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

_____, Individually and on behalf of all
others similarly situated,

Plaintiff,

v.

KANDI TECHNOLOGIES, GROUP,
INC., XIAOMING HU, XIAOYING
ZHU, CHENG WANG, and BING
MEI,

Defendants.

Case No:

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

JURY TRIAL DEMANDED

Plaintiff _____ (“Plaintiff”), individually and on behalf of all other persons
similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint
against Defendants (defined below), alleges the following based upon personal
knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to
all other matters, based upon, inter alia, the investigation conducted by and through
her attorneys, which included, among other things, a review of the Defendants’
public documents, conference calls and announcements made by Defendants,
United States Securities and Exchange Commission (“SEC”) filings, wire and press

1 releases published by and regarding Kandi Technologies Group, Inc. (“Kandi” or
2 the “Company”), and information readily obtainable on the Internet. Plaintiff
3 believes that substantial evidentiary support will exist for the allegations set forth
4 herein after a reasonable opportunity for discovery.

5 NATURE OF THE ACTION

6 1. This is a federal securities class action on behalf of a class consisting
7 of all persons and entities other than Defendants who purchased or otherwise
8 acquired the publicly traded securities of Kandi from March 16, 2015 through
9 March 13, 2017, both dates inclusive (the “Class Period”). Plaintiff seeks to recover
10 compensable damages caused by Defendants’ violations of the federal securities
11 laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities
12 Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated
13 thereunder.

14 JURISDICTION AND VENUE

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

18 3. This Court has jurisdiction over the subject matter of this action
19 pursuant to Section 27 of the Exchange Act (15 U.S.C. §78aa).

20 4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b)
21 and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged
22 misstatements entered into this judicial district.

23 5. In connection with the acts, conduct and other wrongs alleged in this
24 complaint, Defendants, directly or indirectly, used the means and instrumentalities
25 of interstate commerce, including but not limited to, the United States mails,
26 interstate telephone communications and the facilities of the national securities
27 exchange.

1 **PARTIES**

2 6. Plaintiff, as set forth in the accompanying certification, incorporated
3 by reference herein, purchased Kandi securities at artificially inflated prices during
4 the Class Period and was economically damaged thereby.

5 7. Defendant Kandi, through its subsidiaries, designs, produces,
6 manufactures, and distributes electric vehicles (EVs) products, EV parts, and off-
7 road vehicles in the People’s Republic of China and internationally. Kandi is
8 incorporated in Delaware and maintains its principal executive offices at Jinhua,
9 Zhejiang Province, People’s Republic of China. Kandi securities trade on the
10 NASDAQ Global Select Market (“NASDAQ”) under the ticker “KNDI.”

11 8. Defendant Xiaoming Hu (“Hu”) has been the Company’s Chief
12 Executive Officer, President and Chairman of the Board throughout the Class
13 Period.

14 9. Defendant Xiaoying Zhu (“Zhu”) was the Company’s Chief Financial
15 Officer (“CFO”) from June 2007 until her resignation on April 30, 2015.

16 10. Defendant Wang Cheng (“Cheng”) was the Company’s CFO from
17 May 1, 2015 until his resignation on November 14, 2016.

18 11. Defendant Bing Mei (“Mei”) has been the Company’s CFO since
19 November 14, 2016.

20 12. Defendants Hu, Zhu, Cheng and Mei are collectively referred to herein
21 as the “Individual Defendants.”

22 13. Each of the Individual Defendants:

- 23 a. directly participated in the management of the Company;
- 24 b. was directly involved in the day-to-day operations of the
25 Company at the highest levels;
- 26 c. was privy to confidential proprietary information concerning the
27 Company and its business and operations;
- 28

- 1 d. was directly or indirectly involved in drafting, producing,
2 reviewing and/or disseminating the false and misleading
3 statements and information alleged herein;
4 e. was directly or indirectly involved in the oversight or
5 implementation of the Company's internal controls;
6 f. was aware of or recklessly disregarded the fact that the false and
7 misleading statements were being issued concerning the
8 Company; and/or
9 g. approved or ratified these statements in violation of the federal
10 securities laws.

11 14. Kandi is liable for the acts of the Individual Defendants and its
12 employees under the doctrine of *respondeat superior* and common law principles
13 of agency because all of the wrongful acts complained of herein were carried out
14 within the scope of their employment.

15 15. The scienter of the Individual Defendants and other employees and
16 agents of the Company is similarly imputed to Kandi under *respondeat superior*
17 and agency principles.

18 16. Defendants Kandi and Individual Defendants are collectively referred
19 to herein as "Defendants."

20 **SUBSTANTIVE ALLEGATIONS**

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

22 17. On March 16, 2015, the Company filed a Form 10-K for the fiscal year
23 ended December 31, 2014 (the "2014 10-K") with the SEC. The 2014 10-K was
24 signed by Defendants Hu and Zhu. Attached to the 2014 10-K were certifications
25 pursuant to the Sarbanes Oxley Act of 2002 ("SOX") signed by Defendants Hu and
26 Zhu attesting to the accuracy of the financial statements, the disclosure of any
27 material changes to the Company's internal control over financial reporting and the
28 disclosure all fraud was disclosed.

1 18. The 2014 10-K discussed the Company’s internal controls over
2 financial reporting, stating in relevant part:

3 Management conducted an assessment of the effectiveness of our
4 system of internal control over financial reporting as of December 31,
5 2014, the last day of our fiscal year. This assessment was based on
6 criteria established in the framework Internal Control—Integrated
7 Framework (2013), issued by the Committee of Sponsoring
8 Organizations of the Treadway Commission (“COSO”) and included
9 an evaluation of elements such as the design and operating
10 effectiveness of key financial reporting controls, process
11 documentation, accounting policies, and our overall control
12 environment. *Based on management's evaluation under the 2013
13 COSO framework, management concluded that the Company's
14 internal controls over financial reporting were effective as of
15 December 31, 2014.*

16 (Emphasis added).

17 19. On March 14, 2016, the Company filed a Form 10-K for the fiscal year
18 ended December 31, 2015 (the “2015 10-K”) with the SEC. The 2015 10-K was
19 signed by Defendants Hu and Cheng. Attached to the 2015 10-K were signed SOX
20 certifications signed by Defendants Hu and Cheng attesting to the accuracy of the
21 financial statements, the disclosure of any material changes to the Company’s
22 internal control over financial reporting and the disclosure all fraud was disclosed.

23 20. The 2015 10-K discussed the Company’s internal controls over
24 financial reporting, stating in relevant part:

25 Management conducted an assessment of the effectiveness of our
26 system of internal control over financial reporting as of December 31,
27 2015, the last day of our fiscal year. This assessment was based on
28 criteria established in the framework Internal Control—Integrated
Framework (2013), issued by the Committee of Sponsoring
Organizations of the Treadway Commission (“COSO”) and included
an evaluation of elements such as the design and operating
effectiveness of key financial reporting controls, process
documentation, accounting policies, and our overall control

1 environment. *Based on management's evaluation under the 2013*
2 *COSO framework, management concluded that the Company's*
3 *internal controls over financial reporting were effective as of*
4 *December 31, 2015.*

5 (Emphasis added).

6 21. On May 10, 2016, the Company filed a Form 10-Q for the quarterly
7 period ended March 31, 2016 (the "1Q16 10-Q") with the SEC. The 1Q16 10-Q
8 was signed by Defendants Hu and Cheng. Attached to the 1Q16 10-Q were signed
9 SOX certifications by Defendants Hu and Cheng attesting to the accuracy of the
10 financial statements, the disclosure of any material changes to the Company's
11 internal control over financial reporting and the disclosure all fraud was disclosed.

12 22. The 1Q16 10-Q discussed the Company's internal controls over
13 financial reporting, stating in relevant part:

14 **Changes in Internal Control over Financial Reporting**

15 There was no change to our internal control over financial reporting (as
16 defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that
17 occurred during the period covered by this report that have materially
18 affected, or are reasonably likely to materially affect, our internal
19 control over financial reporting.

20 23. On August 9, 2016 the Company filed a Form 10-Q for the quarterly
21 period ended June 30, 2016 (the "2Q16 10-Q") with the SEC. The 2Q16 10-Q was
22 signed by Defendants Hu and Zhu. Attached to the 2Q16 10-Q were SOX
23 certifications signed by Defendants Hu and Zhu attesting to the accuracy of the
24 financial statements, the disclosure of any material changes to the Company's
25 internal control over financial reporting and the disclosure all fraud was disclosed.

26 24. The 2Q16 10-Q discussed the Company's internal controls over
27 financial reporting, stating in relevant part:

28 **Changes in Internal Control over Financial Reporting**

1 There was no change to our internal control over financial reporting (as
2 defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that
3 occurred during the period covered by this report that have materially
4 affected, or are reasonably likely to materially affect, our internal
control over financial reporting.

5 25. On November 9, 2016 the Company filed a Form 10-Q for the
6 quarterly period ended September 30, 2016 (the “3Q16 10-Q”) with the SEC. The
7 3Q16 10-Q was signed by Defendants Hu and Zhu. Attached to the 3Q16 10-Q were
8 SOX certifications signed by Defendants Hu and Zhu attesting to the accuracy of
9 the financial statements, the disclosure of any material changes to the Company’s
10 internal control over financial reporting and the disclosure all fraud was disclosed.

11 26. The 3Q16 10-Q discussed the Company’s internal controls over
12 financial reporting, stating in relevant part:

13 **Changes in Internal Control over Financial Reporting**

14 There was no change in our internal control over financial reporting (as
15 defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that
16 occurred during the period covered by this report that have materially
17 affected, or are reasonably likely to materially affect, our internal
18 control over financial reporting.

19 27. The statements contained in ¶¶ 17-26 were materially false and/or
20 misleading because they misrepresented and failed to disclose the following adverse
21 facts pertaining to the Company’s business, operations and prospects, which were
22 known to Defendants or recklessly disregarded by them. Specifically, Defendants
23 made false and/or misleading statements and/or failed to disclose that: (1) certain
24 areas in the Company’s previously issued financial statements for the years ended
25 December 31, 2015 and 2014, and the first three quarters for the year ended
26 December 31, 2016 required adjustments; (2) in turn, the Company lacked effective
27 controls over financial reporting; and (3) as a result, Defendants’ statements about
28

1 the Company's business, operations, and prospects, were materially false and
2 misleading and/or lacked a reasonable basis at all relevant times.

3 **The Truth Emerges**

4 28. On March 13, 2017, the Company filed a Form 8-K with the SEC
5 revealing that its previously issued financial statements for the years ended
6 December 31, 2015 and 2014, and the first three quarters for the year ended
7 December 31, 2016 will need to be restated, stating in relevant part:

8 **Item 4.02 Non-Reliance on Previously Issued Financial**
9 **Statements or a Related Audit Report or Completed Interim**
10 **Review.**

11 (a) During the course of Kandi Technologies Group, Inc.'s (the
12 "Company") preparation of its Annual Report on Form 10-K for the
13 year ended December 31, 2016, and during preparation of responses to
14 comments from the staff of the Securities and Exchange Commission
15 ("SEC"), Division of Corporate Finance, *the Company's management*
16 *identified certain areas in the Company's previously issued financial*
17 *statements for the years ended December 31, 2015 and 2014, and the*
18 *first three quarters for the year ended December 31, 2016 (the*
19 *"Previously Issued Financial Statements"), that require adjustment*
20 *as described below and in more detail in the Company's annual report*
21 *on Form 10-K/A for the fiscal year ended December 31, 2015 ("Form*
22 *10-K/A"), to be filed with the SEC. As a result, on March 7, 2017, the*
23 *board of directors (the "Board") of the Company, based on the*
24 *recommendation of the Company's audit committee, and in*
25 *consultation with management, concluded that the Company's*
26 *Previously Issued Financial Statements should no longer be relied*
27 *upon. The Company will, in the Form 10-K/A, restate the Previously*
28 *Issued Financial Statements, which restatement will include separate*
audited financial statements for the JV Company (the
"Restatements"). The Restatements will have no effect on the net
income of the Company as reported in the Previously Issued Financial
Statements. The Company will endeavor to file its Annual Report on
Form 10-K for the fiscal year ended December 31, 2016, pursuant to
SEC's rules (including timing guidelines), and will file the Form 10-
K/A as soon as practicably possible.

1 The Restatements will include separate audited financial statements for
2 the Company's equity investment in the JV Company, corrections to
3 the classification of notes receivable and notes payable in the
4 Company's statements of cash flow, revisions in the Company's
5 financial statement presentation to separately identify certain related
6 party accounts on the face of the Balance Sheets and the Consolidated
7 Statements of Income (Loss) and Comprehensive Income (Loss),
8 certain amendments to Note 20 – Taxes of the Notes to the Company's
9 Consolidated Financial Statements, the adjustment of previously
10 recorded construction-in-progress back to prepayment in Note 16 -
11 Construction-in-Progress of the Notes to the Company's Consolidated
12 Financial Statements, expansions of two tables of sales to and purchases
13 from the JV Company in Note 24 - Summarized Information of
14 Investment in the JV Company of the Notes to the Company's
15 Consolidated Financial Statements from two years to three years, and
16 the removal of "unaudited" labels from certain tables in Note 20 - Taxes
17 of the Notes to the Company's Consolidated Financial Statements.

18 The Company will also amend its unaudited quarterly data for the first
19 three quarters ended December 31, 2016, as set forth in its upcoming
20 Annual Report on Form 10-K for the year ended December 31, 2016.
21 The Company has not filed and does not intend to file amendments to
22 its Quarterly Reports on Form 10-Q for the quarterly periods affected.
23 Accordingly, investors should no longer rely upon the Company's
24 previously released financial statements for those periods or any
25 earnings releases or other communications relating to those periods.
26 The Company's Quarterly Reports on Form 10-Q for fiscal year 2017
27 will include restated results for the corresponding interim periods of
28 fiscal year 2016.

29 In addition, in conjunction with the Restatements, the Company is
30 reassessing its internal controls over its financial reporting and
31 compliance programs. The result of this reassessment could lead the
32 Company to conclude that there were deficiencies in its internal
33 controls over financial reporting that constitute material weaknesses
34 and could therefore affect its conclusions regarding effectiveness as
35 previously expressed in Item 9A, Controls and Procedures, of the
36 Company's Annual Report on Form 10-K for the year ended December
37 31, 2015. Accordingly, management's report on internal controls over
38 financial reporting as of December 31, 2015, and the associated report

1 of AWC (CPA) Limited, the Company’s former principal accountant
2 (“AWC”), should no longer be relied upon. The Public Company
3 Accounting Oversight Board revoked the registration of AWC on May
4 18, 2016. The Company dismissed AWC and engaged BDO China Shu
5 Lun Pan Certified Public Accountants LLP (“BDO China”) as its new
6 independent registered public accounting firm on April 12, 2016, as
7 previously reported. The Company is committed to maintaining an
8 effective control environment and making all necessary changes to
9 enhance control effectiveness.

10 The chair of the Company’s audit committee, on behalf of the audit
11 committee, and the management have discussed the matters disclosed
12 in this Item 4.02(a) of this Current Report on Form 8-K with BDO
13 China.

14 (Emphasis added).

15 29. On this news, shares of Kandi fell sharply during intraday trading on
16 March 14, 2017, damaging investors.

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

20 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

21 31. Plaintiff brings this action as a class action pursuant to Federal Rule of
22 Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons other
23 than defendants who acquired Kandi securities publicly traded on NASDAQ during
24 the Class Period and who were damaged thereby (the “Class”). Excluded from the
25 Class are Defendants, the officers and directors of Kandi, members of the Individual
26 Defendants’ immediate families and their legal representatives, heirs, successors or
27 assigns and any entity in which Officer or Director Defendants have or had a
28 controlling interest.

32. The members of the Class are so numerous that joinder of all members
is impracticable. Throughout the Class Period, Kandi securities were actively traded

1 on NASDAQ. While the exact number of Class members is unknown to Plaintiff at
2 this time and can be ascertained only through appropriate discovery, Plaintiff
3 believes that there are hundreds, if not thousands of members in the proposed Class.

4 33. Plaintiff's claims are typical of the claims of the members of the Class
5 as all members of the Class are similarly affected by defendants' wrongful conduct
6 in violation of federal law that is complained of herein.

7 34. Plaintiff will fairly and adequately protect the interests of the members
8 of the Class and has retained counsel competent and experienced in class and
9 securities litigation. Plaintiff has no interests antagonistic to or in conflict with those
10 of the Class.

11 35. Common questions of law and fact exist as to all members of the Class
12 and predominate over any questions solely affecting individual members of the
13 Class. Among the questions of law and fact common to the Class are:

- 14 a. whether the Exchange Act was violated by Defendants' acts as
15 alleged herein;
- 16 b. whether statements made by Defendants to the investing public
17 during the Class Period misrepresented material facts about the
18 financial condition and business Kandi;
- 19 c. whether Defendants' public statements to the investing public
20 during the Class Period omitted material facts necessary to make
21 the statements made, in light of the circumstances under which
22 they were made, not misleading;
- 23 d. whether the Defendants caused the Company to issue false and
24 misleading SEC filings during the Class Period;
- 25 e. whether Defendants acted knowingly or recklessly in issuing
26 false and SEC filing
- 27
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- 1 f. whether the prices of Kandi's securities during the Class Period
2 were artificially inflated because of the Defendants' conduct
3 complained of herein; and
4 g. whether the members of the Class have sustained damages and,
5 if so, what is the proper measure of damages.

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

12 37. Plaintiff will rely, in part, upon the presumption of reliance established
13 by the fraud-on-the-market doctrine in that:

- 14 h. Kandi securities met the requirements for listing, and were listed
15 and actively traded on NASDAQ, a highly efficient and
16 automated market;
17 i. As a public issuer, the Company filed periodic public reports
18 with the SEC and NASDAQ;
19 j. The Company regularly communicated with public investors via
20 established market communication mechanisms, including
21 through the regular dissemination of press releases via major
22 newswire services and through other wide-ranging public
23 disclosures, such as communications with the financial press
24 and other similar reporting services; and
25 k. The Company was followed by a number of securities analysts
26 employed by major brokerage firms who wrote reports that were
27 widely distributed and publicly available.
28

1 38. Based on the foregoing, the market for Kandi securities promptly
2 digested current information regarding the Company from all publicly available
3 sources and reflected such information in the prices of the shares, and Plaintiff and
4 the members of the Class are entitled to a presumption of reliance upon the integrity
5 of the market.

6 39. Alternatively, Plaintiff and the members of the Class are entitled to the
7 presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens*
8 *of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted
9 material information in their Class Period statements in violation of a duty to
10 disclose such information as detailed above.

11 **COUNT I**

12 **For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder**
13 **Against All Defendants**

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

16 41. This Count is asserted against Defendants is based upon Section 10(b)
17 of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder
18 by the SEC.

19 42. During the Class Period, Defendants, individually and in concert,
20 directly or indirectly, disseminated or approved the false statements specified
21 above, which they knew or deliberately disregarded were misleading in that they
22 contained misrepresentations and failed to disclose material facts necessary in order
23 to make the statements made, in light of the circumstances under which they were
24 made, not misleading.

25 43. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that
26 they: employed devices, schemes and artifices to defraud; made untrue statements
27 of material facts or omitted to state material facts necessary in order to make the
28 statements made, in light of the circumstances under which they were made, not

1 misleading; or engaged in acts, practices and a course of business that operated as
2 a fraud or deceit upon plaintiff and others similarly situated in connection with their
3 purchases of Kandi securities during the Class Period.

4 44. Defendants acted with scienter in that they knew that the public
5 documents and statements issued or disseminated in the name of the Company were
6 materially false and misleading; knew that such statements or documents would be
7 issued or disseminated to the investing public; and knowingly and substantially
8 participated, or acquiesced in the issuance or dissemination of such statements or
9 documents as primary violations of the securities laws. These defendants by virtue
10 of their receipt of information reflecting the true facts of Kandi, their control over,
11 and/or receipt and/or modification of the Company's allegedly materially
12 misleading statements, and/or their associations with the Company which made
13 them privy to confidential proprietary information concerning the Company,
14 participated in the fraudulent scheme alleged herein.

15 45. Individual Defendants, who are the senior officers and/or directors of
16 the Company, had actual knowledge of the material omissions and/or the falsity of
17 the material statements set forth above, and intended to deceive Plaintiff and the
18 other members of the Class, or, in the alternative, acted with reckless disregard for
19 the truth when they failed to ascertain and disclose the true facts in the statements
20 made by them or other Company personnel to members of the investing public,
21 including Plaintiff and the Class.

22 46. As a result of the foregoing, the market price of Kandi securities was
23 artificially inflated during the Class Period. In ignorance of the falsity of
24 Defendants' statements, Plaintiff and the other members of the Class relied on the
25 statements described above and/or the integrity of the market price of Kandi
26 securities during the Class Period in purchasing Kandi securities at prices that were
27 artificially inflated as a result of Defendants' false and misleading statements.
28

1 47. Had Plaintiff and the other members of the Class been aware that the
2 market price of Kandi securities had been artificially and falsely inflated by
3 Defendants' misleading statements and by the material adverse information which
4 Defendants did not disclose, they would not have purchased Kandi securities at the
5 artificially inflated prices that they did, or at all.

6 48. As a result of the wrongful conduct alleged herein, Plaintiff and other
7 members of the Class have suffered damages in an amount to be established at trial.

8 49. By reason of the foregoing, Defendants have violated Section 10(b) of
9 the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff
10 and the other members of the Class for substantial damages which they suffered in
11 connection with their purchase of Kandi securities during the Class Period.

12 **COUNT II**

13 **Violations of Section 20(a) of the Exchange Act Against the Individual**
14 **Defendants**

15 50. Plaintiff repeats and realleges each and every allegation contained in
16 the foregoing paragraphs as if fully set forth herein.

17 51. During the Class Period, the Individual Defendants participated in the
18 operation and management of the Company, and conducted and participated,
19 directly and indirectly, in the conduct of the Company's business affairs. Because
20 of their senior positions, they knew the adverse non-public information about
21 Kandi's misstatement of revenue and profit and false financial statements.

22 52. As officers and/or directors of a publicly owned company, the
23 Individual Defendants had a duty to disseminate accurate and truthful information
24 with respect to the Company's financial condition and results of operations, and to
25 correct promptly any public statements issued by the Company which had become
26 materially false or misleading.

27 53. Because of their positions of control and authority as senior officers,
28 the Individual Defendants were able to, and did, control the contents of the various

1 reports, press releases and public filings which the Company disseminated in the
2 marketplace during the Class Period concerning the Company's results of
3 operations. Throughout the Class Period, the Individual Defendants exercised their
4 power and authority to cause the Company to engage in the wrongful acts
5 complained of herein. The Individual Defendants therefore, were "controlling
6 persons" of the Company within the meaning of Section 20(a) of the Exchange Act.
7 In this capacity, they participated in the unlawful conduct alleged which artificially
8 inflated the market price of Kandi securities.

9 54. By reason of the above conduct, the Individual Defendants are liable
10 pursuant to Section 20(a) of the Exchange Act for the violations committed by The
11 Company.

12 **PRAYER FOR RELIEF**

13 WHEREFORE, Plaintiff, on behalf of herself and the Class, prays for
14 judgment and relief as follows:

15 (a) declaring this action to be a proper class action, designating plaintiff
16 as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of
17 the Federal Rules of Civil Procedure and designating plaintiff's counsel as Lead
18 Counsel;

19 (b) awarding damages in favor of plaintiff and the other Class members
20 against all defendants, jointly and severally, together with interest thereon;

21 (c) awarding plaintiff and the Class reasonable costs and expenses
22 incurred in this action, including counsel fees and expert fees; and

23 (d) awarding plaintiff and other members of the Class such other and
24 further relief as the Court may deem just and proper.

25 **JURY TRIAL DEMANDED**

26 Plaintiff hereby demands a trial by jury.
27
28