2011. Askew signed the Registration Statement.  
19

20           17. Defendant Su Yang (“Yang”) was a Company Director until Yang  
21 resigned from the Company on March 1, 2011. Yang signed the Registration  
22 Statement.  
23

24           18. Defendant Ruxiang Niu (“Niu”) was a Company Director beginning  
25 on March 1, 2011.  
26

27           19. Defendant Zhang Hongfeng (“Hongfeng”) at all relevant times herein  
28 was a Company Director. Hongfeng signed the Registration Statement.

1           20. Defendants Xuemei, Jiang, Shiliang, Askew, Yang and Hongfeng are  
2 collectively the “Individual Defendants”.

3  
4           21. Defendant WestPark Capital (“WestPark”), Inc. is a full service  
5 investment banking company. WestPark’s headquarters are located at 1900 Avenue  
6 of the Stars, Suite 310, Los Angeles, CA 90067. WestPark was an underwriter of  
7 the Offering.  
8

9           22. Defendant Rodman & Renshaw LLC (“Rodman”) is a full-service  
10 investment bank Rodman maintains offices in New York, New York.  
11

12                           **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

13           23. Plaintiff brings this action as a class action pursuant to Federal Rules  
14 of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those  
15 who: (1) purchased or otherwise acquired the securities of CIL pursuant and/or  
16 traceable to the Company’s Registration Statement issued in connection with the  
17 with the Company’s June 18, 2010 Offering; and (2) purchased or otherwise  
18 acquired the securities of CIL during the Class Period. Excluded from the Class are  
19 the officers and directors of the Company at all relevant times, members of their  
20 immediate families and their legal representatives, heirs, successors or assigns and  
21 any entity in which Defendants have or had a controlling interest.  
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25           24. The members of the Class are so numerous that joinder of all members  
26 is impracticable. Throughout the Class Period, the Company’s common stock was  
27 actively traded on the AMEX. While the exact number of Class members is  
28

1 unknown to Plaintiff at this time, and can only be ascertained through appropriate  
2 discovery, Plaintiff believes that there are at least hundreds of members in the  
3 proposed Class. Members of the Class may be identified from records maintained  
4 by CIL or its transfer agent, and may be notified of the pendency of this action by  
5 mail using a form of notice customarily used in securities class actions.  
6

7  
8 25. Plaintiff's claims are typical of the claims of the members of the Class,  
9 as all members of the Class are similarly affected by Defendants' wrongful conduct  
10 in violation of federal law that is complained of herein.  
11

12 26. Plaintiff will fairly and adequately protect the interests of the members  
13 of the Class and has retained counsel competent and experienced in class and  
14 securities litigation.  
15

16 27. Common questions of law and fact exist as to all members of the Class  
17 and predominate over any questions solely affecting individual members of the  
18 Class. Among the questions of law and fact common to the Class are:  
19

20 (a) whether the federal securities laws were violated by Defendants'  
21 acts as alleged herein;

22 (b) whether statements made by the Defendants to the investing public  
23 during the Class Period misrepresented material facts about the  
24 business, operations, and management of the Company; and  
25

26 (c) to what extent the members of the Class have sustained damages,  
27 and the proper measure of damages.  
28

1           28. A class action is superior to all other available methods for the fair and  
2 efficient adjudication of this controversy since joinder of all members is  
3 impracticable. Furthermore, as the damages suffered by individual Class members  
4 may be relatively small, the expense and burden of individual litigation make it  
5 impossible for members of the Class to redress individually the wrongs done to  
6 them. There will be no difficulty in the management of this action as a class action.  
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9                           **SUBSTANTIVE ALLEGATIONS**

10           29. On June 16, 2010 the Company filed with the SEC an amended  
11 Registration Statement on Form S-1/A in connection with the Offering. The  
12 Registration Statement also contained a Prospectus and both documents contained,  
13 among other things, the Company's financial results for the fiscal year ended  
14 December 31, 2009 interim quarterly periods thereto, and results for the first  
15 quarter ended March 31, 2010.  
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18           30. The Registration Statement declared effective on June 17, 2010 and  
19 the Company filed the final prospectus with the SEC on June 21, 2010.  
20

21           31. The Offering consisted of 3,350,000 shares priced at \$3.00 per share.  
22

23           32. WestPark and Rodman were the Underwriters. The Underwriters had  
24 a 45-day option to purchase an additional 502,500 shares of common stock from the  
25 Company to cover over-allotments.  
26

27           33. On June 30, 2010 the Company filed its second quarter ended June 30,  
28 2010 results with the SEC on Form 10-Q, signed by defendant Xuemei.



1 34. Attached to the 10-Q were separately signed Sarbanes-Oxley Act of  
2 2002 (“SOX”) certifications of defendants Xuemei and Jiang. In addition to stating  
3 that each of the them were responsible for establishing maintaining disclosure  
4 controls and procedures and internal control over financial reporting, the  
5 certifications falsely stated, in part, that the 10-Q “does not contain any untrue  
6 statement of a material fact or omit to state a material fact necessary to make the  
7 statements made, in light of the circumstances under which such statements were  
8 made, not misleading...”;(2) “[a]ll significant deficiencies and material weaknesses  
9 in the design or operation of internal control over financial reporting which are  
10 reasonably likely to adversely affect the registrant’s ability to record, process,  
11 summarize and report financial information” was disclosed to the Company’s  
12 auditor, audit committee and board; and (3) “[a]ny fraud, whether or not material,  
13 that involves management or other employees who have a significant role in the  
14 registrant’s internal controls over financial reporting” were disclosed to the  
15 Company’s board, auditors, and audit committee.

21 35. On November 8, 2010 the Company filed its third quarter ended  
22 September 30, 2010 results with the SEC on Form 10-Q, signed by defendant  
23 Xuemei. . The 10-Q also included SOX certifications executed by defendants  
24 Xuemei and Jiang that was in sum and substance the same as the SOX certifications  
25 filed with the Q2 10-Q.  
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28 **TRUTH BEGINS TO EMERGE**

1           36. Throughout the Class Period, the Defendants made false and/or  
2 misleading statements, and failed to disclose material adverse facts about the  
3 Company's business, operations, prospects and performance. Specifically, during  
4 the Class Period, Defendants made false and/or misleading statements and/or failed  
5 to disclose that the financial statements included in the Registration Statement as of  
6 December 31, 2009 were materially false and misleading and could not be relied  
7 upon as they contained material errors, as well as the Company's quarterly financial  
8 statements in 2010.

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12           37. On March 24, 2011 trading in the Company's stock was inexplicably  
13 halted.

14           38. On March 21, 2011 the Company filed an 8-K with the SEC  
15 announcing that defendant De Campo had resigned.

16  
17           39. On March 29, 2011 the Company issued a press release, announcing  
18 among other things, (a) resignation/termination of the Company's auditor,  
19 MaloneBailey LLP ("MB"); (b) a determination the Company's financials  
20 statements could not be relied upon as they contained material errors; (c) potential  
21 accounting fraud; (d) a formal SEC investigation; and (e) employee departures.

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24 The announcement states in relevant part:  
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1 China Intelligent Lighting Announces Termination of Engagement with  
2 Auditor; Auditor Withdrawal of Audit Opinion; Resignation of Audit  
3 Committee Chair; NYSE Amex Request for Information; Notice of SEC  
4 Investigation; and Formation of Special Investigation Committee

5 Press Release Source: China Intelligent Lighting and Electronics, Inc. On  
6 Tuesday March 29, 2011, 4:30 pm EDT

7 HUIZHOU, China, March 29, 2011 /PRNewswire-Asia-FirstCall/ -- China  
8 Intelligent Lighting and Electronics, Inc. (NYSE Amex: CIL) (the  
9 "Company"), today announced that the Company's engagement with its  
10 registered independent accounting firm, MaloneBailey LLP  
11 ("MaloneBailey"), has been formally terminated. On March 23, 2011, the  
12 Company provided notice of termination to MaloneBailey as the Company's  
13 auditor, effective immediately. On March 24, 2011, the Company received a  
14 notice of resignation from MaloneBailey ("Resignation Letter") indicating  
15 that MaloneBailey is terminating its engagement with the Company, effective  
16 immediately. The Company has begun to seek to retain a new auditor.

17 The Resignation Letter described MaloneBailey's resignation being due to  
18 accounting fraud involving forging of the Company's accounting records and  
19 forging bank statements, in addition to other discrepancies identified in the  
20 Company's accounts receivable. The Resignation Letter indicated that  
21 MaloneBailey believed that the accounting records of the Company have  
22 been falsified, which constitutes an illegal act. Furthermore, MaloneBailey's  
23 letter notes that the discrepancies could indicate a material error in previously  
24 issued financial statements. As a result, MaloneBailey stated that it is unable  
25 to rely on management's representations as they relate to previously issued  
26 financial statements and it can no longer support its opinion related to the  
27 Company's financial statements for the year ended and as of December 31,  
28 2009.

On March 24, 2011, Michael Askew resigned as a member of the Board of  
Directors of the Company, effective immediately, including his position as  
the Chairman of the Company's Audit Committee. Mr. Askew submitted his  
resignation to the Board via email on March 24, 2011, approximately the  
twelve month anniversary of appointment, indicating that his resignation was  
due to, among other things, the circumstances relevant to his limited ability  
to provide assistance and advice to the Company in the present situation,  
including but not limited to the Board not seeking Mr. Askew's input or  
professional services during his term on the Board.

1 On March 24, 2011, the Company received a preliminary information request  
2 from Amex requesting additional information. The Company intends to fully  
3 cooperate with NYSE Amex regarding this matter.

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

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

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

40. Later that day the Company filed an 8-K with the SEC providing  
further details about the information contained in the press release above. The 8-K  
revealed that in addition to the fiscal year ended 2009 financial statements, the  
Company's financial statements for the first three quarters ended 2010 could no be  
relied upon as well as they contained material errors.

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

41. At all relevant times, the market for CIL's common stock was an efficient market for the following reasons, among others:

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

(b) As a regulated issuer, CIL filed periodic public reports with the SEC and the AMEX;

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

(d) CIL was followed by several securities analysts employed by major brokerage firms who wrote reports that were distributed to the sales force and certain customers of their respective brokerage firms during the Class Period. Each of

1                   these reports was publicly available and entered the public  
2                   marketplace; and

3  
4           42.    As a result of the foregoing, the market for the Company's common  
5 stock promptly digested current information regarding the Company from all  
6 publicly available sources and reflected such information in the Company's stock  
7 price. Under these circumstances, all purchasers of the Company's common stock  
8 during the Class Period suffered similar injury through their purchase of the  
9 Company's common stock at artificially inflated prices, and a presumption of  
10 reliance applies.  
11

12  
13                                   **Applicability of Presumption of Reliance:**

14   *Affiliated Ute*

15  
16           43.    Neither Plaintiff nor the Class need prove reliance – either individually or as  
17 a class because under the circumstances of this case, which involves a failure to disclose  
18 the material related party transactions described herein above, positive proof of reliance is  
19 not a prerequisite to recovery, pursuant to ruling of the United States Supreme Court in  
20 *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972). All that is  
21 necessary is that the facts withheld be material in the sense that a reasonable investor  
22 might have considered the omitted information important in deciding whether to buy or  
23 sell the subject security.  
24  
25

26   **NO SAFE HARBOR**

1 44. The statutory safe harbor provided for forward-looking statements  
2 under certain circumstances does not apply to any of the allegedly false statements  
3 pleaded in this Complaint. Many or all of the specific statements pleaded herein  
4 were not identified as “forward-looking statements” when made. To the extent  
5 there were any forward-looking statements, there were no meaningful cautionary  
6 statements identifying important factors that could cause actual results to differ  
7 materially from those in the purportedly forward-looking statements. Alternatively,  
8 to the extent that the statutory safe harbor does apply to any forward-looking  
9 statements pleaded herein, Defendants are liable for those false forward-looking  
10 statements because at the time each of those forward-looking statements was made,  
11 the particular speaker knew that the particular forward-looking statement was false,  
12 and/or the forward-looking statement was authorized and/or approved by an  
13 executive officer of the Company who knew that those statements were false when  
14 made.  
15

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20 **FIRST CLAIM**  
21 **Violation of Section 10(b) of**  
22 **The Exchange Act and Rule 10b-5**  
23 **Promulgated Thereunder Against CIL, Xuemei and Jiang**

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

26 46. This Claim is asserted against defendants CIL, Xuemei and Jiang  
27 (collectively, “First Claim Defendants”)  
28

1           47. During the Class Period, First Claim Defendants carried out a plan,  
2 scheme and course of conduct which was intended to and, throughout the Class  
3 Period, did: (1) deceive the investing public, including Plaintiff and other Class  
4 members, as alleged herein; and (2) cause Plaintiff and other members of the Class  
5 to purchase CIL's securities at artificially inflated prices. In furtherance of this  
6 unlawful scheme, plan and course of conduct, First Claim Defendants, and each of  
7 them, took the actions set forth herein.  
8

9  
10           48. First Claim Defendants (a) employed devices, schemes, and artifices to  
11 defraud; (b) made untrue statements of material fact and/or omitted to state material  
12 facts necessary to make the statements not misleading; and (c) engaged in acts,  
13 practices, and a course of business that operated as a fraud and deceit upon the  
14 purchasers of the Company's securities in an effort to maintain artificially high  
15 market prices for CIL's securities in violation of Section 10(b) of the Exchange Act  
16 and Rule 10b-5 thereunder.  
17

18  
19           49. First Claim Defendants, directly and indirectly, by the use, means or  
20 instrumentalities of interstate commerce and/or of the mails, engaged and  
21 participated in a continuous course of conduct to conceal adverse material  
22 information about the business, operations and future prospects of CIL as specified  
23 herein.  
24

25  
26           39. First Claim Defendants employed devices, schemes, and artifices to  
27 defraud while in possession of material adverse non-public information, and  
28



1 engaged in acts, practices, and a course of conduct as alleged herein in an effort to  
2 assure investors of the Company's value and performance and continued substantial  
3 growth, which included the making of, or participation in the making of, untrue  
4 statements of material facts and omitting to state material facts necessary in order to  
5 make the statements made about the Company and its business operations and  
6 future prospects in the light of the circumstances under which they were made, not  
7 misleading, as set forth more particularly herein, and engaged in transactions,  
8 practices and a course of business that operated as a fraud and deceit upon the  
9 purchasers of the Company's securities during the Class Period.  
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13           40. First Claim Defendants had actual knowledge of the  
14 misrepresentations and omissions of material facts set forth herein, or acted with  
15 reckless disregard for the truth in that they failed to ascertain and to disclose such  
16 facts, even though such facts were available. Such material misrepresentations  
17 and/or omissions were done knowingly or recklessly and for the purpose and effect  
18 of concealing the Company's operating condition and future business prospects  
19 from the investing public and supporting the artificially inflated price of its  
20 securities. As demonstrated by overstatements and misstatements of the  
21 Company's financial condition throughout the Class Period, if the First Claim  
22 Defendants did not have actual knowledge of the misrepresentations and omissions  
23 alleged, they were reckless in failing to obtain such knowledge by deliberately  
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1 refraining from taking those steps necessary to discover whether those statements  
2 were false or misleading.

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4 41. As a result of the dissemination of the materially false and misleading  
5 information and failure to disclose material facts, as set forth above, the market  
6 price of CIL's securities was artificially inflated during the Class Period. In  
7 ignorance of the fact that market prices of the Company's publicly-traded securities  
8 were artificially inflated, and relying directly or indirectly on the false and  
9 misleading statements made by the First Claim Defendants, or upon the integrity of  
10 the market in which the common stock trades, and/or on the absence of material  
11 adverse information that was known to or recklessly disregarded by the First Claim  
12 Defendants, but not disclosed in public statements by the First Claim Defendants  
13 during the Class Period, Plaintiff and the other members of the Class acquired CIL  
14 common stock during the Class Period at artificially high prices, and were, or will  
15 be, damaged thereby.

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

3  
4 43. As a direct and proximate result of the First Claim Defendants'  
5 wrongful conduct, Plaintiff and other members of the Class suffered damages in  
6 connection with their purchases of CIL's securities during the Class Period.

7  
8 44. This action was filed within two years of discovery of the fraud and  
9 within five years of each Plaintiff's purchases of securities giving rise to the cause  
10 of action.

11  
12 **SECOND CLAIM**  
13 **Violation of Section 20(a) Of**  
14 **The Exchange Act Against the Individual Defendants**

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

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

7  
8 47. In particular, each Individual Defendant had direct and supervisory  
9 involvement in the day-to-day operations of the Company and, therefore, is  
10 presumed to have had the power to control or influence the particular transactions  
11 giving rise to the securities violations as alleged herein, and exercised the same.  
12

13 48. As set forth above, the First Claim Defendants each violated Section  
14 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint.  
15

16 49. By virtue of their positions as controlling persons, the Individual  
17 Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct  
18 and proximate result of Defendants' wrongful conduct, Plaintiff and other members  
19 of the Class suffered damages in connection with their purchases of the Company's  
20 common stock during the Class Period.  
21

22 50. This action was filed within two years of discovery of the fraud and  
23 within five years of each Plaintiff's purchases of securities giving rise to the cause  
24 of action.  
25

26  
27 **THIRD CLAIM**

28 **Against All Defendants**

1 **for Violation of §11 of the Securities Act**

2  
3 51. Plaintiff repeats and realleges each and every allegation contained  
4 above as if fully set forth herein. This claim is not based on, and does not allege,  
5 fraud.  
6

7 52. For purposes of this claim, Plaintiff expressly disclaims and excludes  
8 any allegations that could be construed as alleging fraud or intentional or reckless  
9 misconduct as this cause of action is based expressly on claims of strict liability  
10 and/or negligence under the Securities Act.  
11

12 53. This claim is asserted by Plaintiff against all Defendants by, and on  
13 behalf of, persons who acquired shares of the Company's securities pursuant to  
14 and/or traceable to Registration Statement in connection with the Offering.  
15

16 54. Individual Defendants as signatories of the Registration Statement, as  
17 directors and/or officers of CIL and controlling persons of the issuer, owed to the  
18 holders of the securities obtained through the Registration Statement the duty to  
19 make a reasonable and diligent investigation of the statements contained in the  
20 Registration Statement at the time they became effective to ensure that such  
21 statements were true and correct, and that there was no omission of material facts  
22 required to be stated in order to make the statements contained therein not  
23 misleading. Defendants knew, or in the exercise of reasonable care should have  
24 known, of the material misstatements and omissions contained in or omitted from  
25  
26  
27  
28

1 the Registration Statement as set forth herein. As such, defendants are liable to the  
2 Class.

3  
4 55. Underwriter Defendants owed to the holders of the securities obtained  
5 through the Registration Statement the duty to make a reasonable and diligent  
6 investigation of the statements contained in the Registration Statement at the time  
7 they became effective to ensure that such statements were true and correct and that  
8 there was no omission of material facts required to be stated in order to make the  
9 statements contained therein not misleading.  
10

11  
12 56. None of the Defendants made a reasonable investigation or possessed  
13 reasonable grounds for the belief that the statements contained in the Registration  
14 Statement were true or that there was no omission of material facts necessary to  
15 make the statements made therein not misleading.  
16

17 57. Defendants issued and disseminated, caused to be issued and  
18 disseminated, and participated in the issuance and dissemination of, material  
19 misstatements to the investing public, which were contained in the Registration  
20 Statement, that misrepresented or failed to disclose, *inter alia*, the facts set forth  
21 above. By reason of the conduct herein alleged, each defendant violated and/or  
22 controlled a person who violated Section 11 of the Securities Act.  
23  
24

25 58. As a direct and proximate result of Defendants' acts and omissions in  
26 violation of the Securities Act, the market price of CIL's securities sold in the  
27 Offering was artificially inflated, and Plaintiff and the Class suffered substantial  
28

1 damage in connection with their ownership of CIL's securities pursuant to the  
2 Registration Statement.

3  
4 59. CIL is the issuer of the securities sold via the Registration Statement.  
5 As issuer of the securities, the Company is strictly liable to Plaintiff and the Class  
6 for the material misstatements and omissions therein.

7  
8 60. At the times they obtained his shares of CIL, Plaintiff and members of  
9 the Class did so without knowledge of the facts concerning the misstatements or  
10 omissions alleged herein.

11  
12 61. This action is brought within one year after discovery of the untrue  
13 statements and omissions in and from the Registration Statement which should  
14 have been made through the exercise of reasonable diligence, and within three years  
15 of the effective date of the Prospectus.

16  
17 62. By virtue of the foregoing, Plaintiff and the other members of the  
18 Class are entitled to damages under Section 11 as measured by the provisions of  
19 Section 11 (e), from the defendants and each of them, jointly and severally.

20  
21 **FOURTH CLAIM**

22 **Against All Defendants**  
23 **for Violation of §12(a)(2) of the Securities Act Against All Defendants**

24  
25 63. Plaintiff repeats and realleges each and every allegation contained  
26 above as if fully set forth herein. This claim is not based on, and does not allege,  
27 fraud.  
28

1           64. 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           65. Defendants were sellers, offerors, underwriters and/or solicitors of  
7 sales of the CIL securities offering pursuant to the June 2010 Prospectus.  
8

9           66. The Prospectus contained untrue statements of material facts, omitted  
10 to state other facts necessary to make the statements made not misleading, and  
11 concealed and failed to disclose material facts. Defendants' actions of solicitation  
12 included participating in the preparation of the false and misleading Prospectus.  
13

14           67. Defendants owed, to the purchasers of CIL securities which were sold  
15 in the Offering, the duty to make a reasonable and diligent investigation of the  
16 statements contained in the Prospectus, to insure that such statements were true and  
17 that there was not omission to state a material fact required to be stated in order to  
18 make the statements contained therein not misleading. These Defendants knew of,  
19 or in the exercise of reasonable care should have known of, the misstatements and  
20 omissions contained in the Offering materials as set forth above.  
21  
22

23           68. Plaintiff and other members of the Class purchased or otherwise  
24 acquired CIL securities pursuant to and traceable to the defective Prospectus.  
25 Plaintiff did not know, or in the exercise of reasonable diligence could not have  
26 known of the untruths and omissions.  
27  
28



1         69. Plaintiff, individually and representatively, hereby offer to tender to  
2 Defendants those securities which Plaintiff and other class members continue to  
3 own, on behalf of all members of the Class who continue to own such securities, in  
4 return for the considerations paid for those securities together with interest thereon.  
5

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

23   **Violations of Section 15 of the Securities Act**  
24  
25   **Against the Individual Defendants**  
26

1           72. Plaintiffs repeat and reallege each and every allegation contained  
2 above as if fully set forth herein. This claim is not based on, and does not allege,  
3 fraud.  
4

5           73. This claim is asserted against each of the Individual Defendants, each  
6 of whom was a control person of CIL during the relevant time period.  
7

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

13           75. The Individual Defendants were control persons of CIL by virtue of,  
14 among other things, their positions as senior officers, directors and/or controlling  
15 shareholders of the Company. Each was in a position to control and did in fact  
16 control CIL and the false and misleading statements and omissions contained in the  
17 Registration Statement and Prospectus  
18

19           76. None of the Individual Defendants made reasonable investigation or  
20 possessed reasonable grounds for the belief that the statements contained in the  
21 Registration Statement and Prospectus were accurate and complete in all material  
22 respects. Had they exercised reasonable care, they could have known of the  
23 material misstatements and omissions alleged herein.  
24

25           77. This claim was brought within one year after the discovery of the  
26 untrue statements and omissions in the Registration Statement and Prospectus and  
27  
28

1 within three years after CIL common stock was sold to the Class in connection with  
2 the public offering.

3  
4 78. By reason of the misconduct alleged herein, for which CIL is primarily  
5 liable, as set forth above, the Individual Defendants are jointly and severally liable  
6 with and to the same extent as CIL pursuant to Section 15 of the Securities Act.  
7

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

9 (a) Determining that this action is a proper class action, designating  
10 Plaintiff as Lead Plaintiff and certifying Plaintiff as a class representative under  
11 Rule 23 of the Federal Rules of Civil Procedure and Plaintiff's counsel as Lead  
12 Counsel;  
13

14 (b) Awarding compensatory damages in favor of Plaintiff and the  
15 other Class members against all Defendants, jointly and severally, for all damages  
16 sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial,  
17 including interest thereon;  
18

19 (c) Awarding plaintiff and the Class their reasonable costs and  
20 expenses incurred in this action, including counsel fees and expert fees;  
21

22 (d) Awarding rescissory damages; and  
23

24 (e) Awarding such other and further relief as the Court may deem just  
25 and proper.  
26

27 **JURY TRIAL DEMANDED**

28 Plaintiff hereby demands a trial by jury.

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Dated: March 31, 2011

Respectfully submitted,  
**THE ROSEN LAW FIRM, P.A.**



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

Counsel for Plaintiff

**Kim, Phillip**

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**From:** Administrator  
**Sent:** Wednesday, March 30, 2011 8:38 AM  
**To:** lr54321@gmail.com  
**Subject:** Confirmation of Receipt of Certification

Dear Michael J. Stern,

We have received your certification in the China Intelligent Lighting and Electronics, 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](mailto: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](mailto:reportfraud@rosenlegal.com).

Sincerely,

The Rosen Law Firm P.A.

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**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 Intelligent Lighting and Electronics, 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 Intelligent Lighting and Electronics, Inc. Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The Rosen Law Firm P.A.

First name: Michael

Last name: Stern

Address: [REDACTED]

REDACTED

City: [REDACTED]

State, Zip: [REDACTED]

Email: [REDACTED]

Phone: [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): 2/03/2011  
Number of shares: 1000  
Price per Share: 2.57

Purchase Date(s): 2/23/2011  
Number of shares: 1000  
Price per Share: 2.15

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 Intelligent Lighting and Electronics, Inc. Action

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

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