

CNinsure Inc. Under Investor Investigation Over Possible Securities Laws Violations

If you are an investor in CNinsure Inc. (NASDAQ:CISG), and/or if you have any information relating the investigation, you have certain options and you should contact the Shareholders Foundation, Inc.

To have your information reviewed for options and to receive notifications about this investigation, please use [this form](#). You may also send an email to mail@shareholdersfoundation.com, or call us at (858) 779-1554.

Company Name(s): CNinsure

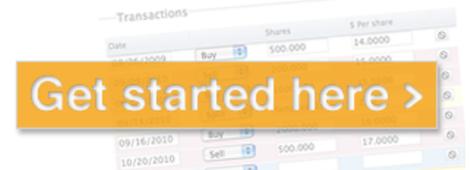
Affected Securities: NASDAQ: CISG

An investigation on behalf of investors of CNinsure Inc. (Public, NASDAQ:CISG) over possible violations of Federal Securities Laws in connection with the potential overstatement of profits and failure to record compensation expenses accordingly was announced.

The investigation by a law firm concerns whether CNinsure Inc. and certain of its officers and directors potentially violated Federal Securities Laws by issuing materially false and misleading statements. The investigation focuses on the following events. On December 2 Analyst Adele L. Mao at OLP Global LLC, an alternative research and consulting firm, issued a report with the title: "CNinsure (CISG) – Equity Incentives Likely Unaccounted For, Overstating Profits". In the report analyst Mao said that even though CNinsure management denied during its 3Q10 earnings call that their so called "scorecard" program implemented to incentivize sales agents is an equity incentive plan, OLP Global uncovered more facts about the CNinsure's so-called "scorecard" program, that they are convinced that it is no different from an equity-based compensation plan.

Adele Mao said the awarded equity incentive shares are part of agents' total compensation and can be converted into cash (RMB 5 per share at any time) or equity. OLP Global also said it believes the commission paid in the form of equity incentive shares has not been reflected in CNinsure's financial statements, which lead OLP Global to believe that CNinsure may have understated commission expenses and overstated net income by a meaningful amount. Further the OLP Global report stated that their findings further revealed that CNinsure's agents may be holding shares in an entity called Finestart Holdings Limited that does not legally exist. Mao said that should any disruption occur among CNinsure's network of agents, its daily operations and growth prospects will likely suffer. Shares of CNinsure Inc. (NASDAQ: CISG) fell from \$22.10 to \$15.43 on December 2, 2010. Even though next trading day CISG shares started at over \$20 per share, CISG shares closed last Friday's trading at \$16.78 per share. CNinsure Inc. issued a statement on Monday saying that it reiterates that the so-called share incentive certificate of CNinsure is nothing but scorecard for points. CNinsure Inc said it has never published any presentation on share incentive certificate and any publication that describes CNinsure's scorecard system as share incentive is not in conformity with fact. Further CNinsure Inc said Finestart is an affiliated entity of Chengdu Jingshi Investment Co., Ltd. and Finestart does not have any interest or economic ties with CNinsure. Despite CNinsure's statement shares of CNinsure Inc (CISG) closed Monday's trading under \$17 per CISG share.

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