

# SHAREHOLDER ALERT: The Law Offices of Timothy L. Miles Announces that Cloopen Group Holding Limited Sued by Investor

HENDERSONVILLE, TN, UNITED STATES, December 24, 2021 /

EINPresswire.com/ -- The Law Offices of [Timothy L. Miles](#), who has been leading the fight to protect shareholder rights for over 20 years, announces that a purchaser of [Cloopen Group Holding Limited](#) (NYSE: RAAS) filed a class action complaint against the Company and its officers and directors. The Cloopen class action lawsuit seeks to represent purchasers of: (a) Cloopen American Depositary Shares (“ADSs”) pursuant and/or traceable to the registration statement and prospectus (collectively, the “Registration Statement”) issued in connection with Cloopen’s IPO; and/or (b) Cloopen securities between February 9, 2021 and May 10, 2021, inclusive (the “Class Period”). The Cloopen class action lawsuit was commenced on December 10, 2021 in the Southern District of New York and is captioned *Dong v. Cloopen Group Holding Limited*, No. 21-cv-10610.

If you suffered a loss due to Cloopen’s misconduct, [click here](#).

Cloopen Failed to Disclose the Truth About its Business Prospects

According to the complaint, the Registration Statement led Cloopen ADS purchasers to believe that Cloopen’s much-touted growth strategy, which relied upon cross-selling, up-selling, optimizing existing solutions, and developing new features, was effective. Indeed, as portrayed in the Registration Statement, Cloopen appeared to be retaining and even expanding its customer base, as well as maintaining its key sales metrics such as dollar-based net retention



Shareholder Rights Attorney Timothy L. Miles Has Been Awarded the Recognition of America’s Most Honored Lawyers – Top 1% 2021

rate, which reflected its ability to increase existing customer revenue. Yet, Cloopen's representations concerning its successful growth strategy were materially false and misleading. In fact, as the Cloopen class action lawsuit alleges, Cloopen's growth strategy was not working and its existing customers were abandoning the Company. The Cloopen class action lawsuit further alleges that Cloopen's Registration Statement failed to disclose that an increasing number of its customers were refusing to pay, forcing Cloopen to record massive increases in its accounts receivables and allowance for doubtful accounts. The Registration Statement also allegedly failed to disclose that Cloopen was weighted down by massive liabilities related to the fair value of certain recently-granted warrants.

On March 26, 2021, just over six weeks after its IPO, Cloopen reported fourth quarter of 2020 revenues of just \$39.6 million – \$2 million shy of analysts' consensus – net losses of \$46.8 million, representing a 466.9% increase year-over-year, and operating expenses of \$27.6 million, representing a 30% increase over fourth quarter of 2019. Cloopen blamed a "change in fair value of warrant liabilities of . . . \$34.4 million" for Cloopen's remarkable net loss and "an increase in the provision for doubtful accounts resulting from increased in accounts receivables" for the 59.2% increase in general and administrative expenses. On this news, the price of Cloopen's ADSs fell by more than 18%.

Weeks later, as Cloopen belatedly revealed additional facts about its failed growth strategy and



Top Rated Lawyers In Tennessee (2020): Timothy L. Miles, Esq.



Nationally Recognized Shareholder Rights Attorney Timothy L. Miles

withering customer base, including that its dollar-based net retention rate by year end 2020 fell far below historical periods, Cloopen's share price fell again.

At the time the Cloopen class action lawsuit was commenced, Cloopen's share price has dropped as low as \$2.70 per ADS, a decline of more than 80% from the \$16 IPO price.

If you acquired ADSs of Cloopen Group Holding Limited (NYSE: RAAS) in its IPO or between February 9, 2021 and May 10, 2021 you have until February 08, 2022, to ask the court to appoint you lead plaintiff for the class.

Cloopen Shareholders Urged to Contact the Firm

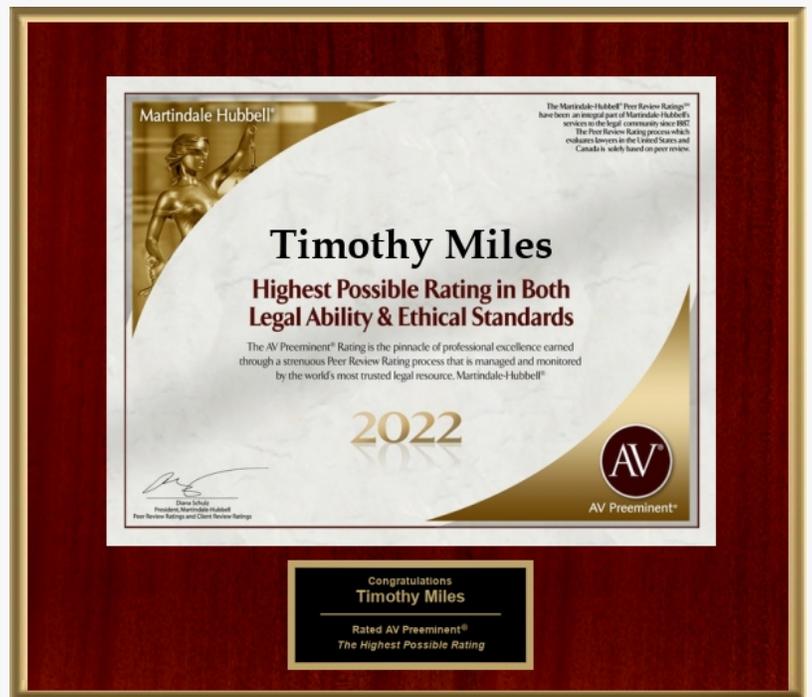
If you purchased Cloopen securities, have information, or have any questions concerning this announcement or your rights or interests with respect to these matters, please contact Timothy L. Miles, Esquire, at 615-587-7384, Toll-Free at 855-846-6529, or by email to [tmiles@timmileslaw.com](mailto:tmiles@timmileslaw.com) or to submit form [click here](#). If you inquire by email please include your mailing address, telephone number, and the number shares owned.

About Timothy L. Miles

Timothy L. Miles is a nationally recognized shareholder, employee rights and personal injury attorney raised in Nashville, Tennessee. Earlier this year, Mr. Miles was recognized as a 2021 Top Ranked Lawyer; 2021 Top Rated Litigator; and a 2021 Elite Lawyer of The South by Martindale-Hubbell® and ALM, his third consecutive year to receive each award. Mr. Miles also maintains the AV Preeminent Rating by Martindale-Hubbell®, their highest rating for both legal ability and ethics. Mr. Miles is a member of the prestigious Top 100 Civil Plaintiff Trial Lawyers: The National



Timothy L. Miles, a nationally recognized shareholder rights attorney



Nationally Recognized Class Action Attorney Timothy L. Miles Receives 2022 AV Preeminent Recognition

Trial Lawyers Association, a superb rated attorney by Avvo, a recipient of the Lifetime Achievement Award by Premier Lawyers of America (2019) and recognized as a Distinguished Lawyer, Recognizing Excellence in Securities Law, by Lawyers of Distinction (2019). Awards: Top Rated Litigator by Martindale-Hubbell® and ALM (2019-2021); Top Rated Lawyer by Martindale-Hubbell® and ALM (2019-2021); Elite Lawyer of The South by Martindale-Hubbell® and ALM (2019-2021); Member of the Top 100 Civil Plaintiff Trial Lawyers: The National Trial Lawyers Association (2017-2021); AV® Preeminent™ Rating by Martindale-Hubbell® (2014-2021); PRR AV Preeminent Rating on Lawyers.com (2018-2021); The Top-Rated Lawyer in Litigation™ for Ethical Standards and Legal Ability (Martindale-Hubbell® 2015); Lifetime Achievement Award by Premier Lawyers of America (2019); Distinguished Lawyer, Recognizing Excellence in Securities Law, by Lawyers of Distinction (2019-2021); Superb Rated Attorney (Avvo); Avvo Top Rated Lawyer for (Avvo 2017-2020). Mr. Miles has authored numerous publications advocating for shareholdings including most recently: Free Portfolio Monitoring Services Offered by Plaintiff Securities Firms Provides Significant Benefits to Investors (Timothy L. Miles, Dec. 3, 2019).

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