



February 14, 2011 12:13 PM Eastern Time

Abraham, Fruchter & Twersky, LLP Announces Filing of Class Action Lawsuit against China Valves Technology, Inc.

NEW YORK--(BUSINESS WIRE)--Abraham, Fruchter & Twersky, LLP announces that a class action lawsuit has been filed in the United States District Court for the Southern District of New York on behalf of a class (the "Class") of investors who purchased China Valves Technology, Inc. ("China Valves" or the "Company") (NASDAQ:CVVT) common stock between the period of January 12, 2010 through January 13, 2011.

The Complaint alleges China Valves and certain of its officers and directors with violating the federal securities laws by making false and misleading statements related to their acquisition of Changsha Valve Company, and Shanghai Pudong Hanwei Valve Co., Ltd. Specifically, the Complaint alleges that defendants failed to disclose that both acquisitions involved payments to entities or persons that were related to management at China Valves, in violation of GAAP and U.S. Securities and Exchange Commission regulations. The Company also overstated the business prospects and financial conditions of those same acquisitions.

On January 13, 2011, Citron Research published an online report that China Valves may be delisted from NASDAQ as it faces increased regulatory scrutiny over certain buyouts. Specifically, Citron Research stated that the financial results of Changsha Valve, an acquisition China Valves had made in 2010, have been overstated and that the acquisition was an improper related party transaction.

In a reaction to this news, shares of CVVT common stock fell \$1.57 per share to close on January 13, 2011 at \$7.15 per share, representing a drop of 18%.

If you purchased CVVT common stock between January 12, 2010 through January 13, 2011 and you wish to serve as lead plaintiff in this action, you must move the Court no later than April 5, 2011. Any member of the proposed class may move the Court to serve as lead plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed class.

If you would like to discuss this action or if you have any questions concerning this notice or your rights as a potential class member or lead plaintiff, you may contact: Jack G. Fruchter or Arthur J. Chen of Abraham, Fruchter & Twersky, LLP toll free at (800) 440-8986, or via e-mail at info@aftlaw.com or achen@aftlaw.com.

Abraham, Fruchter & Twersky, LLP has extensive experience in securities class action cases, and the firm has been ranked among the leading class action law firms in terms of recoveries achieved by a survey of class action law firms conducted by Institutional Shareholder Services.

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