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8 Counsel for Plaintiff

9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA

11 \_\_\_\_\_, Individually and on behalf of  
12 all others similarly situated,

13 Plaintiff,

14 v.

15 MITSUBISHI MOTORS  
16 CORPORATION, OSAMU MASUKO,  
17 TAKASHI NISHIOKA, and TETSURO  
18 AIKAWA,

19 Defendants.

Case No:

CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS

JURY TRIAL DEMANDED

20  
21 Plaintiff \_\_\_\_\_ (“Plaintiff”), individually and on behalf of all other persons  
22 similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s Complaint  
23 against Defendants (defined below), alleges the following based upon personal  
24 knowledge as to Plaintiff and Plaintiff’s own acts, and upon information and  
25 belief as to all other matters based on the investigation conducted by and through  
26 Plaintiff’s attorneys, which included, among other things, a review of U.S.  
27 Securities and Exchange Commission (“SEC”) filings by Mitsubishi Motors  
28 Corporation (“Mitsubishi” or the “Company”), press releases, as well as media

1 and analyst reports about the Company. Plaintiff believes that substantial  
2 evidentiary support will exist for the allegations set forth herein after a reasonable  
3 opportunity for discovery.

4 **NATURE OF THE ACTION**

5 1. This is a federal securities class action on behalf of a class consisting  
6 of all persons other than Defendants who purchased Mitsubishi securities from  
7 October 13, 2011 through April 26, 2016, both dates inclusive (the “Class  
8 Period”), seeking to recover compensable damages caused by Defendants’  
9 violations of federal securities laws and pursue remedies under the Securities  
10 Exchange Act of 1934 (the “Exchange Act”).

11 **JURISDICTION AND VENUE**

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

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

17 4. Venue is proper in this District pursuant to §27 of the Exchange Act  
18 and 28 U.S.C. §1391(b) as Defendants conducts business in this district.

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

24 **PARTIES**

25 6. Plaintiff, as set forth in the accompanying certification, incorporated  
26 by reference herein, purchased Mitsubishi securities at artificially inflated prices  
27 during the Class Period and has been damaged thereby.

1           7. Defendant Mitsubishi is incorporated in Tokyo, Japan. It maintains  
2 an office at 6400 Katella Avenue, Cypress, California. The Company designs,  
3 develops, manufactures, assembles, markets, imports, and sells automobiles.  
4 Mitsubishi securities trade on the OTC under the ticker symbol “MMTOF.”

5           8. Defendant Osamu Masuko (“Masuko”) has served as the Company’s  
6 President from October 2007 until June 2014, when he became its Chief  
7 Executive Officer (“CEO”) and Chairman of the Board of Directors.

8           9. Defendant Takashi Nishioka (“Nishioka”) served as the Company’s  
9 Chairman of the Board of Directors from April 2005 until June 2014.

10          10. Defendant Tetsuro Aikawa (“Aikawa”) has served as the Company’s  
11 Chief Operating Officer (“COO”) and President since June 2014.

12          11. The Defendants Masuko, Nishioka, and Aikawa are sometimes  
13 referred to herein as the “Individual Defendants.”

14          12. Defendant Mitsubishi and the Individual Defendants are referred to  
15 herein, collectively, as the “Defendants.”

16          13. Each of the Individual Defendants:

17           a. directly participated in the management of the Company;

18           b. was directly involved in the day-to-day operations of the  
19 Company at the highest levels;

20           c. was privy to confidential proprietary information concerning  
21 the Company and its business and operations;

22           d. was involved in drafting, producing, reviewing and/or  
23 disseminating the false and misleading statements and information alleged  
24 herein;

25           e. was aware of or recklessly disregarded the fact that the false  
26 and misleading statements were being issued concerning the Company; and

27           f. approved or ratified these statements in violation of the federal  
28 securities laws.

1 14. As officers, directors, and controlling persons of a publicly-held  
2 company whose securities are and were registered with the SEC pursuant to the  
3 Exchange Act, and was traded on OTC and governed by the provisions of the  
4 federal securities laws, the Individual Defendants each had a duty to disseminate  
5 accurate and truthful information promptly with respect to the Company's  
6 business prospects and operations, and to correct any previously-issued statements  
7 that had become materially misleading or untrue to allow the market price of the  
8 Company's publicly-traded stock to reflect truthful and accurate information.

9 15. Mitsubishi is liable for the acts of the Individual Defendants and its  
10 employees under the doctrine of respondeat superior and common law principles  
11 of agency as all of the wrongful acts complained of herein were carried out within  
12 the scope of their employment with authorization.

13 16. The scienter of the Individual Defendants and other employees and  
14 agents of the Company is similarly imputed to Mitsubishi under respondeat  
15 superior and agency principles.

## 16 **SUBSTANTIVE ALLEGATIONS**

### 17 **Background**

18 17. Mitsubishi is a car manufacturer located in Japan. In 2013 Mitsubishi  
19 and Nissan, another Japanese car manufacturer, joined forces to create several  
20 minicars to be sold exclusively in Japan. The cars came in several models.

### 21 **Materially False And Misleading Statements**

22 18. On October 13, 2011, the Company issued its 2011 Annual Report  
23 for the year ended March 31, 2011 (the "2011 Annual Report"). With regards to  
24 compliance, the 2011 Annual stated in part:

#### 25 **Framework for the promotion of business ethics**

26 In June 2004, MMC established the CSR Promotion Office to ensure  
27 thorough compliance and promote a new corporate culture, while  
28

1 restructuring the compliance framework (see chart below). MMC has  
2 strengthened the organization to ensure that awareness of compliance  
3 spreads to each and every employee by placing managers in charge of  
4 reinforcing compliance awareness at multiple levels. As the chart  
5 below shows, the chief business ethics officer (CBEO) directs  
6 compliance officers at the operating headquarters level, who then  
7 direct “code leaders” at the departmental level, who are charged with  
8 increasing compliance awareness directly to employees.

9 MMC also has a Business Ethics Committee, made up of external  
10 experts and acts as an advisory body to the Board of Directors. This  
11 committee promotes corporate ethics, providing guidance from an  
12 external, common-sense perspective.

13 To create a highly transparent workplace environment that is not  
14 conducive to scandals and promotes their early detection as well as  
15 self-correction, MMC has established internal disclosure systems such  
16 as an internal Employee Counseling Office and an External Counseling  
17 Office, established with the help of outside attorneys.

18 19. On September 17, 2012, the Company issued its 2012 Annual Report  
19 for the year ended March 31, 2012 (the “2012 Annual Report”). With regards to  
20 compliance, the 2012 Annual stated in part:

21 **Framework for the promotion of business ethics**

22 In June 2004, MMC established the CSR Promotion Office to ensure  
23 thorough compliance and promote a new corporate culture, while  
24 restructuring the compliance framework (see chart below). MMC has  
25 strengthened the organization to ensure that awareness of compliance  
26 spreads to each and every employee by placing managers in charge of  
27 reinforcing compliance awareness at multiple levels. As the chart  
28 below shows, the chief business ethics officer (CBEO) directs  
compliance officers at the operating headquarters level, who then  
direct “code leaders” at the departmental level, who are charged with  
increasing compliance awareness directly to employees.

1 To create a highly transparent workplace environment that is not  
2 conducive to scandals and promotes their early detection as well as  
3 self-correction, MMC has established internal disclosure systems such  
4 as an internal Employee Counseling Office and an External  
5 Counseling Office, established with the help of outside attorneys.

6 20. On March 8, 2013, the Company issued a press release entitled,  
7 "Nissan and Mitsubishi Motors Unveil Exterior Design of Jointly Developed New  
8 Minicars for Japan." The press release discussed new minicars to be released in  
9 Japan, stating in relevant part:

10 YOKOHAMA/TOKYO (March 8, 2013)—Nissan Motor Co., Ltd.  
11 and Mitsubishi Motors Corporation today announced the model names  
12 and showed the exterior designs of their jointly-developed new  
13 minicars for the Japanese market. Sales of the new minicars will begin  
14 in June 2013 under the Nissan DAYZ and DAYZ Highway STAR,  
15 and the Mitsubishi eK Wagon and eK Custom, model names.

16 The product planning and development of the new models was  
17 conducted by NMKV Co., Ltd., a joint venture formed by Nissan and  
18 Mitsubishi Motors to develop minicars for the Japanese market.  
19 Uniting the strengths of Nissan and Mitsubishi Motors in functional  
20 areas such as product planning, development, design and purchasing,  
21 ***the new models offer highly competitive attributes such as excellent***  
22 ***fuel economy*** and a comfortable, roomy cabin. Collaboration in  
23 NMKV from the product planning phase onward enabled Nissan and  
24 Mitsubishi Motors to retain their separate brand identities, yet create  
25 innovative and quite different designs for their respective minicar  
26 models. This has never been achieved before in mini-vehicles that  
27 have been produced under previous OEM vehicle supply agreements.

28 Mitsubishi's new models, eK Wagon and eK Custom, strike the  
balance among features that are necessary to achieve an "ee kei"  
(meaning "good minicar"), including a "comfortable cabin space and  
easy handling", a "high-quality feel that surpasses that of traditional  
minicars," and "***excellent fuel economy.***"

1 NMKV's joint project to develop minicars for the Japanese market is  
2 part of an agreement to expand the scope of cooperation between  
3 Nissan and Mitsubishi Motors that the two companies announced in  
4 December 2010. Both companies will continue to maximize the  
5 synergies generated through NMKV to strengthen the competitiveness  
6 of their respective minicar business. Following this first wave of  
7 minicar models, Nissan and Mitsubishi Motors are working on the  
8 planning and development of a second new minicar, a "super height"  
9 (tall) wagon, which is slated for launch in early 2014.

10 (Emphasis added).

11 21. On May 20, 2013, the Company issued a press release entitled,  
12 "Nissan, Mitsubishi Motors and NMKV Commemorates New Jointly-developed  
13 Minicar Off-line Ceremony." The press release discussed new minicars to be  
14 released in Japan, stating in part:

15 Nissan Motor Co., Ltd., Mitsubishi Motors Corporation and NMKV  
16 Co., Ltd\* today commemorated the off-line ceremony for the new  
17 minicar, which Nissan and Mitsubishi Motors will release in June  
18 across Japan, at Mitsubishi Motors' Mizushima Plant.

19 The new mini-car to be launched under the model names of Nissan  
20 DAYZ and DAYZ Highway STAR, and the Mitsubishi eK Wagon  
21 and eK Custom, is the first model jointly planned and developed by a  
22 joint venture, NMKV, engaging in the minicar business for both  
23 companies.

24 At the Mizushima Plant with the attendance of Nissan Chief  
25 Operating Officer Toshiyuki Shiga, Mitsubishi Motors President  
26 Osamu Masuko, NMKV Chief Executive Officer Junichi Endo and  
27 local guests, 350 staff members from three companies pledged for  
28 further development in front of the car just rolled off the line after two  
years have passed since the foundation of NMKV in 2011.

The new model was created with a totally different approach from the  
conventional OEM, where NMKV, a joint venture formed by Nissan

1 and Mitsubishi Motors, combined strength of both companies in every  
2 step of car manufacturing.

3 Combining a product concept made up by NMKV consisting of  
4 members from both companies with a different taste of design of each  
5 company, the models carry the brand identity of each company. With  
6 integrated expertise of two companies, ***the new cars deliver a number***  
7 ***of attractions that conventional minicars do not offer, including***  
8 ***best-in-class fuel economy***, touch-screen automatic air-conditioning  
9 system to be adopted for the first time in minicars and high-quality  
10 feel interior.

11 (Emphasis added).

12 22. On June 6, 2013, the Company issued a press release entitled,  
13 “Mitsubishi Motors Launches All-new eK Wagon & eK Custom Minicar  
14 Models.” The press release announced the launch of the cars, stating in relevant  
15 part:

16 Tokyo, June 6, 2013 - Mitsubishi Motors Corporation (MMC)  
17 launches all-new eK Wagon and eK Custom tall wagon minicar  
18 models at dealerships throughout Japan today. The eK Wagon and eK  
19 Custom’s suggested retail prices including consumption taxes range  
20 from ¥1,050,000 to ¥1,335,000 and from ¥1,269,000 to ¥1,546,000  
21 respectively.

22 The all-new eK Wagon and eK Custom are the first minicar models  
23 planned and developed by NMKV Co., Ltd., a joint venture  
24 established by MMC and Nissan. Combining MMC’s 50 year-plus  
25 knowhow in minicar manufacturing and NMKV’s novel marketing  
26 techniques, the new eK series has been developed pursuing the  
27 “excellent K-car” values and attributes sought by customers in today’s  
28 market. ***The new tall wagon models bring unprecedented levels of***  
***quality to conventional minicars in addition to universal values of***  
***the class such as economic efficiency*** and easy maneuverability. The  
new eK models are principally distinguished by: refined looks which



1 go beyond of the class; a comfortable interior with easy-to-drive  
2 operation; and **high fuel efficiency**.

3 The first generation eK Wagon made its debut in October 2001 as a  
4 “semi-tall wagon” with styling that placed it between sedan and tall  
5 wagon body types. With additions of the eK Sport, eK Classy, and eK  
6 Active models to the lineup, the eK has become MMC’s leading  
7 minicar series. The second generation eK Wagon and eK Sport were  
8 launched in September 2006 and by the end of fiscal 2012, cumulative  
9 sales of the eK series had topped 750,000 units. ***The all-new eK  
10 Wagon and eK Custom models launched today as the third  
11 generation of the series and target the tall wagon category which  
12 accounts for over 40 percent of the minicar market in Japan today.  
13 Employing Auto Stop & Go idle-stop system and other cutting-edge  
14 fuel economy technologies, the new models achieve best-in-class\*1  
15 high fuel efficiency of 29.2 km/liter\*2.***

16 \* \* \*

### 17 3. High Fuel Efficiency

#### 18 1) Engine

- 19 • The all-new eK series is powered by the compact and  
20 lightweight new-generation MIVEC\* engine which returns high  
21 fuel efficiency and delivers higher output after reductions in  
22 friction losses and improvements in combustion efficiency.

23 \*...Mitsubishi Innovative Valve timing Electronic Control  
24 system

- 25 • The 2WD eK Wagon and the 2WD eK Custom M and G trim  
26 levels are fitted with a new Auto Stop & Go (ASG) idle-stop  
27 system which now has a “coasting stop” feature that turns off  
28 the engine when vehicle speed drops below about 13 km/h  
while decelerating to further reduce fuel consumption (first on a  
MMC model). ***This supports these available trim levels to  
return fuel economy of 29.2 km/liter, the best in the minicar  
tall wagon class (in the Japan Ministry of Land,***

1                    ***Infrastructure, Transport and Tourism’s JC08 fuel-economy***  
2                    ***test cycle).***

- 3                    •     The 4WD eK Wagon M and G and the 4WD eK Custom G trim  
4                    levels employ ***the ASG idle-stop system, which turns off the***  
5                    ***engine when the vehicle is stationary, to return fuel economy***  
6                    ***of 26.0 km/liter. Not fitted with ASG, the eK Wagon E model***  
7                    ***achieves fuel economy of 25.8 km/liter.*** All eK models  
8                    powered by a naturally aspirated engine achieve the FY2015  
9                    Fuel Efficiency Standard +20%, and qualify for Eco-car Tax  
                    Reduction status. This exempts them from payment of  
                    acquisition tax and tonnage tax at the time of purchase.

10                   (Emphasis added).

11                   23.     On June 25, 2013, the Company issued its 2013 Annual Report for  
12                   the year ended March 31, 2013 (the "2013 Annual Report"). With regards to  
13                   compliance, the 2013 Annual stated in part:  
14                  

15                   **Framework for promoting business ethics**

16                   Mitsubishi Motors has strengthened the organization to ensure that  
17                   awareness of compliance spreads to each and every employee by  
18                   placing managers in charge of reinforcing compliance awareness at  
19                   multiple levels. As the chart below shows, the chief business ethics  
20                   officer (CBEO) directs compliance officers at the operating  
21                   headquarters level, who then direct “code leaders” at the departmental  
22                   level, who are charged with increasing compliance awareness directly  
                    to employees.

23                   To create a highly transparent workplace environment that is not  
24                   conducive to scandals and promotes their early detection as well as  
25                   self-correction, Mitsubishi Motors has established internal disclosure  
26                   systems such as an internal Employee Counseling Office and an  
27                   External Counseling Office, established with the help of outside  
28                   attorneys.

1           24. On September 29, 2014, the Company issued its 2014 Annual Report  
2 for the year ended March 31, 2014 (the "2014 Annual Report"). With regards to  
3 compliance, the 2014 Annual stated in part:

4  
5           **Framework for promoting business ethics**

6           Mitsubishi Motors has strengthened the organization to ensure that  
7 awareness of compliance spreads to each and every employee by  
8 placing managers in charge of reinforcing compliance awareness at  
9 multiple levels. As the chart below shows, the chief business ethics  
10 officer (CBEO) directs compliance officers at the operating  
11 headquarters level, who then direct "code leaders" at the departmental  
12 level. These leaders are charged with increasing compliance  
13 awareness directly among employees.

14           To create a workplace environment that is not conducive to scandals  
15 and promotes their early detection as well as self-correction,  
16 Mitsubishi Motors has established internal disclosure systems such as  
17 an internal Employee Counseling Office and an External Counseling  
18 Office, established with the help of outside attorneys.

19           25. On or about April 24, 2015, the Company issued its 2015 Annual  
20 Report for the year ended March 31, 2015 (the "2015 Annual Report"). With  
21 regards to compliance, the 2015 Annual stated in part:

22           **Framework for promoting business ethics**

23           Increasing the number of committee members conducting workplace  
24 activities Mitsubishi Motors has adopted an organization to ensure  
25 that awareness of compliance spreads to each and every employee by  
26 placing managers in charge of reinforcing compliance awareness at  
27 multiple levels. In fiscal 2014, we strengthened this organization at  
28 the workplace level by assigning additional committee members to  
conduct workplace activities at the Mizushima and Nagoya plants.

1 To create a workplace environment that is not conducive to scandals  
2 and promotes their early detection as well as self correction,  
3 Mitsubishi Motors has established internal disclosure systems such as  
4 an internal Employee Counseling Office for employees of MMC and  
5 affiliated companies and an External Counseling Office, established  
6 with the help of outside attorneys. The Employee Counseling Office  
7 responded to 82 cases in fiscal 2014.

8 26. The above statements contained in ¶¶18-25 were false and/or  
9 misleading, as well as failed to disclose material adverse facts about the  
10 Company's business, operations, and prospects. Specifically, these statements  
11 were false and/or misleading and/or failed to disclose that: (1) Mitsubishi's fuel  
12 consumption testing data submitted to Japanese authorities was intentionally  
13 mishandled to present better fuel consumption rates than the actual rates; (2)  
14 Mitsubishi's fuel consumption testing method was not in compliance with the  
15 testing method required by Japanese law; and (3) as a result of the foregoing,  
16 Defendants' statements about Mitsubishi's business, operations, and prospects,  
17 were false and misleading and/or lacked a reasonable basis.

### 18 **The Truth Emerges**

19 27. On April 20, 2016, the Company issued a press release entitled,  
20 "Improper conduct in fuel consumption testing on products manufactured by  
21 Mitsubishi Motors Corporation (MMC)." The press release revealed that the  
22 Company had been improperly testing fuel consumption rates and that its testing  
23 method did not follow Japanese law, stating in relevant part:

24 In connection with the certification process for the mini-cars  
25 manufactured by MMC, we found that with respect to the fuel  
26 consumption testing data submitted to the Ministry of Land,  
27 Infrastructure, Transport and Tourism (MLIT), MMC conducted  
28 testing improperly to present better fuel consumption rates than the  
actual rates; and that the testing method was also different from the

1 one required by Japanese law. We express deep apologies to all of our  
2 customers and stakeholders for this issue.

3 ***The applicable cars are four mini-car models, two of which are the***  
4 ***“eK Wagon” and “eK Space” which have been manufactured by***  
5 ***MMC; and the other two are the “Dayz” and “Dayz Roox” which***  
6 ***have been manufactured by MMC and supplied to Nissan Motors***  
7 ***Corporation (NM) since June 2013.*** Up until the end of March 2016,  
8 MMC has sold 157 thousand units of the eK Wagon and eK Space  
9 and supplied 468 thousand units of the Dayz and Dayz Roox to NM.  
10 Since MMC developed the applicable cars and was responsible for  
11 obtaining the relevant certifications, MMC conducted fuel  
12 consumption testing. In the process of the development for the next  
13 generation of mini-car products, NM examined the fuel consumption  
14 rates of the applicable cars for NM’s reference and found deviations  
15 in the figures. NM requested MMC to review the running  
16 resistance(\*) value set by MMC during tests by MMC. ***In the course***  
***of our internal investigation upon this request, MMC learned of the***  
***improper conduct that MMC used the running resistance value for***  
***testing which provided more advantageous fuel consumption rates***  
***than the actual rates.*** MMC will sincerely respond to our customers  
16 who own and use the applicable cars.

17 (\*) running resistance: rolling resistance (mainly generated by tires)  
18 and air resistance while vehicles are moving

19 We have decided to stop production and sales of the applicable cars.  
20 NM also has stopped sales of the applicable cars, and MMC and NM  
21 will discuss compensation regarding this issue.

22 ***During our internal investigation, we have found that the testing***  
23 ***method which was different from the one required by Japanese law***  
24 ***has been applied to other models manufactured by MMC for the***  
25 ***Japanese domestic market.***

26 Taking into account the seriousness of these issues, we will also  
27 conduct an investigation into products manufactured for overseas  
28 markets.

1 In order to conduct an investigation into these issues objectively and  
2 thoroughly, we plan to set up a committee consisting of only external  
3 experts. We will publish the results of our investigation as soon as it is  
4 complete

5 (Emphasis added).

6 28. On April 20, 2016, the Company held a press conference to discuss  
7 the improper fuel testing. During the press conference, Defendant Aikawa stated  
8 that the mishandling of test data was intentional.

9 29. On this news, shares of Mitsubishi fell \$1.02 per share or over 13.4%  
10 from its previous closing price to close at \$6.54 per share on April 20, 2016,  
11 damaging investors.

12 30. On April 21, 2016, the Company's offices were raided by Japanese  
13 transport ministry officials. Japan's Chief Cabinet Secretary, Yoshihide Suga,  
14 stated that "Based on [the results of] the raid, and a report from the company, we  
15 would like to reveal the extent of the inaccuracies as soon as possible...We will  
16 deal with the situation in a strict manner and would like to make sure of the safety  
17 of cars."

18 31. On this news, shares of Mitsubishi fell \$1.36 per share or over 20.7%  
19 from its previous closing price to close at \$5.18 per share on April 21, 2016,  
20 damaging investors.

21 32. On April 27, 2016, Mitsubishi admitted that its fuel economy testing  
22 methods have not complied with Japanese regulations for 25 years.

23 33. On this news, shares of Mitsubishi fell \$0.17 per share or over 4%  
24 from its previous closing price to close at \$3.85 per share on April 27, 2016,  
25 further damaging investors.

26 34. As a result of Defendants' wrongful acts and omissions, and the  
27 precipitous decline in the market value of the Company's securities, Plaintiff and  
28 other Class members have suffered significant losses and damages.

1 PLAINTIFF'S CLASS ACTION ALLEGATIONS

2 35. Plaintiff brings this action as a class action pursuant to Federal Rule  
3 of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those  
4 who purchased or otherwise acquired Mitsubishi securities during the Class Period  
5 (the "Class"); and were damaged upon the revelation of the alleged corrective  
6 disclosure. Excluded from the Class are Defendants herein, the officers and  
7 directors of the Company, at all relevant times, members of their immediate  
8 families and their legal representatives, heirs, successors or assigns and any entity  
9 in which Defendants have or had a controlling interest.

10 36. The members of the Class are so numerous that joinder of all  
11 members is impracticable. Throughout the Class Period, Mitsubishi securities  
12 were actively traded on the OTC. While the exact number of Class members is  
13 unknown to Plaintiff at this time and can be ascertained only through appropriate  
14 discovery, Plaintiff believes that there are hundreds or thousands of members in  
15 the proposed Class. Record owners and other members of the Class may be  
16 identified from records maintained by Mitsubishi or its transfer agent and may be  
17 notified of the pendency of this action by mail, using the form of notice similar to  
18 that customarily used in securities class actions.

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

22 38. Plaintiff will fairly and adequately protect the interests of the  
23 members of the Class and has retained counsel competent and experienced in class  
24 and securities litigation. Plaintiff has no interests antagonistic to or in conflict with  
25 those of the Class.

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

- 1 • whether the federal securities laws were violated by Defendants' acts
- 2 as alleged herein;
- 3 • whether statements made by Defendants to the investing public
- 4 during the Class Period misrepresented material facts about the
- 5 business, operations and management of Mitsubishi;
- 6 • whether the Individual Defendants caused Mitsubishi to issue false
- 7 and misleading financial statements during the Class Period;
- 8 • whether Defendants acted knowingly or recklessly in issuing false
- 9 and misleading financial statements;
- 10 • whether the prices of Mitsubishi securities during the Class Period
- 11 were artificially inflated because of the Defendants' conduct
- 12 complained of herein; and
- 13 • whether the members of the Class have sustained damages and, if so,
- 14 what is the proper measure of damages.

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

22 41. Plaintiff will rely, in part, upon the presumption of reliance  
23 established by the fraud-on-the-market doctrine in that:

- 24 • Defendants made public misrepresentations or failed to disclose
- 25 material facts during the Class Period;
- 26 • the omissions and misrepresentations were material;
- 27 • Mitsubishi securities are traded in an efficient market;
- 28



- 1 • the Company's shares were liquid and traded with moderate to heavy
- 2 volume during the Class Period;
- 3 • the Company traded on the OTC and was covered by multiple
- 4 analysts;
- 5 • the misrepresentations and omissions alleged would tend to induce a
- 6 reasonable investor to misjudge the value of the Company's
- 7 securities; and
- 8 • Plaintiff and members of the Class purchased, acquired and/or sold
- 9 Mitsubishi securities between the time the Defendants failed to
- 10 disclose or misrepresented material facts and the time the true facts
- 11 were disclosed, without knowledge of the omitted or misrepresented
- 12 facts.

13 42. Based upon the foregoing, Plaintiff and the members of the Class are  
14 entitled to a presumption of reliance upon the integrity of the market.

15 43. Alternatively, Plaintiff and the members of the Class are entitled to  
16 the presumption of reliance established by the Supreme Court in *Affiliated Ute*  
17 *Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972),  
18 as Defendants omitted material information in their Class Period statements in  
19 violation of a duty to disclose such information, as detailed above.

20 **NO SAFE HARBOR**

21 44. The statutory safe harbor provided for forward-looking statements  
22 under certain circumstances does not apply to any of the allegedly false statements  
23 pleaded in this Complaint. The statements alleged to be false and misleading  
24 herein all relate to then-existing facts and conditions. In addition, to the extent  
25 certain of the statements alleged to be false may be characterized as forward  
26 looking, they were not identified as "forward-looking statements" when made and  
27 there were no meaningful cautionary statements identifying important factors that  
28 could cause actual results to differ materially from those in the purportedly

1 forward-looking statements. In the alternative, to the extent that the statutory safe  
2 harbor is determined to apply to any forward-looking statements pleaded herein,  
3 Defendants are liable for those false forward-looking statements because at the  
4 time each of those forward-looking statements was made, the speaker had actual  
5 knowledge that the forward-looking statement was materially false or misleading,  
6 and/or the forward-looking statement was authorized or approved by an executive  
7 officer of Mitsubishi who knew that the statement was false when made.

8 **COUNT I**

9 **Violations of Section 10(b) of The Exchange Act and Rule 10b-5**

10 **Against All Defendants**

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

13 46. This Count is asserted against Defendants and is based upon Section  
14 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated  
15 thereunder by the SEC.

16 47. During the Class Period, Defendants engaged in a plan, scheme,  
17 conspiracy and course of conduct, pursuant to which they knowingly or recklessly  
18 engaged in acts, transactions, practices and courses of business which operated as  
19 a fraud and deceit upon Plaintiff and the other members of the Class; made  
20 various untrue statements of material facts and omitted to state material facts  
21 necessary in order to make the statements made, in light of the circumstances  
22 under which they were made, not misleading; and employed devices, schemes and  
23 artifices to defraud in connection with the purchase and sale of securities. Such  
24 scheme was intended to, and, throughout the Class Period, did: (i) deceive the  
25 investing public, including Plaintiff and other Class members, as alleged herein;  
26 (ii) artificially inflate and maintain the market price of Mitsubishi securities; and  
27 (iii) cause Plaintiff and other members of the Class to purchase or otherwise  
28 acquire Mitsubishi securities at artificially inflated prices. In furtherance of this

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

3 48. Pursuant to the above plan, scheme, conspiracy and course of  
4 conduct, each of the Defendants participated directly or indirectly in the  
5 preparation and/or issuance of the annual reports, SEC filings, press releases and  
6 other statements and documents described above, including statements made to  
7 securities analysts and the media that were designed to influence the market for  
8 Mitsubishi securities. Such reports, filings, releases and statements were  
9 materially false and misleading in that they failed to disclose material adverse  
10 information and misrepresented the truth about Mitsubishi's disclosure controls  
11 and procedures.

12 49. By virtue of their positions at Mitsubishi, Defendants had actual  
13 knowledge of the materially false and misleading statements and material  
14 omissions alleged herein and intended thereby to deceive Plaintiff and the other  
15 members of the Class, or, in the alternative, Defendants acted with reckless  
16 disregard for the truth in that they failed or refused to ascertain and disclose such  
17 facts as would reveal the materially false and misleading nature of the statements  
18 made, although such facts were readily available to Defendants. Said acts and  
19 omissions of Defendants were committed willfully or with reckless disregard for  
20 the truth. In addition, each defendant knew or recklessly disregarded that material  
21 facts were being misrepresented or omitted as described above.

22 50. Information showing that Defendants acted knowingly or with  
23 reckless disregard for the truth is peculiarly within Defendants' knowledge and  
24 control. As the senior managers and/or directors of Mitsubishi, the Individual  
25 Defendants had knowledge of the details of Mitsubishi's internal affairs.

26 51. The Individual Defendants are liable both directly and indirectly for  
27 the wrongs complained of herein. Because of their positions of control and  
28 authority, the Individual Defendants were able to and did, directly or indirectly,

1 control the content of the statements of Mitsubishi. As officers and/or directors of  
2 a publicly-held company, the Individual Defendants had a duty to disseminate  
3 timely, accurate, and truthful information with respect to Mitsubishi's businesses,  
4 operations, future financial condition and future prospects. As a result of the  
5 dissemination of the aforementioned false and misleading reports, releases and  
6 public statements, the market price of Mitsubishi securities was artificially  
7 inflated throughout the Class Period. In ignorance of the adverse facts concerning  
8 Mitsubishi's business and financial condition which were concealed by  
9 Defendants, Plaintiff and the other members of the Class purchased or otherwise  
10 acquired Mitsubishi securities at artificially inflated prices and relied upon the  
11 price of the securities, the integrity of the market for the securities and/or upon  
12 statements disseminated by Defendants, and were damaged thereby.

13 52. During the Class Period, Mitsubishi securities were traded on an  
14 active and efficient market. Plaintiff and the other members of the Class, relying  
15 on the materially false and misleading statements described herein, which the  
16 Defendants made, issued or caused to be disseminated, or relying upon the  
17 integrity of the market, purchased or otherwise acquired shares of Mitsubishi  
18 securities at prices artificially inflated by Defendants' wrongful conduct. Had  
19 Plaintiff and the other members of the Class known the truth, they would not have  
20 purchased or otherwise acquired said securities, or would not have purchased or  
21 otherwise acquired them at the inflated prices that were paid. At the time of the  
22 purchases and/or acquisitions by Plaintiff and the Class, the true value of  
23 Mitsubishi securities was substantially lower than the prices paid by Plaintiff and  
24 the other members of the Class. The market price of Mitsubishi securities declined  
25 sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff  
26 and Class members.

1 53. By reason of the conduct alleged herein, Defendants knowingly or  
2 recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act  
3 and Rule 10b-5 promulgated thereunder.

4 54. As a direct and proximate result of Defendants' wrongful conduct,  
5 Plaintiff and the other members of the Class suffered damages in connection with  
6 their respective purchases, acquisitions and sales of the Company's securities  
7 during the Class Period, upon the disclosure that the Company had been  
8 disseminating misrepresented financial statements to the investing public.

9 **COUNT II**

10 **Violations of Section 20(a) of The Exchange Act**

11 **Against The Individual Defendants**

12 55. Plaintiff repeats and realleges each and every allegation contained in  
13 the foregoing paragraphs as if fully set forth herein.

14 56. During the Class Period, the Individual Defendants participated in the  
15 operation and management of Mitsubishi, and conducted and participated, directly  
16 and indirectly, in the conduct of Mitsubishi's business affairs. Because of their  
17 senior positions, they knew the adverse non-public information about Mitsubishi's  
18 operations, current financial position and future business prospects.

19 57. As officers and/or directors of a publicly owned company, the  
20 Individual Defendants had a duty to disseminate accurate and truthful information  
21 with respect to Mitsubishi's business practices, and to correct promptly any public  
22 statements issued by Mitsubishi which had become materially false or misleading.

23 58. Because of their positions of control and authority as senior officers,  
24 the Individual Defendants were able to, and did, control the contents of the  
25 various reports, press releases and public filings which Mitsubishi disseminated in  
26 the marketplace during the Class Period concerning the Company's disclosure  
27 controls and procedures. Throughout the Class Period, the Individual Defendants  
28 exercised their power and authority to cause Mitsubishi to engage in the wrongful

1 acts complained of herein. The Individual Defendants therefore, were "controlling  
2 persons" of Mitsubishi within the meaning of Section 20(a) of the Exchange Act.  
3 In this capacity, they participated in the unlawful conduct alleged which  
4 artificially inflated the market price of Mitsubishi securities.

5 59. Each of the Individual Defendants, therefore, acted as a controlling  
6 person of Mitsubishi. By reason of their senior management positions and/or  
7 being directors of Mitsubishi, each of the Individual Defendants had the power to  
8 direct the actions of, and exercised the same to cause, Mitsubishi to engage in the  
9 unlawful acts and conduct complained of herein. Each of the Individual  
10 Defendants exercised control over the general operations of Mitsubishi and  
11 possessed the power to control the specific activities which comprise the primary  
12 violations about which Plaintiff and the other members of the Class complain.

13 60. By reason of the above conduct, the Individual Defendants are liable  
14 pursuant to Section 20(a) of the Exchange Act for the violations committed by  
15 Mitsubishi.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, Plaintiff demands judgment against Defendants as follows:

18 A. Determining that the instant action may be maintained as a class  
19 action under Rule 23 of the Federal Rules of Civil Procedure, and certifying  
20 Plaintiff as the Class representative;

21 B. Requiring Defendants to pay damages sustained by Plaintiff and the  
22 Class by reason of the acts and transactions alleged herein;

23 C. Awarding Plaintiff and the other members of the Class prejudgment  
24 and post-judgment interest, as well as her reasonable attorneys' fees, expert fees  
25 and other costs; and

26 D. Awarding such other and further relief as this Court may deem just  
27 and proper.

28 **DEMAND FOR TRIAL BY JURY**

1           61. Plaintiff hereby demands a trial by jury.

2  
3 Dated:

Respectfully submitted,

4           **THE ROSEN LAW FIRM, P.A.**

5  
6           **By:** \_\_\_\_\_  
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Counsel for Plaintiff