

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS
ST. CROIX DIVISION**

XIAOLIN CHI AND FAYUN LUO,
INDIVIDUALLY AND ON BEHALF OF ALL
OTHERS SIMILARLY SITUATED,

Plaintiff,

vs.

QIAO XING UNIVERSAL RESOURCES, INC.,
RUI LIN WU, ZHI YANG WU, AIJUN JIANG, and
JIUJIU JIANG

Defendants.

CASE No.: 12-45

SECOND AMENDED COMPLAINT

CLASS ACTION

JURY TRIAL DEMANDED

SECOND AMENDED COMPLAINT

Court appointed Lead Plaintiff Xiaolin Chi and named plaintiffs Fayun Luo and Kunwar Saktawat ("Plaintiffs"), individually and on behalf of all other persons similarly situated, by their undersigned attorneys, for their Second Amended Complaint ("SAC") against Defendants, allege the following based upon personal knowledge as to themselves and their own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through their 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 releases published by and regarding Qiao Xing Universal Resources, Inc. ("XING," or the "Company"), securities analysts' reports and advisories about the Company, investigation of Chinese State Administration of Industry and Commerce

(“SAIC”) registration records; and information readily obtainable on the Internet. Plaintiffs believe that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants and their affiliates, who purchased or otherwise acquired the common stock of XING between May 26, 2010, to April 16, 2012, inclusive, (the “Class Period”), seeking to recover damages caused by Defendants’ violations of federal securities laws.

2. Plaintiffs are seeking to recover damages caused by Defendants’ violations of the Securities Exchange Act of 1934 (the “Exchange Act”).

3. During the Class Period, Defendants concealed a series of self-dealing transactions, including the improper transfer of Xing’s assets to defendant Wu (XING’s CEO), as well as other related party transactions in violation of Generally Accepted Accounting Principles (“GAAP”) and regulations of the Securities and Exchange Commission (“SEC”).¹

4. From May to December 2010, the Company made false and misleading public announcements that its subsidiary was buying mining assets known as Balinzuo Banner Xinyuan Mining Co., Ltd. (“Xinyuan”), from a non-affiliated third party, Chifeng Xingu Mining Co., Ltd. (“Xingu”), for RMB 588 million² (US\$ 88.4 million) (the “Xinyuan Acquisition”).

¹ A “related party transaction” is any transaction between the corporation and one of its officers, directors or significant shareholders, or with any family member, affiliate or company owned by an officer, director or significant shareholder.

² “RMB” is short for Renminbi, the official currency of China. The applicable exchange rate, as per a Company issued press release on December 23, 2010, is RMB 1 = US\$ 0.15. However, the

5. In fact, Defendant Rui Lin Wu (“Wu”), the Company’s president and CEO at the time, was the owner and actual seller of Xinyuan to the Company.

6. Thus, the seller of Xinyuan was not a non-affiliated third party.

7. The Xinyuan Acquisition, which was completed in January 2011, was a related party transaction, but the Company falsely told shareholders and the SEC that it was not a related party transaction.

8. In June 2011, Defendant Wu arranged a transfer of funds from one of the Company subsidiary’s bank accounts to an account controlled by him (“Illicit Transfer”).

9. Though the Illicit Transfer was conducted during the auditor’s review of the Company’s annual financial statements for 2010, it was not disclosed in the Company’s annual report on Form 2010 20-F filed with the SEC.

10. Not only was the Illicit Transfer a related party transaction that the Company failed to disclose, but it was a self-dealing fraudulent scheme.

11. Defendants were required to disclose the related party transactions.

12. Defendants’ concealment of the related party transactions are violations of GAAP and SEC regulations and rendered all of the Company’s financial statements issued during the Class Period *per se* false and misleading.

13. Defendants’ Illicit Transfer of Company assets is a *per se* fraudulent scheme.

14. On November 22, 2011, Defendant Wu resigned from his positions as the Company’s Chairman and CEO.

exchange rate used throughout this second amended complaint varies corresponding to how the exchange rate changed throughout the Class Period.

15. The same day Director Xiufeng Shi also resigned.

16. After the Company released its financial results for the six month period ended June 30, 2011 on Form 6-K filed on December 1, 2011, the Company failed to file any more financial statements for subsequent quarters, including the annual report for fiscal year 2011 on Form 20-F.

17. On April 16, 2012, XING's stock trading was halted by NASDAQ.

18. On April 20, 2012, the Company announced that its Audit Committee would commence an internal investigation into the Illicit Transfer, would review transactions involving the pledge or transfer of Company assets, and would confirm cash balances of the Company's bank accounts.

19. On April 20, 2012, the Company also announced that it ordered the immediate return of the funds transferred by way of the Illicit Transfer.

20. On April 20, 2012, the Company also announced that on April 18, 2013, Dr. Edward Tsai, director and Chairman of the Audit Committee, resigned, and also that Dr. Tsai disagreed with the other Company directors on how the Company's internal investigation was conducted.

21. However, as of today's date, over a year after the April 20, 2012 announcements, the Company has not announced that the results of the internal investigation, or whether it has yielded any information at all, including any news related to return of the funds that were illegally transferred.

22. On information and belief, NASDAQ halted trading after it became aware that the Company admitted the Illicit Transfer.

23. The April 20, 2012 Company announcements were the last public statements the Company made to its investors. Since then, it has not filed any reports with the SEC or made any public announcements. The Company just disappeared.

24. In the following months, the Company's independent auditor, Crowe Horwath (HK) CPA Limited, resigned. The Company did not hire a new independent auditor.

25. On May 10, 2012, the Company's stock was suspended by NASDAQ.

26. On June 15, 2012, NASDAQ filed with the SEC notice that it determined to delist the Company's stock, effective June 25, 2012.

27. On August 23, 2012, SEC revoked the Company's stock registration after the Company failed to file its Form 20-F for fiscal year 2011 and failed to appear at an administrative hearing or to respond to the SEC's Order instituting administrative proceedings. The same thing happened to the Company's NYSE-listed majority-owned subsidiary Qiao Xing Mobile.

JURISDICTION AND VENUE

28. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act, and Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5).

29. This Court has jurisdiction over the subject matter of this action pursuant to Section 27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. § 1331.

30. Venue is proper in this Judicial District pursuant to §27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1391(b).

31. In connection with the acts, conduct, and other wrongs alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce,

including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

32. Court appointed lead plaintiff Xiaolin Chi purchased XING securities at artificially inflated prices during the Class Period and has been damaged thereby. His PSLRA certification has previously been filed with the Court and is incorporated herein by reference.

33. Named plaintiff Fayun Luo, as set forth in the accompanying amended PSLRA certification, incorporated by reference herein, purchased XING securities at artificially inflated prices during the Class Period and has been damaged thereby.

34. Named plaintiff Kunwar Saktawat, as set forth in the accompanying PSLRA certification, incorporated by reference herein, purchased XING securities at artificially inflated prices during the Class Period and has been damaged thereby.

35. From its inception through April 6, 2009, the Company was purportedly principally engaged in the manufacturing and sales of telecommunication terminals and equipment, including mobile phone handsets, and corded and cordless telephone sets, in China.

36. On April 6, 2009, upon the Company's acquisition of 100% of China Luxuriance Jade Company, Ltd. ("CLJC") from Defendant Wu, the Company's president and CEO at the time, the company started its molybdenum mining and processing business.

37. Since then XING purportedly is engaged primarily in the molybdenum mining industry.

38. Formerly known as Pastiche Investments Limited, XING is incorporated as an international business company under the International Business Companies Act of the British Virgin Islands on December 6, 1994.

39. Before being halted by the NASDAQ Stock Market on April 16, 2012, the Company's common stock was actively traded on the NASDAQ under ticker "XING."

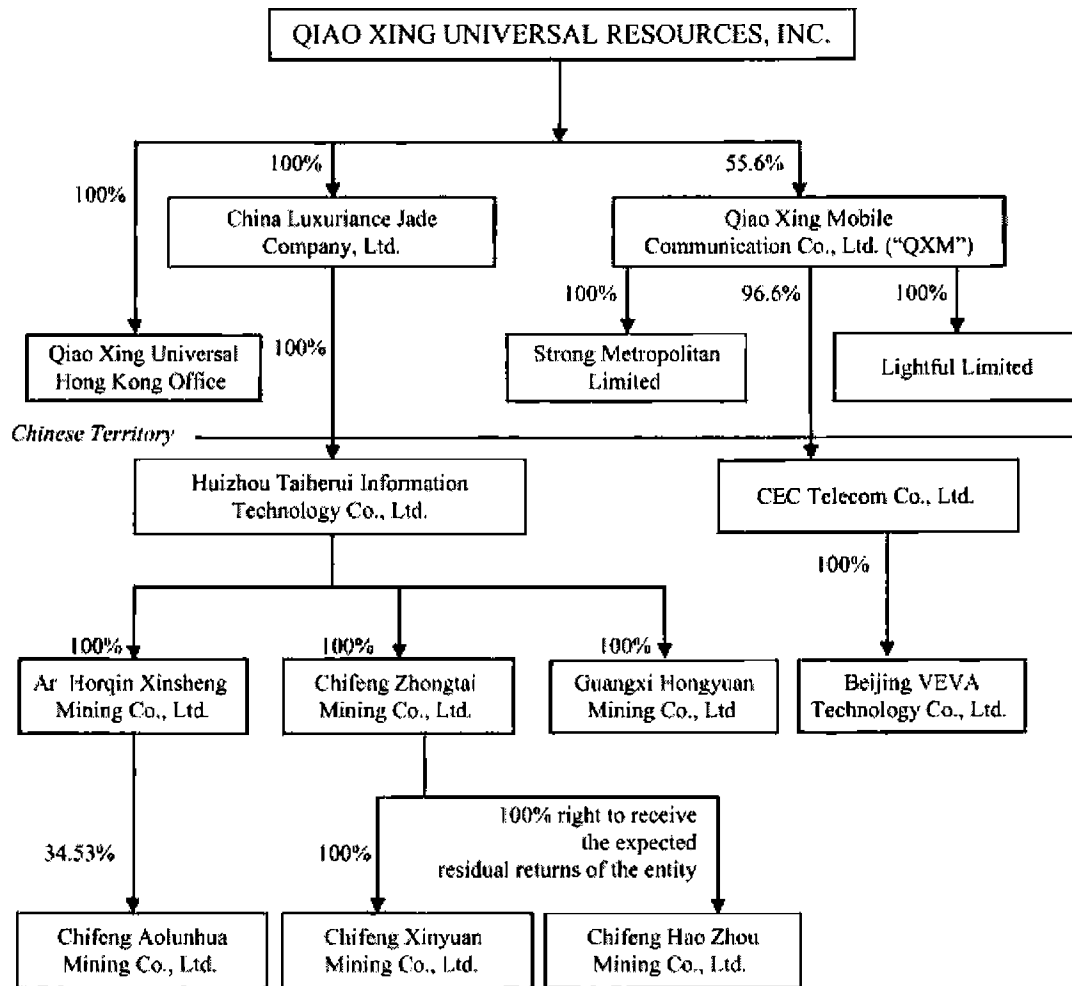
40. As of June 30, 2011, the Company owned 55.6% of Qiao Xing Mobile ("QXM"), a company incorporated in the British Virgin Islands on January 31, 2002. QXM conducted an initial public offering of 12,500,000 of its ordinary shares at US\$ 12.00 per share on the New York Stock Exchange under the symbol "QXM" on May 2, 2007.

41. CLJC was the sole shareholder of China Huizhou Taiherui Information Technology Co., Ltd. ("Taiherui").

42. Taiherui is the sole shareholder of Chifeng Zhongtai Mining Company Ltd ("Zhongtai").

43. Zhongtai owns the right to receive the 100% expected residual returns from Chifeng Haozhou Mining Co., Ltd. ("Haozhou").

44. As of July 15, 2011, the Company's organizational structure was as follows:



45. Defendant Rui Lin Wu ("Wu") was the Company's Chief Executive Officer and Chairman of the board of directors at all relevant times until November 21, 2011. When the Company filed its 2010 20-F on July 15, 2011, Wu and members of his family beneficially own or control approximately 41.5% of XING's outstanding common stock. Wu also owns minority equity interests in certain subsidiaries of the Company. Wu signed the Company's annual reports for the years ending December 31, 2009 and December 31, 2010, on Form 2009 20-F and 2010 20-F that were filed with the SEC (the "2009 20-F" and the "2010 20-F"), respectively, certifying

their accuracy. Defendant Wu separately signed the 2009 20-F and 2010 20-F pursuant to Sarbanes-Oxley Act of 2002 ("SOX").

46. Defendant Zhi Yang Wu ("Z. Wu") has served as the Company's CEO and Chairman since November 21, 2011. Prior to November 21, 2011, Z. Wu served a Vice Chairman of the Company's Board. Z. Wu is a son of Defendant Wu. Defendant Z. Wu signed the Form 6-K filed with the SEC on December 1, 2011 6-K that provided the Company's financial results for the six-month period ending June 30, 2011 (the "December 1, 2011 6-K").

47. Defendant Jiujia Jiang ("Jiang") has served as Chief Financial Officer of XING since May 2, 2011. Defendant Jiang separately signed the Company's 2010 20-F, pursuant to SOX.

48. Defendant Aijun Jiang ("A. Jiang") served as the Company's CFO through April 2011 when he resigned from the position. A. Jiang separately signed the Company's 2009 20-F, pursuant to SOX.

49. Defendant Xiu Feng Shi ("Shi") served as the Company's Executive Director through November 22, 2011 when he resigned from the position. Defendant Shi is Defendant Wu's long time associate as Shi has been director of product division for Real Gold since April 2007.

50. Defendant Edward Tsai ("Tsai") served as the Company's Non-Executive Director and Chairman of the Audit Committee until April 18, 2012 when he resigned from the position.

51. Defendant Ze Yun Mu ("Mu") served as the Company's Non-Executive Director and a member of the Audit Committee during the Class Period.

52. Defendant Yi Hong Zhang ("Zhang") served as the Company's Non-Executive Director and member of the Audit Committee during the Class Period.

53. Defendants Wu, Z. Wu, Jiang, A. Jiang, Shi, Tsai Mu, and Zhang are collectively referred to hereinafter as the “Individual Defendants.”

54. At the time when the Company filed the 2009 20-F and 2010 20-F, its audit committee consisted of Defendant Tsai, Mu and Zhang, with Tsai serving as Chairman. According to both the 2009 20-F and 2010 20-F, the Audit Committee’s functions were to:

- recommend annually to the board of directors the appointment of our independent public accountants;
- discuss and review the scope and the fees of the prospective annual audit and review the results with the independent public accountants;
- review and approve non-audit services of the independent public accountants;
- review compliance with the Company’s existing accounting and financial policies;
- review the adequacy of the Company’s financial organization; and review the Company’s management’s procedures and policies relative to the adequacy of our internal accounting controls and compliance with U.S. federal and state laws relating to financial reporting.

55. Each of the Individual Defendants, by virtue of his or her position with the Company, directly participated in the management of the Company, was directly involved in the day-to-day operations of the Company at the highest levels, and was privy to confidential proprietary information concerning the Company and its business, operations, growth, financial statements, and financial condition, as alleged herein. Said Defendants were involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein, were aware, or recklessly disregarded, that the false and misleading statements were being issued regarding the Company, and approved or ratified these statements, in violation of the federal securities laws.

56. During the Class Period, each of the Individual Defendants, as senior executive officers, agents, and/or directors of XING and its subsidiaries and affiliates, was privy to

non-public information concerning the Company's business, finances, products, markets, and present and future business prospects, via access to internal corporate documents, conversations and connections with other corporate officers and employees, attendance at management and Board of Directors meetings and committees thereof, and via reports and other information provided to them in connection therewith. Because of their possession of such information, the Individual Defendants knew or recklessly disregarded the fact that adverse facts specified herein had not been disclosed to, and were being concealed from, the investing public.

57. Each Defendant is liable as a participant in a fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of XING securities by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme (i) deceived the investing public regarding XING's business, operations, management and the intrinsic value of XING's securities; and (ii) caused Plaintiff and other members of the Class to purchase XING securities at artificially inflated prices.

58. XING is liable for the acts of the Individual Defendants and its employees under the doctrine of *respondeat superior* and common law principles of agency as all of the wrongful acts complained of herein were carried out within the scope of their employment with authorization.

SUBSTANTIVE ALLEGATIONS

I. Defendants Failed To Disclose That The Xinyuan Acquisition Was A Related Party Transaction

59. The Class Period begins on May 26, 2010, when the Company issued a May 26, 2010 Press Release, (the "May 26, 2010 Press Release") which announced that its subsidiary,

Zhongtai, signed a letter of intent to acquire a lead-zinc mining company, Xinyuan, from a purported a non-affiliated third party, Xingu.

HUIZHOU, China, May 26 /PRNewswire-Asia-FirstCall/ — Qiao Xing Universal Resources, Inc. (Nasdaq: XING) (“the Company” or “XING”), an emerging Chinese resources company headquartered in Huizhou, Guangdong Province, today announced that its wholly-owned subsidiary Chifeng Zhongtai Mining Co., Ltd. (“Chifeng Zhongtai”) has signed a letter of intent with Chifeng Xingu Mining Co., Ltd. (“Chifeng Xingu”), **a non-affiliated third party**, to acquire the 100% equity interest in Balinzuo Banner Xinyuan Mining Co., Ltd. (“Xinyuan Mining” or the “Mining Company”) for a purchase price not to exceed US\$107 million (RMB 730 million) in cash to be paid in several installments.

(Emphasis added)

60. On May 27, 2010, the Company filed the "May 26, 2010 Press Release" with on Form 6-K with the SEC (“May 27, 2010 6-K”).

61. Defendant Wu signed the Form 6-K as the Company’s Chairman.

62. On July 15, 2010, the Company filed with the SEC the 2009 20-F containing the annual report for the year ending December 31, 2009. The 2009 20-F reiterated that the Company's subsidiary, Zhongtai, signed a letter of intent to acquire Xinyuan from Xingu, which it referred to as a non-affiliated third party.

63. The 2009 20-F was signed by Defendant Wu, and was separately signed by Defendants Wu and A. Jiang pursuant to SOX.

64. On December 23, 2010, the Company issued a press release (“December 23, 2010 Press Release”) announcing that its subsidiary, Zhongtai, signed a definitive agreement to acquire Xinyuan from Xingu, which was referred to as a non-affiliated third party, for RMB 588 million (US\$ 88.4 million) to be in three installments within three months.

65. The December 23, 2010 Press Release stated in pertinent part:

HUIZHOU, China, Dec. 23, 2010 /PRNewswire-Asia-FirstCall/ —

...

Qiao Xing Universal Resources, Inc. (Nasdaq: XING, the “Company” or “XING”), an emerging Chinese resource company with a focus on several strategically important nonferrous metals such as molybdenum and copper, today announced that its wholly owned subsidiary has signed a definitive agreement with Chifeng Xingu Mining Co., Ltd. (“Chifeng Xingu”), **a non-affiliated third party**, to acquire the 100% equity interest in Balinzuo Banner Xinyuan Mining Co., Ltd. (“Xinyuan” or the “Mining Company”) for RMB588 million (US\$88.4 million) in cash (the “Purchase Price”) to be paid in three instalments within three months. Xinyuan owns a mining license for a lead-zinc-copper mine that covers 3.3233 square kilometres in Wulandaba Suma, Balinzuo Banner, in the Inner Mongolia Autonomous Region of the People’s Republic of China (the “Xinyuan Lead-zinc-copper Mine” or the “Mine”).

(Emphasis added)

66. On the same day, the Company filed the December 23, 2010 Press Release on Form 6-K with the SEC (“December 23, 2010 6-K”). Defendant Wu signed the Form 6-K as the Company’s Chairman.

67. On July 15, 2011, the Company filed with the SEC the 2010 20-F containing the annual report for the year ending December 31, 2010. The 2010 20-F was signed by Defendant Wu, and was separately certified by Wu and Jiang pursuant to SOX.

68. The 2010 20-F stated that the Company completed the acquisition of a 100% equity interest in Xinyuan from Xingu, which it again referred to as a non-affiliated third party, and took control of Xinyuan a non-affiliated third party on January 8, 2011.

69. In the 2010 20-F, the Company disclosed more details of the Xinyuan Acquisition:

- 1) On December 31, 2010, the first installment in the amount of RMB 352.8 million (US\$ 53.5 million) was paid to Xingu;
- 2) On January 8, 2011, Zhongtai completed the acquisition of 100% equity interest in Xinyuan for RMB 588 million (US\$ 88.4 million) in cash from Xingu;
- 3) the

second installment for the Xinyuan Acquisition in the amount of RMB 176,400,000 (US\$ 26,727,000) was paid on January 14, 2011; and 4) the third installment in the amount of RMB 58,800,000 (US\$ 8,909,000) was paid on February 28, 2011.

70. On December 1, 2011, the Company issued a press release that it filed with the SEC on Form 6-K (the “December 1, 2011 6-K”) providing the Company’s financial results for the six-month period ending June 30, 2011. The December 1, 2011 6-K referred to the Xinyuan Acquisition, but failed to disclose that Xingu was a related party. The December 1, 2011 6-K. Defendant Z. Wu, as the Company’s CEO and Chairman at the time, signed the December 1, 2011 6-K.

71. However, each of the foregoing press releases and SEC filings contained false and misleading statements of material fact because they concealed the fact that in relation to the Company Xingu was a related party, and, thus, that the Xinyuan Acquisition was a related party transaction. As alleged in depth below, Defendants violated GAAP and SEC regulations by concealing, and affirmatively denying, the related party nature of the Xinyuan Acquisition.

72. Defendant Wu disguised the related party nature of the Xinyuan Acquisition by hiding the truth that he was the actual party that sold Xinyuan to XING. Wu’s scheme for hiding the truth was effected by his having created a chain of wholly owned subsidiaries, the first of which he directly owned, and the last of which directly owned Xinyuan.

73. According to an offering prospectus dated February 10, 2009 for Real Gold, of which Defendant Wu has been a controlling shareholder, and which was listed on the HKSE, Xinyuan was one of Defendant Wu's mining assets at that time.³

74. Therefore, Defendant Wu was the actual owner of Xinyuan in February 2009.⁴

75. Also, the official website of a local Chinese government posted on July 31, 2009 that Xinyuan's 500-ton site expansion project was initially paid for by Defendant Wu in 2007.⁵

76. Xinyuan's SAIC⁶ registration records also show that it been Defendant Wu's mining assets since July 2007 until it was transferred to the Company's subsidiary in January 2011, which corroborates the aforementioned statement in Real Gold's prospectus.

77. According to Xinyuan's SAIC registration records, Chifeng Bochuan transferred Xinyuan to Xingu in June 2010, and the SAIC ownership registration of this transfer was completed on June 9, 2010.

³ Page 178 of Real Gold's offering prospectus dated February 10, 2009.

⁴ Xinyuan's SAIC registration records show that its owner in February 2009 was Chifeng Bochuan Mining Co., Ltd. ("Chifeng Bochuan"), and Chifeng Bochuan has been its owner since August 2007. As Real Gold's prospectus stated that Xinyuan was Defendant Wu's mining assets, Chifeng Bochuan was a holding company owned by Wu in February 2009 and used to own Xinyuan. Chifeng Bochuan's SAIC registration records show that during the period from October 9, 2008 through October 29, 2012, it was owned by a company called Huizhou Ancheng Communication Technology Co., Ltd. ("Huizhou Ancheng"). For the same reason, Huizhou Ancheng was another holding company owned and controlled by Wu in February 2009.

⁵ <http://blzq.chifeng.gov.cn/html/2009-07/1785.shtml>. (Last visited on April 5, 2013.)

⁶ SAIC is the Chinese government body that regulates industry and commerce in China. It is primarily responsible for business registration, business licenses issuing and renewing, ownership recording, and acts as the government supervisor of corporations. All Chinese companies are required to register its ownership structure and owners' details including owners' identity, capital contribution amount and time, percentage of ownership and etc. with supporting documents at the time of the company's initial registration and each of following ownership changes.

78. Upon information and belief, Xingu was used by Defendant Wu as a straw-man to conceal that the Xinyuan Acquisition was a related party transaction.

79. Indeed, Xingu did not even actually own Xinyuan until June 9, 2010, two weeks *after* XING issued the May 26, 2010 Press Release announcing its subsidiary had signed a letter of intent with Xingu to acquire Xinyuan.

80. Moreover, Xingu's SAIC registration records show that Xingu was not even officially registered as a company until May 28, 2010, also two days *after* the May 26, 2010 Press Release.

81. Defendants turned a blind eye to the aforementioned red flags, thus enabling Defendant Wu to engage in the related party Xinyuan Acquisition.

82. According to Xinyuan's SAIC registration records, on October 10, 2011, Xinyuan was transferred back from the Company's subsidiary, Zhongtai, to Chifeng Bochuan, a company that, as set forth above, was owned by Wu.⁷ The Company also failed to disclose this related party transfer to investors.

83. On November 22, 2011 the Company filed a 6-K with the SEC stating that on November 22, 2011, Defendant Wu resigned from his positions as the Company's Chairman and CEO, and Director Mr. Xiufeng Shi also resigned.

⁷ As mentioned above, in February 2009, and still in October 2011, Chifeng Bochuan was owned by Huizhou Ancheng. As also mentioned above, in February 2009 Defendant Wu owned Huizhou Ancheng, and thus Chifeng Bochuan. Upon information and belief, in October 2011 Defendant Wu continued to own Huizhou Ancheng, and thus Chifeng Bochuan.

84. On or about September 2012, Defendant Wu caused Chifeng Bochuan to sell Xinyuan's mining rights -- its most valuable assets, to a third party.⁸ On September 26, 2012 Inner Mongolia Land Reserve Registration Center publicized this transfer on its official website as required by law.⁹

A. GAAP Mandated that XING Disclose that the Xinyuan Acquisition was a Related Party Transaction

85. GAAP constitutes those standards recognized by the accounting profession as the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time.

86. GAAP are the common set of accounting principles, standards, and procedures that companies in the United States use to compile their financial statements.

87. SEC and NASDAQ rules and regulations require that publicly traded companies such as XING include financial statements that comply with GAAP in their annual and quarterly reports filed with the SEC. (*See* §13 of the Exchange Act; Rule 10-01(d) of Regulation S-X).

88. SEC Rule 4-01(a) of Regulation S-X states that “[f]inancial statements filed with the Commission which are not prepared in accordance with generally accepted accounting principles *will be presumed to be misleading or inaccurate.*” [17 C.F.R. § 210.4-01(a)(1)] (emphasis added).

⁸ The name of the third party is Blin Zuo Banner Dongfang Fuyuan Mining Co., Ltd.

⁹ http://www.mlr.gov.cn/kyqsc/zrgs/ckzrgs/201209/t20120929_1145200.htm, last visited on April 9, 2013.

89. Management retains responsibility for preparing financial statements that conform with GAAP. The American Institute of Certified Public Accountants (“AICPA”) Professional Standards provide:

The financial statements are management's responsibility ... Management is responsible for adopting sound accounting policies and for establishing and maintaining internal controls that will, among other things, record, process, summarize, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements. The entity's transactions and the related assets, liabilities, and equity are within the direct knowledge and control of management ... Thus, the fair presentation of financial statements in conformity with generally accepted accounting principles is an implicit and integral part of management's responsibility.

AICPA, Professional Standards, vol. 1, AU § 110.02 (1998).

90. GAAP Statement of Financial Accounting Standards (“SFAS”) and SEC regulation S-K required the Company to disclose all material related party transactions.

91. Statement of Financial Accounting Standards (“SFAS”) No. 57 and Accounting Standards Codification (“ASC”) No. 850 provide that a public company’s “[f]inancial statements shall include disclosures of material related party transactions.” SFAS No. 57 ¶ 2; ASC 850-10-50-1.

92. “Related party transactions” include those between “an enterprise and its principal owners, management, or members of their immediate families” and those between a company and its “affiliates.” SFAS No. 57 ¶ 1; ASC 850-10-05-3. “Affiliate” includes any company that is under common control or management with the public company. SFAS No. 57 ¶ 24(a, b); ASC 850-10-20.

93. Disclosures of related party transactions shall include (a) the nature of the relationship involved, (b) a description of the transactions for each period for which income

statements are presented and such other information necessary to an understanding of the effects of the transactions on the financial statements, (c) the dollar amount of transactions for each of the periods for which income statements are presented, and (d) amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement. SFAS No. 57 ¶ 2; ASC 850-10-50-1.

B. SEC Rules and Regulations Mandated that XING Disclose that the Xinyuan Acquisition was a Related Party Transaction

94. SEC Regulation S-K (“Reg. S-K”), together with the General Rules and Regulations under the Securities Act and the Exchange Act and the forms under these Acts, states the requirements applicable to the content of the non-financial statement portions of the annual reports on Form 10-K, quarterly reports on Form 10-Q, and Registration Statements on Form S-1. *See* Reg. S-K. [17 C.F.R. §229.10].

95. Reg. S-K, Item 404, required, at all times during the Class Period, that the Company “[d]escribe any transaction, since the beginning of the registrant’s last fiscal year, or any currently proposed transaction, in which the registrant was or is to be a participant and the amount involved exceeds \$120,000, and in which any related person had or will have a direct or indirect material interest.” [17 C.F.R. §229.404]

96. Reg. S-K required the disclosure of detailed information concerning related party transactions exceeding \$120,000, including the names of the “related person” or entity participating in the transaction, and the amounts of the transaction.

97. A “related person” is defined by Reg. S-K as including any director or executive officer of the Company, any nominee for director, or any immediate family member of a director

or executive officer of the registrant, or of any nominee for director or any 5% or greater shareholder.

98. Therefore, as Xinyuan was owned and controlled by Defendant Wu, as Defendant Wu was the Company CEO and Chairman, and as the Company paid US\$ 88.4 million to acquire Xinyuan, the Xinyuan Acquisition was a related party transaction that GAAP and SEC rules required the Company to disclose. As Defendants failed to disclose the related party nature of the Xinyuan Acquisition, they made false and misleading statements of material fact.

99. The failure to disclose the related party nature of the Xinyuan Acquisition was a mischaracterization of facts that were actually known to Defendants at the time the aforementioned press releases were issued and the SEC filings were filed.

II. The Company Concealed The Illicit Transfer

100. The 2010 20-F, filed on July 15, 2011, also contained false and misleading omissions of material fact because it did not disclose the Illicit Transfer: the unauthorized and undisclosed transfer of funds in June 2011 from a Company subsidiary's bank account to a bank account controlled by Defendant Wu.

101. The 2010 20-F was signed by Defendant Wu, and was separately certified by Wu and Jiang pursuant to SOX.

102. On November 22, 2011 the Company filed a 6-K with the SEC stating that on November 22, 2011, Defendant Wu resigned from his positions as the Company's Chairman and CEO, and Director Mr. Xiufeng Shi also resigned.

103. Finally, on April 20, 2012, the Company filed a Form 6-K with the SEC ("April 20, 2012 6-K") that admitted the Company engaged in the Illicit Transfer:

HUIZHOU, China, April 20, 2012 – Qiao Xing Universal Resources, Inc. (NASDAQ: XING) (the “Company” or “XING”), announced today that its Audit Committee determined to commence an internal investigation into **a transfer of funds from a Company subsidiary’s bank account to an account controlled by the Company’s former Chairman, Wu Rui Lin, in June 2011.** The transaction was undertaken without notice to or approval of the Audit Committee or the Board of Directors, and the transaction was recently reported to the Audit Committee in connection with the preparation of the Company’s year-end financial statements. The Audit Committee has ordered immediate return of the funds.... **In addition, the Company informed NASDAQ and the U.S. Securities and Exchange Commission (the “SEC”) of the matter under investigation and will promptly report its findings back to NASDAQ and the SEC.** The Audit Committee also decided to review certain transactions involving the pledge or transfer of Company assets and to confirm cash balances of the Company’s bank accounts. **NASDAQ has suspended trading in XING’s stock as of April 16, 2012.**

(Emphasis added.)

104. On April 16, 2012, XING’s stock trading was halted by NASDAQ. Subsequently it was delisted.

105. On information and belief, NASDAQ halted trading after it became aware that the Company admitted the Illicit Transfer.

106. After the Company released its financial results for the six month period ended June 30, 2011 on Form 6-K filed on December 1, 2011, the Company failed to file any more financial statements for subsequent quarters, including the annual report for fiscal year 2011 on Form 20-F.

107. Though the April 20, 2012 6-K did not disclose the exact amount of the unauthorized and related party transfer, Plaintiffs allege that, on information and belief, the amount was material because 1) the Audit Committee commenced an internal investigation about it; 2) the Company found that it was obligated to inform NASDAQ and the SEC of the Illicit Transfer; and 3) NASDAQ suspended the trading of XING’s stock on account of the Illicit Transfer.

108. Thus, the 2010 20-F made a false and misleading omission of material fact in failing to disclose the Illicit Transfer.

109. For the same reasons that the failure to disclose the related party nature of the Xinyuan Acquisition was a misstatement of material fact, the 2010 20-F made an omission of a material fact in failing to disclose the related party nature of the Illicit Transfer.

110. Moreover, the engagement by Defendants in the Illicit Transfer was fraudulent conduct that in effect looted the Company of its assets.

111. The April 20, 2012 6-K also disclosed that Dr. Edward Tsai, director and Chairman of the Audit Committee, has resigned as of April 18, 2012. Dr. Tsai's resignation is occasioned by his disagreement with the other directors of the Company on the conduct of the internal investigation.

112. The fact that the board of directors did not do anything to prevent or stop the Illicit Transfer for almost a year after it happened until it disclosed it to the public, NASDAQ, and the SEC, and the fact that Tsai disapproved of the internal investigation indicate that the Company had weak internal controls from the time of the Illicit Transfer through at least the date the Company disclosed it to the public.

113. Thus, the 2010 20-F's following statement was false and misleading at the time it was made: "our management has concluded that our internal control over financial reporting was effective as of December 31, 2010."

114. Additionally, the fact that the board of directors did not do anything to prevent or stop the Illicit Transfer for almost a year after it happened until it disclosed it to the public,

NASDAQ, and the SEC indicates that Defendants intentionally facilitated the Illicit Transfer at the time it occurred.

115. As of today's date, over a year after the April 20, 2012 announcements, the Company has still not disclosed that the internal investigation has yielded any information, including any news related to return of the funds that were illicitly transferred.

116. The December 1, 2011 6-K, which provided the Company's financial results for the six-month period ending June 30, 2011, made the same false and misleading omission of material fact as in the 2010 20-F by failing to disclose the Illicit Transfer and its related party nature.

117. Defendant Z. Wu, Defendant Wu's son and the Company's CEO and Chairman at the time, signed the December 1, 2011 6-K.

118. As the Company transferred a material amount of its cash to Wu in the Illicit Transfer, the December 1, 2011 6-K also contained false and misleading statements of material fact as to: A) the Company's cash and cash equivalents as of June 30, 2011, which it stated were RMB 2.74 billion (US\$ 424.0 million); and B) the Company's current assets as of June 30, 2011, which it stated were RMB 3.43 billion (US\$ 531.0 million). In fact, the Company's cash and current assets as of June 30, 2011 were overstated in the December 1, 2011 6-K by the material amount of cash that was transferred in the Illicit Transfer.

III. Additional Scierter Allegations

Real Gold Mining

119. On May 27 and May 28, 2011, South China Morning Post, a major newspaper in Hong Kong, reported that the financial statements filed with the HKSE by Real Gold – for which Wu was at all relevant times a controlling shareholder -- were overstated relative to the financial

statements it filed in China with the SAIC. Real Gold reported to the HKSE net income for fiscal year ended December 31, 2009 of over RMB 1 billion (US\$ 146.5 million)). Yet South China Morning Post stated that, according to the SAIC filings, Real Gold's actual net income for fiscal year ended December 31, 2009 amounted to a net loss of RMB 7.5 million (US\$ 1.1 million).

120. On May 27, 2011, as mandated by HKSE listing rules, Real Gold's stock trading was halted.

121. On June 20, 2011, Real Gold confirmed that its controlling shareholder Defendant Wu used Real Gold's subsidiaries twice as collateral for loans taken out by other companies he owns, in 2009 and 2010 respectively, without board of directors' approval, and without disclosure to investors ("Use of Real Gold for Personal Collateral").

122. On August 23, 2011, Real Gold also filed a public filing with the HKSE, which stated that: a) In the first quarter of 2011, Real Gold signed an agreement with Defendant Wu to acquire mining and exploring rights of a mine from Defendant Wu for HK\$ 520 million (US\$ 66.8 million) ("Related Party Mining Rights Transaction"); and b) from February to April 2011, Real Gold lent HK\$ 955 million (US\$ 122.75 million) to Defendant Wu ("Wu's Personal Loan From Real Gold").

123. October 12, 2011, Real Gold's auditor Deloitte Touche Tohmatsu in Hong Kong resigned.

124. Real Gold admitted in its public filing with the HKSE on October 23, 2011 that Deloitte stated that Wu's Use of Real Gold for Personal Collateral was required to have been disclosed in Real Gold's annual report for 2010, but was not. As to the Related Party Mining Rights Transaction and Wu's Personal Loan From Real Gold, Deloitte stated that they should have

been included in the 2010 annual report's disclosure of "events after reporting period." Real Gold admitted that the annual report for 2010 was false and misleading, and that investors should not rely on it.

125. On March 30, 2012, Real Gold filed a public filing with the HKSE stating that the HKSE has imposed requirements that must be met for its stock to resume trading. One of them was that Real Gold should retain independent legal professionals to conduct an investigation on 1) the financial fraud disclosed by South China Morning Post; 2) Wu's Use of Real Gold for Personal Collateral without the board of directors' knowledge or approval; and 3) certain undisclosed related party transactions in the first half year of 2011 which were in violation of HKSE listing rules.

126. Real Gold's stock trading is still halted as of today. According to its April 3, 2013 public filing filed with the HKSE, the investigation is still going on.

127. At the time of Wu's fraudulent conduct related to Real Gold, many of Real Gold's directors resigned.

128. On June 24, 2011, Real Gold director Jianguang Mai resigned. Mai was Real Gold's audit committee chairman.

129. On July 13, 2011, Real Gold director Zuhe Xiao resigned. Xiao was a member of Real Gold's audit committee.

130. On August 19, 2011, Real Gold director Jintao Yin resigned. According to Real Gold's public filing filed with the HKSE on August 25, 2011, Yin resigned due to his disputes with other board members regarding the internal investigation's method, strategy, and timing of Real Gold's disclosure of the fraud.

On December 1, 2011, Real Gold co-secretary of the board Lulu Yu resigned.

Haozhou

131. While the mining production of Haozhou, for which the Company subsidiary Zhongthai owns the right to receive 100% of its expected residual returns, was suspended by the government since December 6, 2011 due to safety reasons, its mine exploration rights were transferred to another company controlled by Defendant Wu in July 2012. The Company also failed to disclose this related party transfer to investors.

132. Obviously, Defendant Wu habitually engages companies he controls in related party transactions while hiding them from investors.

Prior Securities Fraud Class Action Against the Company Quickly Settled for Millions of Dollars

133. On August 9, 2007 a class action claiming violations of federal securities laws was filed against XING, Defendant Wu, and the CFO at the time in the U.S. District Court for the Southern District of New York. After being consolidated with other cases, the class action was referred to by the district court as *In re Qiao Xing Securities Litigation*, Master File No. 07-Civ-7097.

134. XING overstated its reported net income for the years ended December 31, 2005 and 2004 by 2% and 93%, respectively.

135. For the year ended December 31, 2003, XING understated its reported net loss by 210%.

136. A mediation before a magistrate judge was held on January 10, 2008, and the parties agreed to settle the case for \$2.4 million.

137. The mediation was held only five months after the class action complaint was first filed, and before plaintiffs even filed an amended complaint to meet the heightened pleading requirements of the Private Securities Litigation Reform Act.

138. Defendants' directors' and officers' insurance carrier only paid \$0.3 million out of the \$2.4 million settlement.

LOSS CAUSATION

139. Beginning on April 16, 2012, the relevant truth pertaining to the Defendants' fraudulent conduct began to enter the market and/or materialize through partial disclosures.

140. On April 16, 2012, NASDAQ announced that trading was halted in XING stock for "additional information requested" from the company.

141. On April 20, 2012, Xing filed a 6-K with the SEC, announcing that its Audit Committee determined it would commence an internal investigation about the Illicit Transfer that occurred in June 2011, and which was done without notice to, or approval by, the Audit Committee or the Board of Directors. The April 20, 2012 6-K stated that the Audit Committee ordered immediate return of the funds that were transferred to Wu from the Company by means of the Illicit Transfer. The April 20, 2012 6-K also stated that the Audit Committee decided to review certain transactions involving the pledge or transfer of Company assets and to confirm cash balances of the Company's bank accounts. The April 20, 2012 6-K also disclosed that on April 18, 2013, Dr. Edward Tsai, director and Chairman of the Audit Committee, resigned, and that Dr. Tsai disagreed with the other Company directors on how the Company's internal investigation was conducted.

142. After the Company released its financial results for the six month period ended June 30, 2011 on Form 6-K filed on December 1, 2011, the Company failed to file any more financial

statements for subsequent quarters, including the annual report for fiscal year 2011 on Form 20-F.

In fact, the April 20, 2012 6-K was the last filing the Company made with the SEC.

143. On May 10, 2012, NASDAQ suspended XING stock from trading.

144. The announcements that NASDAQ first halted and then suspended XING stock from trading, and the Company's announcements provided in the April 20, 2012 6-K, shocked the market and caused the Company's stock to decline from its last trading price prior to the trading halt on April 16, 2012 of \$0.635, to the closing price on May 10, 2012 when trading began again, of \$0.18, a loss of over 70%.

145. On June 15, 2012 NASDAQ filed with the SEC a Form 25 – Notification of Removal From Listing and/or Registration Under Section 12(b) of the Securities Exchange Act of 1934 -- indicating NASDAQ determined to remove XING from listing, effective at the opening of the trading session on June 25, 2012. In reaction to the Form 25 filing, the Company's stock fell over 28% from its previous closing price on June 14 of \$0.21 to \$0.15, the closing price on June 15.

146. Upon its delisting from NASDAQ, the Company's stock fell over 10% from its previous closing price on June 22 of \$0.17 to \$0.15, the closing price on June 25.

147. On August 22, 2012, the Company's stock price closed at \$0.09 – a loss of over 85% from its last trading price of \$0.635 prior to the trading halt.

148. On August 23, 2012, the SEC revoked the Company's stock registration after the Company failed to file its Form 20-F for fiscal year 2011 and failed to appear at an administrative hearing or to respond to the SEC's Order instituting administrative proceedings. Thus, the Company's stock was rendered worthless.

149. Thus, the Illicit Transfer and the Xinyuan Acquisition, both objects of the announced internal investigation, caused the Company stock price to fall on April 20, 2012, and thereafter, upon the foregoing corrective disclosures.

RELIANCE PRESUMPTIONS

A. Affiliated Ute

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

B. Fraud-on-the-Market Doctrine

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

(a) XING's stock met the requirements for listing, and is listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) During the class period, on average, 4,864,396 shares of XING common stock were traded on a weekly basis. During the Class Period approximately 95,802,363 million shares of XING common stock were outstanding (per the Company's 2010 20-F). Approximately 5.08% of all

outstanding shares were bought and sold on a weekly basis, demonstrating a very strong presumption of an efficient market;

(c) XING 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) XING was followed by several securities analysts during the Class Period. Each of these reports was publicly available and entered the public marketplace;

(e) Numerous NASD member firms were active market-makers in XING stock at all times during the Class Period; and

(f) Unexpected material news about XING was rapidly reflected and incorporated into the Company's stock price during the Class Period.

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

PLAINTIFF'S CLASS ACTION ALLEGATIONS

153. Plaintiffs bring this action as a class action pursuant to Federal Rules of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all persons who purchased the common stock of XING during the Class Period and who were damaged thereby. Excluded from

the Class are Defendants, the officers and directors of the Company at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

154. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, XING's securities were actively traded on the NASDAQ Bulletin Board. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds of members in the proposed Class. Members of the Class may be identified from records maintained by XING or its transfer agent and may be notified of the pendency of this action by mail, using a form of notice customarily used in securities class actions.

155. Plaintiffs' claims are typical of the claims of the members of the Class, as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

156. Plaintiffs will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

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

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

(b) whether statements and omissions made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of XING; and

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

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

FIRST CLAIM
Violation of Section 10(b) Of The Exchange Act Against
and Rule 10b-5 Promulgated Thereunder
Against Xing, Wu, Z. Wu, Jiang, and A. Jiang

159. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

160. This claim is brought against Wu, Z. Wu, Jiang, and A. Jiang, who are collectively referred to herein as the Section 10(b) Individual Defendants, and against XING.

161. During the Class Period, XING and Section 10(b) Individual Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (1) deceive the investing public, including Plaintiffs and other Class members, as alleged herein; and (2) cause Plaintiffs and other members of the Class to purchase XING's common stock

at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, XING and Section 10(b) Individual Defendants, and each of them, took the actions set forth herein.

162. XING and Section 10(b) Individual Defendants (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (c) engaged in acts, practices, and a course of business that operated as a fraud and deceit upon the purchasers of the Company's common stock in an effort to maintain artificially high market prices for XING's common stock in violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

163. XING and Section 10(b) Individual Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about the business, operations and future prospects of XING as specified herein.

164. XING and Section 10(b) Individual Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of XING's value and performance and continued substantial growth, which included the making of, or participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about XING and its business operations and future prospects in the light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business

that operated as a fraud and deceit upon the purchasers of XING's common stock during the Class Period.

165. Each of the Section 10(b) Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (1) the Section 10(b) Individual Defendants were high-level executives, directors, and/or agents at the Company during the Class Period; (2) each of these Section 10(b) Individual Defendants, by virtue of his or her responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's financial condition; (3) each of these Section 10(b) Individual Defendants enjoyed significant personal contact and familiarity with the other Defendants and was advised of and had access to other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (4) each of these Section 10(b) Individual Defendants was aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.

166. XING and Section 10(b) Individual Defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such material misrepresentations and/or omissions were made knowingly or recklessly and for the purpose and effect of concealing XING's operating condition and future business prospects from the investing public and supporting the artificially inflated price of its common stock. As demonstrated by XING's and Section 10(b) Individual Defendants' overstatements and misstatements of the Company's financial condition throughout the Class

Period, XING and Section 10(b) Individual Defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

167. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of XING's common stock was artificially inflated during the Class Period. In ignorance of the fact that market prices of XING's publicly-traded common stock were artificially inflated, and relying directly or indirectly on the false and misleading statements made by XING and Section 10(b) Individual Defendants, or upon the integrity of the market in which the common stock trades, and/or on the absence of material adverse information that was known to or recklessly disregarded by XING and Section 10(b) Individual Defendants but not disclosed in public statements by XING and Section 10(b) Individual Defendants during the Class Period, Plaintiffs and the other members of the Class acquired XING common stock during the Class Period at artificially high prices and were or will be damaged thereby.

168. At the time of said misrepresentations and omissions, Plaintiffs and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiffs and the other members of the Class and the marketplace known the truth regarding XING's financial results, which were not disclosed by XING and Section 10(b) Individual Defendants, Plaintiffs and other members of the Class would not have purchased or otherwise acquired their XING common stock, or, if they had acquired such common stock during the Class Period, they would not have done so at the artificially inflated prices that they paid.

169. By virtue of the foregoing, XING and Section 10(b) Individual Defendants have violated Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder.

170. As a direct and proximate result of XING's and Section 10(b) Individual Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's common stock during the Class Period.

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

SECOND CLAIM
Violation of Section 20(a) Of The Exchange Act
Against the Individual Defendants

172. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

173. The Individual Defendants acted as controlling persons of XING within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, agency, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control, and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements that Plaintiffs contend are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, financial statements, and other statements alleged by Plaintiffs to have been misleading

prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or to cause the statements to be corrected.

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

175. As set forth above, XING and the Section 10(b) Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Second Amended Complaint.

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

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

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief and judgment, as follows:

(a) Determining that this action is a proper class action, designating Plaintiffs as class representatives under Rule 23 of the Federal Rules of Civil Procedure and Plaintiffs' counsel as Class Counsel;

(b) Awarding compensatory damages in favor of Plaintiffs and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of

Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

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

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

JURY TRIAL DEMANDED

Plaintiffs hereby demand a trial by jury.

Dated: May 21, 2013

Respectfully submitted,

/s/ Joel H. Holt

Joel H. Holt

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lrosen@rosenlegal.com

pkim@rosenlegal.com

Counsel for Plaintiffs

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 21ST day of May, 2013, a true and correct copy of the foregoing document was served by CM/ECF to the parties registered to the Court's CM/ECF system.

/s/ Joel H. Holt

REDACTED**CERTIFICATION**

The individual or institution listed below (the "Plaintiff") authorizes the Rosen Law Firm, P.A. to file an action or amend a current action under the federal securities laws to recover damages and to seek other relief against Qiao Xing Universal Resources, Inc. ("XING"), and certain of its officers and directors. The Rosen Law Firm, P.A. agrees to prosecute the action on a contingent fee basis not to exceed one-third of any recovery and will advance all costs and expenses. Any legal fees and expenses will be determined by, and payable, only upon order of the U.S. District Court.

Plaintiff declares, as to the claims asserted under the federal securities laws, that:

1. I have reviewed the second amended complaint against XING and certain of its officers and directors and I retain the Rosen Law Firm, P.A. as counsel in this action for all purposes.
2. I did not engage in transactions in the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in this or any other litigation under the securities laws of the United States.
3. I am willing to serve as a class representative either individually or as part of a group. A class representative is a party who acts on behalf of other class members in directing the action, and whose duties may include testifying at deposition and trial.
4. The following is a list of all of the purchases and sales I have made in XING securities during the class period set forth in the complaint. I have made no transactions during the class period in the debt or equity securities that are the subject of this lawsuit except those set forth below.

Number of Shares Purchased or Sold	Date(s) Purchased	Price Paid Per Share	Date(s) Sold (if applicable)	Price Sold Per Share
1000	1/4/2011	\$ 3.00	1/4/2011	\$ 2.85
1300	1/5/2011	\$ 3.40	1/5/2011	\$ 3.58
3000	7/19/2011	\$ 1.60		\$
3000	7/19/2011	\$ 1.47		\$
3000	7/19/2011	\$ 1.40		\$
3000	7/25/2011	\$ 1.31		\$
8000	8/6/2011	\$ 1.07		\$
2000	2/6/2012	\$ 0.84	2/24/2012	\$ 0.81
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$

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OR EMAIL TO INFO@ROSENLEGAL.COM OR SEND BY U.S. MAIL TO:
THE ROSEN LAW FIRM PA
275 MADISON AVENUE, 34th FLOOR
NEW YORK, NY 10016

5. I have not, within the three years preceding the date of this certification, sought to serve or served as a representative party on behalf of a class in an action involving alleged violations of the federal securities laws, except: for the following company(ies):

6. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as travel expenses and lost wages directly related to the class representation, as ordered or approved by the court pursuant to law.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 20th day of May, 2013.

Signature: [Signature]

Name: Fayun Luo

Address: [Redacted]

Phone: [Redacted]

E-mail: [Redacted]

Item. 4 (continue from prior page if needed)

Number of Shares Purchased or Sold	Date(s) Purchased	Price Paid Per Share	Date(s) Sold (if applicable)	Price Sold Per Share
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
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REDACTED**CERTIFICATION**

The individual or institution listed below (the "Plaintiff") authorizes the Rosen Law Firm, P.A. to file an action or amend a current action under the federal securities laws to recover damages and to seek other relief against Qiao Xing Universal Resources, Inc. ("XING"), and certain of its officers and directors. The Rosen Law Firm, P.A. agrees to prosecute the action on a contingent fee basis not to exceed one-third of any recovery and will advance all costs and expenses. Any legal fees and expenses will be determined by, and payable, only upon order of the U.S. District Court.

Plaintiff declares, as to the claims asserted under the federal securities laws, that:

1. I have reviewed the second amended complaint against XING and certain of its officers and directors and I retain the Rosen Law Firm, P.A. as counsel in this action for all purposes.
2. I did not engage in transactions in the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in this or any other litigation under the securities laws of the United States.
3. I am willing to serve as a class representative either individually or as part of a group. A class representative is a party who acts on behalf of other class members in directing the action, and whose duties may include testifying at deposition and trial.
4. The following is a list of all of the purchases and sales I have made in XING securities during the class period set forth in the complaint. I have made no transactions during the class period in the debt or equity securities that are the subject of this lawsuit except those set forth below.

Number of Shares Purchased or Sold	Date(s) Purchased	Price Paid Per Share	Date(s) Sold (if applicable)	Price Sold Per Share
20,000	07/18/2011	\$ 1.3263	NA	\$ NA
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$

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Prüfung

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5. I have not, within the three years preceding the date of this certification, sought to serve or served as a representative party on behalf of a class in an action involving alleged violations of the federal securities laws, except: for the following company(ies):

6. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as travel expenses and lost wages directly related to the class representation, as ordered or approved by the court pursuant to law.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 20th day of May, 2013.

Name:

Phone:

(KUNWAR PIEUSH SAKTAWAT)

Item. 4 (continue from prior page if needed)

[illegible]

PLEASE FAX CERTIFICATION TO ROSEN LAW FIRM at (212) 202-3827
OR EMAIL TO INFO@ROSENLEGAL.COM OR SEND BY U.S. MAIL, TO:
THE ROSEN LAW FIRM PA
275 MADISON AVENUE, 34th FLOOR
NEW YORK, NY 10016