

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

\_\_\_\_\_, Individually and On  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

TINGO GROUP, INC., DOZY  
MMOBUOSI, DARREN MERCER, and  
KEVIN CHEN,

Defendants.

Case No. DRAFT

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

**JURY TRIAL DEMANDED**

Plaintiff \_\_\_\_\_ (“Plaintiff”), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Tingo Group, Inc. (“Tingo” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Tingo; and (c) review of other publicly available information concerning Tingo.

### **NATURE OF THE ACTION AND OVERVIEW**

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Tingo securities between March 31, 2023 and June 6, 2023, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Tingo purports to be a holding company that operates in the areas of financial technology and agri-fintech through its subsidiaries and entities, both wholly-owned and controlled through variable interest entity (“VIE”) arrangements in Africa, Southeast Asia and the Middle East. Tingo claims it operates in 4 segments: (1) Verticals and Technology, (2) Online Stock Trading, (3) Comprehensive Platform Service, and (4) Tingo Foods.

3. On June 6, 2023, Hindenburg Research (“Hindenburg”) published a report titled “Tingo Group: Fake Farmers, Phones, and Financials—The Nigerian Empire That Isn’t.” Therein, Hindenburg disclosed, among other things, that Tingo “is an exceptionally obvious scam with completely fabricated financials.” Hindenburg further stated that Defendant Dozy Mmobuosi (“Mmobuosi”) appears to have fabricated his biographical claim, including that he developed the

first mobile payment app in Nigeria and that he received a PhD in rural advancement from a Malaysian university in 2007.

4. Hindenburg also revealed that Tingo appears to have made several false representations about its businesses. For example, Hindenburg points out, among other issues, that “Tingo had photoshopped its logo onto pictures of airplanes” and that “Dozy later admitted to never owning any actual aircraft”; Tingo’s food division claimed 24.8% operating margins, which “exceed those of every major comparable food company”; the rendering of Tingo’s planned \$1.6 billion Nigerian food processing facility, featured in Tingo’s investor materials and on a billboard at the ceremony, is actually a rendering of an oil refinery from a stock photo website, and that despite Tingo’s representations of “significant progress” on the facility, Hindenburg “visited the site a week later and found zero signs of progress.” Hindenburg also revealed that Tingo’s food inventory completely vanished from Tingo’s Q1 2023 accounts without explanation; two unnamed farming cooperatives that allegedly supplied the majority of Tingo’s 9.3 million userbase said they had never heard of Tingo; the type of license Tingo claims generated \$128 million in revenue for its handset leasing, call and data segments last quarter did not exist until June, 2023; Tingo Mobile’s office in Nigeria had a sign posted on its door by federal tax authorities stating that the company is delinquent on its tax obligations; Tingo’s pictures of Tingo’s claimed point of sale system were taken from a different operator’s website, with a Tingo logo photoshopped over them; despite Tingo’s claims that its online marketplace called NWASSA generated \$125.3 million in revenue, the website has been “under maintenance” and inoperable for months; despite Tingo’s claims that its brand-new agricultural export business was on track to deliver over \$1.34 billion in exports by Q3 2023, Hindenburg found no import/export records from Tingo at all through searches of Nigerian customs and trading databases.

5. Hindenburg also revealed that Tingo lacked effective controls over accounting and financial reporting. For example, Tingo's financial statements include basic errors like incorrect math and leaving zeroes off key metrics. Hindenburg also revealed that Tingo's cash flow and balance sheet statements do not reconcile and show major errors, and that its cash flow statements regularly subtract items from cash that should be added and vice versa, and that these errors also seem to apply to Tingo's audited annual financial statements.

6. On this news, the Company's stock price fell \$1.23, or 48.2%, to close at \$1.32 per share on June 6, 2023.

7. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that Defendant Mmobuosi fabricated biographical claims about himself; (2) that Tingo had photoshopped its logo onto pictures of airplanes it did not own; (3) that Tingo inflated its food division margins; (4) that Tingo published misleading images of its planned Nigerian food processing facility and overstated its progress on the facility's construction; (5) that Tingo inflated its food inventory; (6) that Tingo did not have relationships with the two farming cooperatives it claimed; (7) that Tingo did not generate \$128 million in revenue for its handset leasing, call and data segments as it claimed; (8) that Tingo's Mobile operation in Nigeria was delinquent on its tax obligations; (9) that Tingo photoshopped its logo over pictures from a different point of sale system operator's website; (10) that Tingo did not generate \$125.3 million in revenue from NWASSA; (11) that Tingo's agricultural export business was not on track to deliver \$1.34 billion in exports by Q3 2023; (12) that Tingo lacked effective controls over accounting and financial reporting; and

(13) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

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

### **JURISDICTION AND VENUE**

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

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

11. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company's principal executive offices are in this District.

12. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

### **PARTIES**

13. Plaintiff \_\_\_\_\_, as set forth in the accompanying certification, incorporated by reference herein, purchased Tingo securities during the Class Period, and suffered

damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

14. Defendant Tingo is incorporated under the laws of Delaware with its principal executive offices located in Montvale, New Jersey. Tingo's common stock trades on the NASDAQ Stock Market ("NASDAQ") under the symbol "TIO."

15. Defendant Dozy Mmobuosi was the majority shareholder, Chairman and Chief Executive Officer ("CEO") of Tingo, Inc. (not Tingo Group, Inc.) at all relevant times. As of March 30, 2023, Tingo, Inc. owned 15.7% of Tingo's outstanding common stock.

16. Defendant Darren Mercer ("Mercer") was Tingo's CEO at all relevant times.

17. Defendant Kevin Chen ("Chen") was Tingo's Chief Financial Officer ("CFO") at all relevant times.

18. Defendants Mmobuosi, Mercer, and Chen (collectively the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of the Company's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

## **SUBSTANTIVE ALLEGATIONS**

### **Background**

19. Tingo purports to be a holding company that operates in the areas of financial technology and agri-fintech through its subsidiaries and entities, both wholly-owned and controlled through VIE arrangements in Africa, Southeast Asia and the Middle East. Tingo claims it operates in 4 segments: (1) Verticals and Technology, (2) Online Stock Trading, (3) Comprehensive Platform Service, and (4) Tingo Foods.

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

20. The Class Period begins on March 31, 2023. On that day, Tingo issued a press release titled “Fintech and Agri-Fintech Company, Tingo Group, Inc., Reports Full Year 2022 Financial Results.” Therein, the Company, in relevant part, stated:

*Acquisition of 100% of Tingo Mobile Completed on November 30, 2022,  
making the Company significantly profitable from December 1, 2022*

*Company’s Integration with Tingo Mobile saw a Significant Acceleration in  
Growth of the Combined Group During Q4 2022, with the Signing of Major  
New Trade Partnerships, International Expansion and Launch of Several  
Significant New Products and Businesses*

*Acquisition of Tingo Foods Plc Completed on February 7, 2023*

*Name Change to Tingo Group, Inc. Reflects Importance of Tingo Brand and  
the Company’s Focus on Leveraging its Significant Market Presence*

**MONTVALE, NJ – March 31, 2023** – Tingo Group, Inc. (NASDAQ: TIO) (“Tingo” or the “Company”) today announced its financial results for the fiscal year ended December 31, 2022.

The acquisition of 100% of Tingo Mobile Limited (“Tingo Mobile”), which was completed on November 30, 2022, has resulted in the consolidation of its financial results into the Company from December 1, 2022. Today’s earnings presentation and this press release also includes pro forma financial information for the full year ended December 31, 2022, with comparative pro forma financial information for the year ended December 31, 2021, so as to provide shareholders with a fuller

understanding of the performance and growth of the acquisition and its expected impact on the Company.

## **Highlights & Recent Developments**

### **Financial Results**

- Tingo Group cash balances at December 31, 2022, amounted to \$500.3 million, compared to \$96.6 million at December 31, 2021.
- Net revenues of Tingo Group for 2022 (including Tingo Mobile for one month only from December 1, 2022) were \$146.0 million, compared to \$55.7 million in 2021.
- Pro Forma Consolidated Revenues for 2022 were \$1.152 billion, compared to \$921.5 million for the prior year, which after stripping out non-recurring mobile handset sales in 2021 of \$301.0 million, represented an increase of 85.5%.
- Tingo Mobile's Handset Leasing Revenues for 2022 were \$476.3 million, up 50.3% on 2021 revenues of \$316.9 million.
- Nwassa Agri Fintech platform revenues for 2022 were \$532.2 million, up 168.0% on 2021 revenues of \$198.6 million.
- Operating loss of Tingo Group for 2022 (including Tingo Mobile for one month only from December 1, 2022) was \$11.8 million, after accounting for non-recurring transaction expenses of \$9.6 million and share based payments of \$6.6 million, which if added back would result in an operating profit of \$4.3 million, compared to a loss of \$37.9 million for 2021.
- Pro Forma Consolidated Operating Income for 2022 was \$554.6 million, compared to a loss of \$47.0 million in 2021.
- Pro Forma Consolidated EBITDA1 for 2022 was \$954.5 million, compared to a Pro Forma Consolidated EBITDA1 of \$275.6 million for 2021.
- Tingo Mobile increased the customer numbers on its Nwassa Agri Fintech platform to 11.4 million at December 31, 2022, from 9.3 million at September 30, 2022, and handled more than \$1 billion of customer transactions in the month of December.

### **Operational Milestones**

- Signed major trade partnership with the All Farmers Association of Nigeria ("AFAN") on October 20, 2022, which launched ahead of schedule on

November 16 2022, and includes commitment to enroll a minimum of 20 million new customers with Tingo Mobile.

- Launched operations in Ghana on November 10, 2022, and signed a landmark trade deal with the Kingdom of Ashanti covering major agricultural and cocoa farming region, including a commitment to enroll a minimum of 2 million new customers with Tingo Mobile and a target to increase enrollments to more than 4 million.
- Launched global commodity platform and export business on December 12, 2022, in partnership with the Dubai Multi Commodities Centre (“DMCC”), the world’s no.1 free trade zone, with the aim of generating a substantial increase in sales demand for the crops produced by Tingo Mobile’s farmers.
- Launched in Malawi on December 14, 2022, representing a sizeable market in its own right, and also constituting a strategically important base from which to expand into East Africa, including the neighbouring countries of Tanzania, Zambia and Mozambique.
- Acquired 100% ownership of Tingo Foods Plc on February 9, 2023, a recently established food processing business with the capacity to offtake large volumes of raw crops from Tingo Mobile’s farmers into finished food and beverage products. Since its inception in September 2022, Tingo Foods generated more than \$400 million of highly profitable revenues during the four months ended December 31, 2022.
- Tingo Foods, through a joint venture, has recently committed to fit-out and operate a \$1.6 billion state of the art food processing facility in the Delta State of Nigeria, which is believed to be the largest of its kind on the African continent, and is expected to multiply the company’s food processing capacity, as well as expand its range of food and beverage products.
- Launched the TingoPay Super App and a pan-African partnership with Visa on February 14, 2023, which once fully rolled out will offer retail customers an integrated digital Visa card, together with payments services, an e-wallet, and a wide range of value-added services. TingoPay, with Visa, will also offer a full range of merchant services to businesses, including to Tingo Mobile’s farmers.
- Appointed specialist legal counsel and a team of expert advisors in February 2023 to investigate market manipulation and unlawful naked short selling of stock, and take appropriate action to prosecute any parties that have perpetrated illegal activity, and protect the Company from any such action in the future.

- A special dividend plan and share buyback program are being considered as possible means of increasing shareholder value and to address the significant disconnect between the Company's share price and its real value (in line with valuation multiples applied to other comparable Nasdaq listed companies).

**Darren Mercer, MICT's Chief Executive Officer, commented,** "I am delighted with the remarkable transformation that we achieved in 2022. At the beginning of the year, we were faced with the backdrop of huge disruption in our domestic markets of China and Hong Kong, due to widespread Covid lockdown measures, and a significant downturn in the global financial services sector, in response to which we pivoted the Company both geographically and strategically, and acquired a business that is not only growing strongly but is also addressing some of the world's biggest problems, namely food insecurity, financial exclusion and poverty. I feel privileged to be involved with Tingo and have acquired a business whose success is aligned with improving global food supply, and also with helping Africa and other emerging markets to become food sustainable.

"Our focus for much of 2022 was on completing and integrating our acquisition. After completing extensive due diligence and analysis on Tingo Mobile with a first-class team of globally renowned advisors, including Ernst & Young, Dentons and Houlihan Lokey, before then restructuring the transaction so as to expedite its completion, and improve the terms for our shareholders, we were delighted to close the transaction to combine the companies before year end. This has considerably strengthened our balance sheet at December 31, 2022, resulting in gross assets of \$1.7 billion, of which more than \$0.5 billion is cash on hand. In addition, by closing the acquisition in 2022, we were able to engage one of the world's leading accounting and audit firms, Deloitte, to audit the combined December 31, 2022, balance sheet and financial statements. It also gave us the opportunity to engage Grant Thornton to undertake an audit and Sarbanes-Oxley review of the group's internal controls and procedures.

"I am also delighted with the progress we made with integrating Tingo Mobile into the group during Q4 2022, and in accelerating the expansion of the various businesses. As announced previously, since November 2022 we have signed trade partnerships that are expected to triple Tingo Mobile's customers by the end of 2023, in addition to expanding our operations into three new countries, launching two new businesses, namely Tingo DMCC and TingoPay, and acquired the highly profitable Tingo Foods business. These significant developments, and their impact in terms of closing the end-to-end seed-to-sale ecosystem, puts us into a very strong position for 2023 and beyond.

"The financial results for Tingo Mobile, and the pro forma consolidated financial information for the group, speak for themselves. Highlights in the pro forma income statement include the 200% growth in gross profit in 2022 to \$675 million, and a move from a Net Income Before Tax loss of \$47 million in 2021 to a Net Income

Before Tax surplus of more than \$550 million in 2022. Additionally, we have experienced material growth during the first quarter of 2023, and we expect such growth to continue and accelerate throughout the remainder of the year and beyond.

“Having successfully integrated Tingo Mobile into the group and completed an audit with a world leading accounting firm, we look forward to finally addressing the significant disconnect in our share price and attract a valuation that is reflective of our consolidated earnings. With more than \$500 million of cash on our balance sheet, and the launch of the largest food processing plant in Africa set to take place next year, we have an increasing number of options available to us to overcome the share price disconnect. As we continue to evaluate and consider all the options, together with our overall strategy for maximizing shareholder value, we will keep the market apprised and I hope to provide a further update in the coming weeks.”

**Dozy Mmobuosi, Founder & CEO of Tingo Mobile and Tingo Foods, added:**

“My colleagues and I at Tingo Mobile and Tingo Foods are delighted that we now part of Tingo Group. The completion of the merger on November 30, 2022, represented a major milestone in the history of Tingo Mobile, which my father and I founded some 22 years ago. We are already seeing the benefits of the synergies in the group, and of being part of a Nasdaq listed company, and our shareholders will have noted the considerable progress we have made since the fourth quarter of 2022, with the acceleration of our growth plans and globalization and dollarization strategies.

“We are particularly excited about the completion of the virtuous circle of our agri-fintech eco-system, where we can now deliver on, and profit from, every part of the journey from seed-to-sale. We are also very excited about our diversification, both geographically, including within my home continent of Africa, as well as into other parts of the world and into other sectors, for example, through our B2C and B2B TingoPay business and partnership with Visa.

“As we deliver on our success for the Company and its shareholders, it is of the highest importance to me and the Board of Tingo Group that we equally deliver on our mission and our Environment Social and Governance (“ESG”) goals, as we continue to strive to meaningfully improve global food security and financial inclusion, and also to deliver social and financial upliftment to our customers and, very importantly to me, help make Africa food sustainable.

“With the major steps we have taken in recent months to capitalize on our merger and the Company’s Nasdaq listing, we are confident we can build significantly on the revenue and earnings growth we achieved in 2022 and deliver considerable value to our shareholders.”

**2022 Financial Review**

- Net revenues for the year ended December 31, 2022, were \$146.0 million, compared to \$55.7 million in the prior year, an increase of 162%. The increase is mainly attributable to the consolidation of Tingo Mobile from December 1, 2022.
- Gross profit for the full year 2022 was \$64.8 million, or 44% of revenues, compared to \$9.2 million, or 16% of revenues, in the prior year. The increase is mainly attributable to the consolidation of Tingo Mobile for the month of December, as well as to the growth in the margins of the Company's insurance agency business.
- Selling & marketing expenses for the year ended December 31, 2022, were \$11.1 million as compared to \$6.8 million for the year ended December 31, 2021. The increase was due to the consolidation of such costs from Tingo Mobile for the month of December, and an increase in marketing expenses for the Company's insurance businesses, which is offset in part by a decrease in marketing expenses for the stock trading businesses.
- General and administrative expenses were \$58.2 million in the full year 2022, compared to \$36.5 million in the full year 2021, which is mainly attributed to the consolidation of such costs from Tingo Mobile for the month of December. General and administrative expenses for the year included \$9.6 million of non-recurring transaction expenses and share based payments totalling \$6.6 million, representing a decrease in share-based payments of \$4.7 million compared to the previous year.
- Operating loss for the for the year ended December 31, 2022, was \$11.8 million versus a loss of \$37.9 million for the prior year. The decrease in loss from operations is mainly attributable to the consolidation of the profitable operations of Tingo Mobile for the month of December.
- Net loss for the year ended December 31, 2022, was \$47.1 million compared to \$36.4 million for the year ended December 31, 2021, mainly as a result of an increase in tax expenses relating to the acquisition and consolidation of Tingo Mobile.
- As of December 31, 2022, the Company's cash and cash equivalents on a consolidated basis was approximately \$500.3 million, compared to \$96.6 million at December 31, 2021. This reflects an increase of \$403.7 million in cash and cash equivalents, which is attributable to the consolidation of Tingo Mobile's cash balance into the Company.

(Footnote omitted, emphasis in original.)

21. On March 31, 2023 Tingo filed its annual report for its fiscal year ended December 31, 2022. Therein, the Company reaffirmed its financial results announced in its press release issued the same day.

22. The above statements identified in ¶¶ 20-21 were materially false and/or misleading, and failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that Defendant Mmobuosi fabricated biographical claims about himself; (2) that Tingo had photoshopped its logo onto pictures of airplanes it did not own; (3) that Tingo inflated its food division margins; (4) that Tingo published misleading images of its planned Nigerian food processing facility and overstated its progress on the facility’s construction; (5) that Tingo inflated its food inventory; (6) that Tingo did not have relationships with the two farming cooperatives it claimed; (7) that Tingo did not generate \$128 million in revenue for its handset leasing, call and data segments as it claimed; (8) that Tingo’s Mobile operation in Nigeria was delinquent on its tax obligations; (9) that Tingo photoshopped its logo over pictures from a different point of sale system operator’s website; (10) that Tingo did not generate \$125.3 million in revenue from NWASSA; (11) that Tingo’s agricultural export business was not on track to deliver \$1.34 billion in exports by Q3 2023; (12) that Tingo lacked effective controls over accounting and financial reporting; and (13) that, as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

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

23. On June 6, 2023, Hindenburg published a report titled “Tingo Group: Fake Farmers, Phones, and Financials—The Nigerian Empire That Isn’t.” Therein, Hindenburg summarized their findings, stating in relevant part:

- We are short Tingo Group Inc (NASDAQ:TIO) because we believe the company is an exceptionally obvious scam with completely fabricated financials.
- Tingo, headquartered in New Jersey, claims to have several business segments focused on providing mobile phones, food processing and an online food marketplace for farmers primarily located in Nigeria.
- Tingo was founded and is spearheaded by “Dozy” Mmobuosi, CEO of the key holding company entity. Dozy is regularly described by the media as a billionaire and made waves earlier this year when he attempted to acquire the now-Premier League soccer team Sheffield United.
- We’ve identified major red flags with Dozy’s background. For starters, he appears to have fabricated his biographical claim to have developed the first mobile payment app in Nigeria. We contacted the app’s actual creator, who called Dozy’s claims “a pure lie”.
- Dozy claimed to have received a PhD in rural advancement from a Malaysian university in 2007. We contacted the school to verify the degree. They wrote back saying no one by his name was found in their verification system.
- In 2017, Dozy was arrested and faced an 8-count indictment over issuance of bad checks, according to the Nigerian Economic and Financial Crimes Commission. He later settled the case in arbitration.
- In 2019, Dozy claimed to have launched “Tingo Airlines” and posted social media messages encouraging customers to “fly with Tingo Airlines today”. Media outlets later uncovered that Tingo had photoshopped its logo onto pictures of airplanes. Dozy later admitted to never owning any actual aircraft.
- In April 2023, Tingo’s Co-Chairman wrote a public letter to Dozy, filed with the SEC, saying he could not approve the company’s annual report and felt it “necessary to recuse myself by resigning” due to “many critical questions, comments and recommendations” that went “unanswered and unheeded”.
- Tingo’s food division is 7 months old, yet claimed to generate \$577.2 million in revenue last quarter alone, representing 68% of total reported revenue. If accurate, its claimed 24.8% operating margins would exceed those of every major comparable food company.
- Yet, Tingo has no food processing facility of its own. Rather, it claims its explosive revenue and profitability is derived from acting as a middleman between Nigerian farmers and an unnamed third-party food processor.
- In February 2023, the company held a groundbreaking ceremony for a planned \$1.6 billion Nigerian food processing facility of its own, attended by the country’s agriculture minister and other political luminaries.
- We found that the rendering of the planned facility, featured in Tingo’s investor materials and on a billboard at the ceremony, is actually a rendering of an oil refinery from a stock photo website.
- Following its groundbreaking, Tingo reported in a May 2023 SEC filing that it made “significant progress” on the facility, including laying “the foundations of its numerous buildings”.

- We visited the site a week later and found zero signs of progress; it was empty except for the plaque and billboard commemorating the groundbreaking ceremony, surrounded by weeds.
- Subsequent to the “groundbreaking”, Tingo announced a \$150 million agreement with a UK entity called Evttec Energy to build solar panels for its non-existent food processing facility. Funding for the deal is slated to be provided through Evttec, but UK filings show that Evttec was “Dormant” as of its most recent annual report and held zero cash in the bank.
- Tingo Group bought Tingo Foods from Dozy in February 2023 for \$204 million, a price “approximately equal to the cost value of the inventory held by Tingo Foods”.
- The inventory, which was reported in year-end financials, completely vanished from Tingo’s Q1 2023 accounts without explanation. In our experience, \$204 million in inventory doesn’t just disappear at companies with internal controls and genuine financial reporting.
- Tingo claimed in its reverse merger press release that members of 2 unnamed farming cooperatives supply the majority of its then-9.3 million userbase, consisting of local Nigerian farmers. These farmers supposedly form the core of the company’s phone customers and provide the agricultural products used in Tingo’s food processing and trading businesses.
- A local media outlet identified and contacted the cooperatives. Both said they had never heard of Tingo and had fewer than 100 farmers in each cooperative.
- We were able to make contact with one of the cooperatives. Its owner reiterated having no relationship with Tingo and flat out told us “they are scammers”.
- Tingo claimed its mobile handset leasing, call and data segments generated \$128 million in revenue last quarter (~15% of total), claiming these services are provided through an agreement with Airtel in Nigeria. The type of license they claim did not exist until June, 2023.
- Our checks with the Nigerian Communications Commission showed it has no record of Tingo being a mobile licensee at all, despite company claims of having 12 million mobile customers.
- Despite claiming to have millions of farmers using its phones, Tingo Mobile’s corporate presentation and webpage uses stock photos of farmers using phones.
- We visited Tingo Mobile’s office in Nigeria and found only a handful of employees and a sign posted on its door by federal tax authorities stating that the company is delinquent on its tax obligations.
- Tingo Mobile claimed a Ghana expansion effort would enroll 2-4 million members by February 2023. This would represent ~9%-18% market share in the country within months of launch. We found zero records pertaining to Tingo Mobile through Ghana’s communication regulator.
- We tried to contact Tingo’s Ghana support in late May to buy a phone. The email bounced back and no one picked up the phone despite numerous attempts.
- We visited Tingo’s Ghana office location in late May 2023. We saw 2 cars in the parking lot and no customers. When we tried to enroll in a plan and buy a phone we were told the location wasn’t operational yet.

- TingoPay (part of Tingo Mobile) claimed in 2021 to have launched a partnership with a major local bank.
- Two days after Tingo’s blockbuster announcement, the bank put out a statement calling Tingo’s claim false and that it had “NOT concluded any agreement with Tingo International in respect of any payment system whatsoever”.
- Tingo now claims its payment group has a point of sale (PoS) system and other merchant products. We found that pictures of Tingo’s claimed PoS system were taken from a different PoS operator’s website, with a Tingo logo photoshopped over them.
- Tingo claims its “seed to sale” online marketplace called NWASSA generated \$125.3 million in revenue last quarter or ~15% of its total revenue, yet the website has been “under maintenance” and inoperable for months.
- Tingo claims it has launched its NWASSA platform in Ghana. The Ghana website also doesn’t work and just says “Updating...” without ever going anywhere.
- In a May 2023 press release, Tingo claimed its brand-new agricultural export business, Tingo DMCC, was on track to deliver over U.S. \$1.34 billion in exports by Q3.
- Tingo’s sales projections for that business are higher than the entire nation of Nigeria’s annual 2022 agricultural exports, which totaled about U.S. \$1.15 billion, per government data.
- Despite Tingo’s Chen claims, we found no import/export records from Tingo at all through searches of Nigerian customs and trading databases.
- Tingo DMCC’s website has numerous non-functioning links and includes a fake testimonial that appears leftover from the website template.
- Tingo’s financial statements are riddled with errors and typos, including a note to itself that it apparently forgot to delete, saying “please update for the tingle (sic) transaction including the tingle (sic) foods transaction”.
- Its financials include other basic errors like incorrect math and leaving zeroes off key metrics.
- More troublingly, Tingo’s cash flow and balance sheet statements do not reconcile and show major errors indicating a complete lack of financial controls. Its cash flow statements regularly subtract items from cash that should be added and vice versa.
- The errors also seem to apply to Tingo’s audited annual financial statements, which were recently given an unqualified audit opinion by Deloitte Israel (a strange choice given the company lacks substantive operations in Israel).
- We strongly suspect Tingo’s cash balance, which it conveniently claims is held in Nigeria, is fake. The company collected only ~12% of the interest income one would expect from its claimed cash balances.
- Overall, we think Tingo is a worthless and brazen fraud that should serve as a humiliating embarrassment for all involved. We do not expect the company will be long for this world.

24. On this news, the Company's stock price fell \$1.23, or 48.2%, to close at \$1.32 per share on June 6, 2023.

### **CLASS ACTION ALLEGATIONS**

25. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Tingo securities between March 31, 2023 and June 6, 2023, inclusive, and who were damaged thereby (the "Class"). 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.

26. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Tingo's shares actively traded on the NASDAQ. 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 or thousands of members in the proposed Class. Millions of Tingo shares were traded publicly during the Class Period on the NASDAQ. Record owners and other members of the Class may be identified from records maintained by Tingo or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

27. Plaintiff's 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.

28. Plaintiff 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.

29. 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 made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Tingo; and

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

30. 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 makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

#### **UNDISCLOSED ADVERSE FACTS**

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

32. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Tingo's securities, by publicly issuing false and/or misleading statements

and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Tingo's business, operations, and prospects as alleged herein.

33. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Tingo's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

### **LOSS CAUSATION**

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

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

## **SCIENTER ALLEGATIONS**

36. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Tingo, their control over, and/or receipt and/or modification of Tingo's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Tingo, participated in the fraudulent scheme alleged herein.

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

37. The market for Tingo's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Tingo's securities traded at artificially inflated prices during the Class Period. On May 19, 2023, the Company's share price closed at a Class Period high of \$5.32 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Tingo's securities and market information relating to Tingo, and have been damaged thereby.

38. During the Class Period, the artificial inflation of Tingo's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements

about Tingo's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Tingo and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

39. At all relevant times, the market for Tingo's securities was an efficient market for the following reasons, among others:

(a) Tingo shares met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Tingo filed periodic public reports with the SEC and/or the NASDAQ;

(c) Tingo regularly communicated with public investors via established market communication mechanisms, including through regular dissemination 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; and/or

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

40. As a result of the foregoing, the market for Tingo's securities promptly digested current information regarding Tingo from all publicly available sources and reflected such

information in Tingo's share price. Under these circumstances, all purchasers of Tingo's securities during the Class Period suffered similar injury through their purchase of Tingo's securities at artificially inflated prices and a presumption of reliance applies.

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

#### **NO SAFE HARBOR**

42. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker

had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Tingo who knew that the statement was false when made.

### **FIRST CLAIM**

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

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

44. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Tingo's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

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

46. 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 Tingo's financial well-being and prospects, as specified herein.

47. 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 Tingo's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Tingo and its business operations and future prospects in 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 which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

48. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their 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 internal budgets, plans, projections and/or reports; (iii) each of these 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 (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

49. Defendants had actual knowledge of the misrepresentations and/or 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 defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Tingo's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or 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.

50. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Tingo's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Tingo's securities during the Class Period at artificially high prices and were damaged thereby.

51. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that

Tingo was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Tingo securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

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

53. As a direct and proximate result of 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 securities during the Class Period.

## **SECOND CLAIM**

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

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

55. Individual Defendants acted as controlling persons of Tingo within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, 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 which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements

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

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

57. As set forth above, Tingo and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff 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 Plaintiff 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**

Plaintiff hereby demands a trial by jury.

Dated: \_\_\_\_\_, 2023

By:   DRAFT  

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