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**UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA**

AZURE FUNDS LLC, Individually
 and On Behalf of All Others
 Similarly Situated,

Plaintiff,

v.

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

Defendants.

Case No.

**CLASS ACTION COMPLAINT
 FOR VIOLATIONS OF THE
 FEDERAL SECURITIES LAWS**

JURY TRIAL DEMANDED

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

11 **NATURE OF THE ACTION AND OVERVIEW**

12 1. This is a class action on behalf of persons and entities that purchased or
13 otherwise acquired Cheetah Mobile securities between March 25, 2019 and February
14 20, 2020, inclusive (the “Class Period”). Plaintiff pursues claims against the
15 Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

16 2. Cheetah Mobile is a mobile Internet company that offers mobile utility
17 products (such as Clean Master and Cheetah Keyboard), casual games (such as Piano
18 Tiles 2, Bricks n Balls), and live streaming product Live.me. The Company provides
19 its advertising customers, which include direct advertisers and mobile advertising
20 networks through which advertisers place their advertisements, with direct access to
21 highly targeted mobile users and global promotional channels.

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

26 4. On this news, the Company’s share price fell \$0.61, or nearly 17%, to
27 close at \$2.99 per share on February 21, 2020, on unusually heavy trading volume.
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1 commerce, including the United States mail, interstate telephone communications,
2 and the facilities of a national securities exchange.

3 **PARTIES**

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

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

13 13. Defendant Sheng Fu ("Fu") was the Company's Chief Executive Officer
14 ("CEO") at all relevant times.

15 14. Defendant Vincent Zhenyu Jiang ("Jiang") was the Company's Chief
16 Financial Officer ("CFO") from 2017 to January 31, 2020.

17 15. Defendant Thomas Jintao Ren ("Ren") has been the Company's CFO
18 since January 31, 2020.

19 16. Defendants Fu, Jiang, and Ren (collectively the "Individual
20 Defendants"), because of their positions with the Company, possessed the power and
21 authority to control the contents of the Company's reports to the SEC, press releases
22 and presentations to securities analysts, money and portfolio managers and
23 institutional investors, i.e., the market. The Individual Defendants were provided with
24 copies of the Company's reports and press releases alleged herein to be misleading
25 prior to, or shortly after, their issuance and had the ability and opportunity to prevent
26 their issuance or cause them to be corrected. Because of their positions and access to
27 material non-public information available to them, the Individual Defendants knew
28 that the adverse facts specified herein had not been disclosed to, and were being

1 concealed from, the public, and that the positive representations which were being
2 made were then materially false and/or misleading. The Individual Defendants are
3 liable for the false statements pleaded herein.

4 SUBSTANTIVE ALLEGATIONS

5 Background

6 17. Cheetah Mobile is a mobile Internet company that offers mobile utility
7 products (such as Clean Master and Cheetah Keyboard), casual games (such as Piano
8 Tiles 2, Bricks n Balls), and live streaming product Live.me. The Company provides
9 its advertising customers, which include direct advertisers and mobile advertising
10 networks through which advertisers place their advertisements, with direct access to
11 highly targeted mobile users and global promotional channels.

12 Materially False and Misleading 13 Statements Issued During the Class Period

14 18. The Class Period begins on March 25, 2019. On that day, Cheetah
15 Mobile announced its fourth quarter and full year 2018 financial results in a press
16 release that stated, in relevant part:¹

17 Fiscal Year 2018 Results

18 **REVENUES**

19 Total revenues increased by 2.2% to RMB4,981.7 million (US\$724.6
million) in 2018.

20 **Revenues from utility products and related services** decreased by
21 6.7% year over year to RMB3,119.5 million (US\$453.7 million) in 2018.
22 The decrease was due to (i) a decline in revenues from the Company's
23 mobile utility products and related services business in the overseas
24 markets mostly as a result of the discontinuation of certain ad formats,
25 i.e., ads on mobile phone lock screens, by the Company's overseas third-
26 party advertising partners, and (ii) a decline in the Company's PC-related
revenues. This decrease was largely offset by an increase in revenues
from the mobile utility products and related services business in China.
Revenues from utility products and related services in the domestic
market increased by 22.3% year over year to RMB1,794.4 million
(US\$261.0 million) in 2018, accounting for 36.0% of total revenues.

27
28 ¹ Footnotes omitted.

1 continue to be derived from these distribution channels. As such, the
2 promotion, distribution and operation of our applications are subject to
3 such distribution channels' standard terms and policies for application
4 developers, which are subject to the interpretation of, and frequent
5 changes by, these distribution channels. If Google Play, iOS App Store
6 or any other major distribution channel changes their standard terms and
7 conditions in a manner that is detrimental to us, or terminate their
8 existing relationship with us, our business, financial condition and results
9 of operations may be materially and adversely affected.

10 20. On June 14, 2019, the Company announced its first quarter 2019
11 financial results in a press release that stated, in relevant part:

12 **First Quarter 2019 Consolidated Financial Results**

13 **REVENUES**

14 Total revenues were RMB1,085.6 million (US\$161.8 million) in the first
15 quarter of 2019.

16 **Revenues from utility products and related services** decreased by
17 33.1% year over year to RMB497.9 million (US\$74.2 million) in the first
18 quarter of 2019. The year-over-year decrease was primarily due to
19 continuous disruptions to the Company's overseas mobile utility business
20 as a result of the negative publicity caused by a news article published in
21 2018.

22 21. On August 20, 2019, Cheetah Mobile announced its second quarter 2019
23 financial results in a press release that stated, in relevant part:

24 **Second Quarter 2019 Consolidated Financial Results**

25 **REVENUES**

26 Total revenues were RMB970.1 million (US\$141.3 million) in the
27 second quarter of 2019, decreasing by 12.1% year over year.

28 **Revenues from utility products and related services** decreased by
44.0% year over year to RMB423.5 million (US\$61.7 million) in the
second quarter of 2019. This year-over-year decrease was primarily due
to the slowdown of the Company's overseas mobile utility business,
resulting from the negative publicity caused by a news article from 2018,
and the softness of the domestic advertising industry in 2019.

29 22. On November 13, 2019, Cheetah Mobile announced its third quarter
2019 financial results in a press release that stated, in relevant part:

1 **Third Quarter 2019 Consolidated Financial Results**

2 **REVENUES**

3 Total revenues were RMB919.9 million (US\$128.7million) in the third
4 quarter of 2019, decreasing by 32.0% year over year.

5 **Revenues from the mobile entertainment business** increased by 6.9%
6 year over year to RMB532.2 million (US\$74.5million) in the third
7 quarter of 2019.

8 **Revenues from the mobile games business** increased by 4.2% year
9 over year to RMB297.2 million (US\$41.6 million) in the third quarter of
10 2019. This increase was mainly attributable to the continued growth of
11 Bricks n Balls.

- 12 ■ Revenues from LiveMe increased by 10.6% year over year to
13 RMB235.0 million (US\$32.9 million) in the third quarter of 2019.
14 The increase was primarily driven by higher average revenue per
15 paying user.
- 16 ■ Revenues from utility products and related services decreased by
17 57.8% year over year to RMB352.9 million (US\$49.4 million) in the
18 third quarter of 2019. This year-over-year decrease was primarily due
19 to the slowdown of activity in overseas markets for the Company's
20 mobile utility product business. Continuous headwinds in the
21 domestic online advertising market in 2019 also contributed to this
22 decrease.

23 23. The above statements identified in ¶¶ 18-22 were materially false and/or
24 misleading and failed to disclose material adverse facts about the Company's
25 business, operations, and prospects. Specifically, Defendants failed to disclose to
26 investors: (1) that certain of Cheetah Mobile's apps were not compliant with the terms
27 of its agreements with Google; (2) that, as a result, there was a reasonable likelihood
28 that Google would terminate its advertising contracts with the Company; (3) that, as
 a result of the foregoing, the Company's ability to attract new users would be
 adversely impacted; (4) that, as a result, the Company's revenue was reasonably likely
 to decline; and (5) that, as a result of the foregoing, Defendants' positive statements
 about the Company's business, operations, and prospects were materially misleading
 and/or lacked a reasonable basis.

1 **Disclosures at the End of the Class Period**

2 24. On February 21, 2020, before the market opened, the Company disclosed
3 that its Google Play Store, Google AdMob, and Google AdManager accounts were
4 disabled on February 20, 2020 “because some of the Company’s apps had not been
5 compliant with Google policies, resulting in certain invalid traffic.” Specifically, in a
6 press release, Cheetah Mobile stated, in relevant part:

7 Cheetah Mobile Inc. (NYSE: CMCM) ("Cheetah Mobile" or the
8 "Company"), a leading mobile internet company with global market
9 coverage, today announced that it has been informed by Google that the
10 Company's Google Play Store, Google AdMob and Google AdManager
11 accounts have been disabled on February 20, 2020, and the associated
12 contracts will be terminated.

13 Pending the restoration of Google collaboration, the Company expects
14 its ability to attract new users and generate revenue from Google may be
15 materially adversely affected from February 2020. *In the first nine
16 months of 2019, Cheetah Mobile generated 22.6% of its total revenues
17 from Google, including revenues from the mobile advertising business
18 and revenues from the purchase and consumption of virtual items by
19 users via Google as a channel.*

20 *According to Google, the decision was made because some of the
21 Company's apps had not been compliant with Google policies,
22 resulting in certain invalid traffic.* The Company is in continuous
23 communication with Google to appeal the decision, clarify any
24 misunderstanding, and adopt any requisite remedial measures to restore
25 the disabled accounts. However, the appealing process could be time-
26 consuming, and the Company cannot guarantee that its appeals will be
27 successful.

28 Cheetah Mobile remains committed to upholding the high standards in
the industry and complying with Google Play developer policies, GDPR,
laws, and regulations. The Company's priority has always been to protect
the interests of its users and enhance the user experience.

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

CLASS ACTION ALLEGATIONS

26. Plaintiff brings this action as a class action pursuant to Federal Rule of
Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and
entities that purchased or otherwise acquired Cheetah Mobile securities between
March 25, 2019 and February 20, 2020, inclusive, and who were damaged thereby

1 (the “Class”). Excluded from the Class are Defendants, the officers and directors of
2 the Company, at all relevant times, members of their immediate families and their
3 legal representatives, heirs, successors, or assigns, and any entity in which Defendants
4 have or had a controlling interest.

5 27. The members of the Class are so numerous that joinder of all members
6 is impracticable. Throughout the Class Period, Cheetah Mobile’s shares actively
7 traded on the NYSE. While the exact number of Class members is unknown to
8 Plaintiff at this time and can only be ascertained through appropriate discovery,
9 Plaintiff believes that there are at least hundreds or thousands of members in the
10 proposed Class. Millions of Cheetah Mobile shares were traded publicly during the
11 Class Period on the NYSE. Record owners and other members of the Class may be
12 identified from records maintained by Cheetah Mobile or its transfer agent and may
13 be notified of the pendency of this action by mail, using the form of notice similar to
14 that customarily used in securities class actions.

15 28. Plaintiff’s claims are typical of the claims of the members of the Class
16 as all members of the Class are similarly affected by Defendants’ wrongful conduct
17 in violation of federal law that is complained of herein.

18 29. Plaintiff will fairly and adequately protect the interests of the members
19 of the Class and has retained counsel competent and experienced in class and
20 securities litigation.

21 30. Common questions of law and fact exist as to all members of the Class
22 and predominate over any questions solely affecting individual members of the Class.
23 Among the questions of law and fact common to the Class are:

24 (a) whether the federal securities laws were violated by Defendants’
25 acts as alleged herein;

26 (b) whether statements made by Defendants to the investing public
27 during the Class Period omitted and/or misrepresented material facts about the
28 business, operations, and prospects of Cheetah Mobile; and

1 (c) to what extent the members of the Class have sustained damages
2 and the proper measure of damages.

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

9 **UNDISCLOSED ADVERSE FACTS**

10 32. The market for Cheetah Mobile's securities was open, well-developed
11 and efficient at all relevant times. As a result of these materially false and/or
12 misleading statements, and/or failures to disclose, Cheetah Mobile's securities traded
13 at artificially inflated prices during the Class Period. Plaintiff and other members of
14 the Class purchased or otherwise acquired Cheetah Mobile's securities relying upon
15 the integrity of the market price of the Company's securities and market information
16 relating to Cheetah Mobile, and have been damaged thereby.

17 33. During the Class Period, Defendants materially misled the investing
18 public, thereby inflating the price of Cheetah Mobile's securities, by publicly issuing
19 false and/or misleading statements and/or omitting to disclose material facts necessary
20 to make Defendants' statements, as set forth herein, not false and/or misleading. The
21 statements and omissions were materially false and/or misleading because they failed
22 to disclose material adverse information and/or misrepresented the truth about
23 Cheetah Mobile's business, operations, and prospects as alleged herein.

24 34. At all relevant times, the material misrepresentations and omissions
25 particularized in this Complaint directly or proximately caused or were a substantial
26 contributing cause of the damages sustained by Plaintiff and other members of the
27 Class. As described herein, during the Class Period, Defendants made or caused to
28 be made a series of materially false and/or misleading statements about Cheetah

1 Mobile's financial well-being and prospects. These material misstatements and/or
2 omissions had the cause and effect of creating in the market an unrealistically positive
3 assessment of the Company and its financial well-being and prospects, thus causing
4 the Company's securities to be overvalued and artificially inflated at all relevant
5 times. Defendants' materially false and/or misleading statements during the Class
6 Period resulted in Plaintiff and other members of the Class purchasing the Company's
7 securities at artificially inflated prices, thus causing the damages complained of herein
8 when the truth was revealed.

9 **LOSS CAUSATION**

10 35. Defendants' wrongful conduct, as alleged herein, directly and
11 proximately caused the economic loss suffered by Plaintiff and the Class.

12 36. During the Class Period, Plaintiff and the Class purchased Cheetah
13 Mobile's securities at artificially inflated prices and were damaged thereby. The price
14 of the Company's securities significantly declined when the misrepresentations made
15 to the market, and/or the information alleged herein to have been concealed from the
16 market, and/or the effects thereof, were revealed, causing investors' losses.

17 **SCIENTER ALLEGATIONS**

18 37. As alleged herein, Defendants acted with scienter since Defendants knew
19 that the public documents and statements issued or disseminated in the name of the
20 Company were materially false and/or misleading; knew that such statements or
21 documents would be issued or disseminated to the investing public; and knowingly
22 and substantially participated or acquiesced in the issuance or dissemination of such
23 statements or documents as primary violations of the federal securities laws. As set
24 forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt
25 of information reflecting the true facts regarding Cheetah Mobile, their control over,
26 and/or receipt and/or modification of Cheetah Mobile's allegedly materially
27 misleading misstatements and/or their associations with the Company which made
28

1 them privy to confidential proprietary information concerning Cheetah Mobile,
2 participated in the fraudulent scheme alleged herein.

3 **APPLICABILITY OF PRESUMPTION OF RELIANCE**
4 **(FRAUD-ON-THE-MARKET DOCTRINE)**

5 38. The market for Cheetah Mobile's securities was open, well-developed
6 and efficient at all relevant times. As a result of the materially false and/or misleading
7 statements and/or failures to disclose, Cheetah Mobile's securities traded at
8 artificially inflated prices during the Class Period. On March 25, 2019, the
9 Company's share price closed at a Class Period high of \$7.01 per share. Plaintiff and
10 other members of the Class purchased or otherwise acquired the Company's securities
11 relying upon the integrity of the market price of Cheetah Mobile's securities and
12 market information relating to Cheetah Mobile, and have been damaged thereby.

13 39. During the Class Period, the artificial inflation of Cheetah Mobile's
14 shares was caused by the material misrepresentations and/or omissions particularized
15 in this Complaint causing the damages sustained by Plaintiff and other members of
16 the Class. As described herein, during the Class Period, Defendants made or caused
17 to be made a series of materially false and/or misleading statements about Cheetah
18 Mobile's business, prospects, and operations. These material misstatements and/or
19 omissions created an unrealistically positive assessment of Cheetah Mobile and its
20 business, operations, and prospects, thus causing the price of the Company's
21 securities to be artificially inflated at all relevant times, and when disclosed,
22 negatively affected the value of the Company shares. Defendants' materially false
23 and/or misleading statements during the Class Period resulted in Plaintiff and other
24 members of the Class purchasing the Company's securities at such artificially inflated
25 prices, and each of them has been damaged as a result.

26 40. At all relevant times, the market for Cheetah Mobile's securities was an
27 efficient market for the following reasons, among others:
28

1 (a) Cheetah Mobile shares met the requirements for listing, and was
2 listed and actively traded on the NYSE, a highly efficient and automated market;

3 (b) As a regulated issuer, Cheetah Mobile filed periodic public reports
4 with the SEC and/or the NYSE;

5 (c) Cheetah Mobile regularly communicated with public investors via
6 established market communication mechanisms, including through regular
7 dissemination of press releases on the national circuits of major newswire services
8 and through other wide-ranging public disclosures, such as communications with the
9 financial press and other similar reporting services; and/or

10 (d) Cheetah Mobile was followed by securities analysts employed by
11 brokerage firms who wrote reports about the Company, and these reports were
12 distributed to the sales force and certain customers of their respective brokerage firms.
13 Each of these reports was publicly available and entered the public marketplace.

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

20 42. A Class-wide presumption of reliance is also appropriate in this action
21 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*,
22 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on
23 Defendants' material misstatements and/or omissions. Because this action involves
24 Defendants' failure to disclose material adverse information regarding the Company's
25 business operations and financial prospects—information that Defendants were
26 obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All
27 that is necessary is that the facts withheld be material in the sense that a reasonable
28 investor might have considered them important in making investment decisions.

1 Given the importance of the Class Period material misstatements and omissions set
2 forth above, that requirement is satisfied here.

3 **NO SAFE HARBOR**

4 43. The statutory safe harbor provided for forward-looking statements under
5 certain circumstances does not apply to any of the allegedly false statements pleaded
6 in this Complaint. The statements alleged to be false and misleading herein all relate
7 to then-existing facts and conditions. In addition, to the extent certain of the
8 statements alleged to be false may be characterized as forward looking, they were not
9 identified as “forward-looking statements” when made and there were no meaningful
10 cautionary statements identifying important factors that could cause actual results to
11 differ materially from those in the purportedly forward-looking statements. In the
12 alternative, to the extent that the statutory safe harbor is determined to apply to any
13 forward-looking statements pleaded herein, Defendants are liable for those false
14 forward-looking statements because at the time each of those forward-looking
15 statements was made, the speaker had actual knowledge that the forward-looking
16 statement was materially false or misleading, and/or the forward-looking statement
17 was authorized or approved by an executive officer of Cheetah Mobile who knew that
18 the statement was false when made.

19 **FIRST CLAIM**

20 **Violation of Section 10(b) of The Exchange Act and**
21 **Rule 10b-5 Promulgated Thereunder**
22 **Against All Defendants**

23 44. Plaintiff repeats and re-alleges each and every allegation contained
24 above as if fully set forth herein.

25 45. During the Class Period, Defendants carried out a plan, scheme and
26 course of conduct which was intended to and, throughout the Class Period, did: (i)
27 deceive the investing public, including Plaintiff and other Class members, as alleged
28 herein; and (ii) cause Plaintiff and other members of the Class to purchase Cheetah
Mobile’s securities at artificially inflated prices. In furtherance of this unlawful

1 scheme, plan and course of conduct, Defendants, and each defendant, took the actions
2 set forth herein.

3 46. Defendants (i) employed devices, schemes, and artifices to defraud; (ii)
4 made untrue statements of material fact and/or omitted to state material facts
5 necessary to make the statements not misleading; and (iii) engaged in acts, practices,
6 and a course of business which operated as a fraud and deceit upon the purchasers of
7 the Company's securities in an effort to maintain artificially high market prices for
8 Cheetah Mobile's securities in violation of Section 10(b) of the Exchange Act and
9 Rule 10b-5. All Defendants are sued either as primary participants in the wrongful
10 and illegal conduct charged herein or as controlling persons as alleged below.

11 47. Defendants, individually and in concert, directly and indirectly, by the
12 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
13 and participated in a continuous course of conduct to conceal adverse material
14 information about Cheetah Mobile's financial well-being and prospects, as specified
15 herein.

16 48. Defendants employed devices, schemes and artifices to defraud, while in
17 possession of material adverse non-public information and engaged in acts, practices,
18 and a course of conduct as alleged herein in an effort to assure investors of Cheetah
19 Mobile's value and performance and continued substantial growth, which included
20 the making of, or the participation in the making of, untrue statements of material
21 facts and/or omitting to state material facts necessary in order to make the statements
22 made about Cheetah Mobile and its business operations and future prospects in light
23 of the circumstances under which they were made, not misleading, as set forth more
24 particularly herein, and engaged in transactions, practices and a course of business
25 which operated as a fraud and deceit upon the purchasers of the Company's securities
26 during the Class Period.

27 49. Each of the Individual Defendants' primary liability and controlling
28 person liability arises from the following facts: (i) the Individual Defendants were

1 high-level executives and/or directors at the Company during the Class Period and
2 members of the Company's management team or had control thereof; (ii) each of
3 these defendants, by virtue of their responsibilities and activities as a senior officer
4 and/or director of the Company, was privy to and participated in the creation,
5 development and reporting of the Company's internal budgets, plans, projections
6 and/or reports; (iii) each of these defendants enjoyed significant personal contact and
7 familiarity with the other defendants and was advised of, and had access to, other
8 members of the Company's management team, internal reports and other data and
9 information about the Company's finances, operations, and sales at all relevant times;
10 and (iv) each of these defendants was aware of the Company's dissemination of
11 information to the investing public which they knew and/or recklessly disregarded
12 was materially false and misleading.

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

26 51. As a result of the dissemination of the materially false and/or misleading
27 information and/or failure to disclose material facts, as set forth above, the market
28 price of Cheetah Mobile's securities was artificially inflated during the Class Period.

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

9 52. At the time of said misrepresentations and/or omissions, Plaintiff and
10 other members of the Class were ignorant of their falsity, and believed them to be
11 true. Had Plaintiff and the other members of the Class and the marketplace known
12 the truth regarding the problems that Cheetah Mobile was experiencing, which were
13 not disclosed by Defendants, Plaintiff and other members of the Class would not have
14 purchased or otherwise acquired their Cheetah Mobile securities, or, if they had
15 acquired such securities during the Class Period, they would not have done so at the
16 artificially inflated prices which they paid.

17 53. By virtue of the foregoing, Defendants violated Section 10(b) of the
18 Exchange Act and Rule 10b-5 promulgated thereunder.

19 54. As a direct and proximate result of Defendants' wrongful conduct,
20 Plaintiff and the other members of the Class suffered damages in connection with
21 their respective purchases and sales of the Company's securities during the Class
22 Period.

23 **SECOND CLAIM**

24 **Violation of Section 20(a) of The Exchange Act**
25 **Against the Individual Defendants**

26 55. Plaintiff repeats and re-alleges each and every allegation contained
27 above as if fully set forth herein.
28

1 (b) Awarding compensatory damages in favor of Plaintiff and the other
2 Class members against all defendants, jointly and severally, for all damages sustained
3 as a result of Defendants’ wrongdoing, in an amount to be proven at trial, including
4 interest thereon;

5 (c) Awarding Plaintiff and the Class their reasonable costs and expenses
6 incurred in this action, including counsel fees and expert fees; and

7 (d) Such other and further relief as the Court may deem just and proper.

8 **JURY TRIAL DEMANDED**

9 Plaintiff hereby demands a trial by jury.

10 Dated: June 25, 2020

GLANCY PRONGAY & MURRAY LLP

12 By: /s/ Charles H. Linehan

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Counsel for Plaintiff

SWORN CERTIFICATION OF PLAINTIFF

Cheetah Mobile Inc., **SECURITIES LITIGATION**

I, Milan Kusic, as owner of Azure Fund LLC, certify:

1. I have reviewed the complaint and authorized its filing and/or adopted its allegations.
2. I did not purchase Cheetah Mobile Inc., the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under this title.
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. My transactions in Cheetah Mobile Inc., during the class period set forth in the Complaint are as follows:

See Attached Transactions
5. I have not served as a representative party on behalf of a class under this title during the last three years except as stated:
6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

Check here if you are a current employee or former employee of the defendant Company.

I declare under penalty of perjury that the foregoing are true and correct statements.

Dated: 06/24/2020



(Please Sign Your Name Above)

(REDACTED)

Azure Funds LLC's Transactions in Cheetah Mobile Inc. (CMCM)

Date	Transaction Type	Quantity	Unit Price
9/10/2019	Bought	303	\$4.2948
9/18/2019	Bought	2	\$3.7884
10/1/2019	Bought	2,814.89	\$3.6667
10/2/2019	Bought	111	\$3.5950
10/2/2019	Bought	8	\$3.5950
11/19/2019	Bought	21,750	\$3.4600