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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

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|--|---|--|
| CITY OF ST. CLAIR SHORES POLICE AND FIRE RETIREMENT SYSTEM, on Behalf of Itself and All Others Similarly Situated, |) | No. |
| |) | <u>CLASS ACTION</u> |
| Plaintiff, |) | COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS |
| vs. |) | |
| MICROSOFT CORPORATION, SATYA NADELLA, AMY E. HOOD, JARED SPATARO, and RAJESH JHA, |) | |
| Defendants. |) | <u>DEMAND FOR JURY TRIAL</u> |

1 Plaintiff City of St. Clair Shores Police and Fire Retirement System (“plaintiff”), on behalf
2 of itself and all others similarly situated, by plaintiff’s undersigned attorneys, for plaintiff’s
3 complaint against defendants, alleges the following based upon personal knowledge as to plaintiff
4 and plaintiff’s own acts, and upon information and belief as to all other matters based on the
5 investigation conducted by and through plaintiff’s attorneys, which included, among other things,
6 a review of U.S. Securities and Exchange Commission (“SEC”) filings of Microsoft Corporation
7 (“Microsoft” or the “Company”), the Company’s press releases, analyst reports, media reports,
8 and other publicly disclosed information about the Company. Plaintiff believes that substantial
9 additional evidentiary support will exist for the allegations set forth herein after a reasonable
10 opportunity for discovery.

11 **NATURE OF THE ACTION**

12 1. This is a securities class action on behalf of all purchasers of Microsoft common
13 stock between May 1, 2025 and January 28, 2026, both dates inclusive (the “Class Period”),
14 seeking to pursue remedies under the Securities Exchange Act of 1934 (the “1934 Act”) against
15 Microsoft and certain of the Company’s executive officers.

16 **JURISDICTION AND VENUE**

17 2. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of the
18 1934 Act, 15 U.S.C. §§78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder, 17 C.F.R.
19 §240.10b-5. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C.
20 §1331 and §27 of the 1934 Act, 15 U.S.C. §78aa.

21 3. Venue is proper in this District pursuant to 28 U.S.C. §1391(b), and §27 of the 1934
22 Act, because certain of the events or omissions giving rise to the claim occurred in this District,
23 including the dissemination of the statements alleged to be materially false and misleading into
24 this District. Microsoft’s corporate headquarters are also located in this District.

25 4. In connection with the acts alleged in this complaint, defendants, directly or
26 indirectly, used the means and instrumentalities of interstate commerce, including, but not limited

1 to, the mails, interstate telephone communications, and the facilities of the national securities
2 markets.

3 **PARTIES**

4 5. Plaintiff City of St. Clair Shores Police and Fire Retirement System, as set forth in
5 the certification attached hereto and incorporated by reference herein, purchased Microsoft
6 common stock during the Class Period and has been damaged thereby.

7 6. Defendant Microsoft is a multinational technology conglomerate headquartered in
8 Redmond, Washington. Microsoft common stock trades on the Nasdaq under the ticker symbol
9 “MSFT.”

10 7. Defendant Satya Nadella (“Nadella”) served as Microsoft’s Chief Executive
11 Officer (“CEO”) and Chairman of its Board of Directors during the Class Period.

12 8. Defendant Amy E. Hood (“Hood”) served as Microsoft’s Chief Financial Officer
13 (“CFO”) and Executive Vice President during the Class Period.

14 9. Defendant Jared Spataro (“Spataro”) served as Microsoft’s Chief Marketing
15 Officer, AI at Work (“AI CMO”) during the Class Period.

16 10. Defendant Rajesh Jha (“Jha”) served as Microsoft’s Executive Vice President,
17 Experiences and Devices (“EVP E&D”) during the Class Period. In March 2026, Microsoft
18 announced that defendant Jha would be retiring after more than 35 years of working with the
19 Company.

20 11. Defendants Nadella, Hood, Spataro, and Jha are collectively referred to herein as
21 the “Individual Defendants.”

22 12. Each of the Individual Defendants was directly involved in the management and
23 day-to-day operations of the Company at the highest levels and was privy to confidential
24 proprietary information concerning the Company and its business, operations, services, partners,
25 and present and future business prospects, as alleged herein. In addition, the Individual Defendants
26 were involved in drafting, producing, reviewing, and/or disseminating the false and misleading

1 statements and information alleged herein, were aware of, or recklessly disregarded, the false and
2 misleading statements being issued regarding the Company, and approved or ratified these
3 statements, in violation of the federal securities laws.

4 13. As officers and controlling persons of a publicly held company whose securities
5 are registered with the SEC pursuant to the 1934 Act and trade on the Nasdaq, which is governed
6 by the provisions of the federal securities laws, the Individual Defendants each had a duty to
7 promptly disseminate accurate and truthful information with respect to the Company's operations,
8 business, services, partners, and present and future business prospects. In addition, the Individual
9 Defendants each had a duty to correct any previously issued statements that had become materially
10 misleading or untrue, so that the market price of Microsoft common stock would be based upon
11 truthful and accurate information. Defendants' false and misleading misrepresentations and
12 omissions during the Class Period violated these specific requirements and obligations.

13 14. The Individual Defendants, because of their positions of control and authority as
14 officers and/or directors of the Company, were able to, and did, control the content of the various
15 SEC filings, press releases, and other public statements pertaining to the Company during the Class
16 Period. Each Individual Defendant was provided with copies of the documents alleged herein to
17 be misleading before or shortly after their issuance, participated in conference calls with investors
18 during which false and misleading statements were made, and/or had the ability and/or opportunity
19 to prevent their issuance or cause them to be corrected. Accordingly, each Individual Defendant
20 is responsible for the accuracy of the public statements detailed herein and is, therefore, primarily
21 liable for the representations contained therein.

22 **BACKGROUND**

23 15. Microsoft is one of the largest technology conglomerates in the world. Founded in
24 1975, the Company was a key player in the development and spread of personal computing
25 technology, in particular through its proprietary Windows operating platform. Since then,
26

1 Microsoft’s offerings have expanded to include enterprise software, cloud computing, online
2 services, gaming, and technological hardware, as well as other products and offerings.

3 16. In recent years the Company’s cloud computing platform, known as Azure, has
4 been its main growth driver. Part of Microsoft’s “Intelligent Cloud” reporting segment, Azure
5 relies on the Company’s global network of data centers to provide customers with computing,
6 networking, storage, mobile and web application services, artificial intelligence (“AI”), Internet of
7 Things, cognitive services, and machine learning. For its fiscal 2025, Microsoft’s Azure revenue
8 grew 34% to more than \$75 billion, driving 14% gross margin growth in the Company’s Intelligent
9 Cloud segment. During the Class Period, defendants represented that the Company’s revenue
10 growth would “continue to be driven by Azure.”

11 17. A key reason for Azure’s recent growth has been Microsoft’s increasing
12 incorporation of AI capabilities into the platform’s suite of available products and services.
13 Microsoft has been at the forefront of AI development, and Microsoft executives have proclaimed
14 the central importance of AI technologies to the Company’s business and prospects. In recent
15 years, Microsoft has invested billions of dollars in leading developers of large language models
16 (“LLMs”), which are computational models trained on vast amounts of data designed to mimic
17 natural language processing tasks such as language generation.

18 18. Since 2019, Microsoft has invested over \$13 billion in OpenAI, the developer of
19 LLM ChatGPT, and, more recently, committed to investing billions more in Anthropic, the
20 developer of rival LLM Claude. These deals have been criticized for their apparent circularity, as
21 the LLM providers and Microsoft have committed to using each other’s products and services, and
22 for creating potential concentration risk given their size.

23 19. On October 28, 2025, Microsoft and OpenAI announced the “next phase” of their
24 historic partnership. Among other changes, OpenAI restructured as a for-profit public benefit
25 corporation, of which Microsoft retained a 27% stake on an as-converted diluted basis (which
26 Microsoft valued at \$135 billion), while OpenAI agreed to purchase \$250 billion worth of

1 incremental Azure services. In April 2026, the parties announced the agreement had been revised
2 again to purportedly add greater clarity and flexibility, among other revisions.

3 20. Similarly, on November 18, 2025, Microsoft and Anthropic (together with chip
4 manufacturer NVIDIA Corporation) announced a strategic partnership whereby Microsoft will
5 invest up to \$5 billion in Anthropic and power its in-house AI products and services in part with
6 Claude, while Anthropic committed to purchasing \$30 billion of Azure compute capacity and up
7 to one gigawatt of additional capacity from Microsoft.

8 21. In 2023, Microsoft introduced its own proprietary generative AI chatbot, Copilot.
9 Originally built on ChatGPT, more recently Microsoft has integrated technology from Claude to
10 power Copilot and begun working on its own internal LLMs. Microsoft has launched numerous
11 versions of Copilot across many of its consumer and enterprise applications, each with different
12 features and use cases. Microsoft offers Copilot as a “freemium” model, allowing users to use
13 basic features free of charge but then charging consumers and businesses for more premium
14 features and capabilities, which the Company calls paid “seats.”

15 22. Throughout the Class Period, defendants highlighted the purported success of
16 Copilot and Microsoft’s foray into AI development, claiming that Copilot offered best-in-class
17 capabilities and enjoyed widespread and growing user adoption. Defendants also downplayed
18 concerns about the Company’s AI investments and business dealings with LLM providers and
19 other companies, claiming that Microsoft was well positioned to achieve suitable returns on its AI-
20 related investments and emerge a key benefactor from AI technological advancements. As a result
21 of these and similar statements, the price of Microsoft stock reached all-time highs of over \$550
22 per share during the Class Period.

23 **MATERIALLY FALSE AND MISLEADING STATEMENTS**
24 **AND OMISSIONS ISSUED DURING THE CLASS PERIOD**

25 23. The Class Period begins on May 1, 2025. After market hours on April 30, 2025,
26 Microsoft issued a release providing the Company’s financial results for its fiscal third quarter

1 ended March 31, 2025 (“3Q25”).¹ The release stated that during the quarter, Microsoft generated
2 \$26.8 billion in Intelligent Cloud revenue, a 21% increase, “driven by Azure and other cloud
3 services revenue growth of 33%.” The release quoted CEO Nadella as stating: ““Cloud and AI are
4 the essential inputs for every business to expand output, reduce costs, and accelerate growth
5 From AI infra and platforms to apps, we are innovating across the stack to deliver for our
6 customers.””

7 24. Also on April 30, 2025, Microsoft filed with the SEC a 3Q25 quarterly report on
8 Form 10-Q, which was signed by CEO Nadella and CFO Hood who attested to the report’s
9 accuracy and material completeness. The Form 10-Q contained the same financial information
10 regarding Microsoft’s Azure and Intelligent Cloud offerings contained in the 3Q25 release. The
11 Form 10-Q further stated: “Azure and other cloud services revenue grew 33% driven by demand
12 for our portfolio of services, including 16 points from our AI services.”

13 25. That same day, Microsoft hosted an earnings conference call with analysts and
14 investors to discuss the Company’s 3Q25 results hosted by CEO Nadella and CFO Hood. In his
15 prepared remarks, CEO Nadella represented that Microsoft “continue[s] to win new customers
16 with best-in-class AI capabilities.” In particular, CEO Nadella highlighted purported
17 advancements in Copilot and its growing adoption by consumers and businesses alike, stating:

18 ***Microsoft 365 Copilot is built to facilitate human agent collaboration, hundreds of thousands of customers across geographies and industries now use Copilot, up 3 times year-over-year. Our overall deal size continues to grow. In this quarter, we saw a record number of customers returning to buy more seats. And we’re going further. Just last week, we announced a major update, bringing together agents, notebooks, search and create into a new scaffolding for work.***

22 Our new researcher and analyst deep reasoning agents analyze vast amounts
23 of web and enterprise data to deliver highly skilled expertise on demand directly
24 within Copilot. Beyond horizontal knowledge work, we are introducing agents for
25 every role and business process.

26 ¹ Microsoft’s fiscal year ends on June 30 of the calendar year.

1 Our sales agent turns contacts into qualified leads and with sales chat reps
2 can quickly get up to speed on new accounts. [A]nd our customer service agent is
3 deflecting customer inquiries and helping service reps resolve issues faster. With
4 Copilot Studio, customers can extend Copilot and build their own agents with no
5 code, low code.

6 More than 230,000 organizations, including 90% of the Fortune 500 have
7 already used Copilot Studio. With deep reasoning and agent flows in Copilot
8 Studio, customers can build agents that perform more complex staff and also handle
9 deterministic scenarios like document processing and financial approvals.

10 And they can now build computer use agents that take action on the UI
11 across desktop and web apps. And with just a click, they can turn any SharePoint
12 site into an agent, too. This quarter alone, customers created over 1 million custom
13 agents across SharePoint and Copilot Studio, up 130% quarter-over-quarter.

14 26. In her prepared remarks, CFO Hood similarly claimed: “We continue to see strong
15 demand for our cloud and AI offerings as they help customers drive productivity, increase
16 efficiencies and grow their businesses.” She highlighted the purported success of Copilot, stating:
17 “ARPU growth was again driven by E5 and M365 Copilot.” CFO Hood continued:

18 ***With M365 Copilot, we continue to see growth across customer segments
19 and geos. Paid M365 Commercial seats grew 7% year-over-year to over [430
20 million. While we continue to see installed base expansion across all customer
21 segments, growth was primarily driven by our small and medium business and
22 frontline worker offerings.***

23 27. On July 30, 2025, Microsoft issued a release providing the Company’s financial
24 results for its fiscal fourth quarter and year ended June 30, 2025 (“FY25”). The release stated that
25 during the fourth quarter, Microsoft generated \$29.9 billion in Intelligent Cloud revenue, a 26%
26 increase, “driven by Azure and other cloud services revenue growth of 39%.” The release quoted
27 CEO Nadella as stating: “Cloud and AI is the driving force of business transformation across
28 every industry and sector We’re innovating across the tech stack to help customers adapt and
29 grow in this new era, and this year, Azure surpassed \$75 billion in revenue, up 34 percent, driven
30 by growth across all workloads.”

31 28. Also on July 30, 2025, Microsoft filed with the SEC a FY25 annual report on Form
32 10-K, which was signed by CEO Nadella and CFO Hood who attested to the report’s accuracy and

1 material completeness. The Form 10-K contained the same financial information regarding
2 Microsoft’s Azure and Intelligent Cloud offerings contained in the FY25 release. The Form 10-K
3 further stated: “Azure and other cloud services revenue grew 34% driven by demand for our
4 portfolio of services.”

5 29. That same day, Microsoft hosted an earnings conference call with analysts and
6 investors to discuss the Company’s FY25 results hosted by CEO Nadella and CFO Hood. In his
7 prepared remarks, CEO Nadella claimed Microsoft was experiencing “record” enthusiasm for its
8 Copilot products, stating:

9 Talking about the app layer, these applications are becoming embedded in
10 our daily work and life. Our family of Copilot apps has surpassed 100 million
11 monthly active users across commercial and consumer. And when you take a
12 broader look at the engagement of AI features across our products, we have over
13 800 million monthly active users.

14 Microsoft 365 Copilot is becoming the new way to organize work and
15 workflow and work artifacts. We rolled out our biggest update to Microsoft 365
16 Copilot to date this quarter, bringing together chat, search, create, notebooks as well
17 as agents into one intuitive scaffolding. ***With this innovation and continued
product improvements, we are seeing real momentum. Customers continue to
adopt Copilot at a faster rate than any other new Microsoft 365 suite, with strong
usage intensity as shown by our week-over-week retention. And we saw the
largest quarter of seat ads since launch with a record number of customers
returning to buy more seats.***

18 30. On September 10, 2025, Microsoft’s AI CMO Spataro presented at the Goldman
19 Sachs Communacopia & Technology Conference. AI CMO Spataro spoke extensively about the
20 purported benefits of Copilot and its widespread adoption by Microsoft customers, claiming “we
21 feel great about what we can do” through Copilot to “improve efficiency by 20% to 30%.” He
22 gave several examples of purported real-world efficiency gains, characterizing them as “just real
23 nuts and bolts.” AI CMO Spataro continued: “It may not be the most exciting thing to talk about,
24 but at Microsoft, we’re saving a lot of money, and we see our customers doing it as well.”

25 31. When asked by the interviewer how Copilot was doing in the market, AI CMO
26 Spataro represented “that 70% of the Fortune 500 are using Copilot in a pretty extensive way, and

1 those are lands, and we're expanding from there." He further claimed: "This past quarter, when
2 we reported, it was our best quarter ever both in terms of seat adds for Copilot and the number of
3 customers." Similarly, when asked how "Copilot usage tracked relative to your expectations," AI
4 CMO Spataro responded that Copilot "still is our fastest-growing M365 portfolio product that
5 we've ever had. And that's saying something because M3 and ME 5, like those are big important
6 products that continue to really grow."

7 32. On October 29, 2025, Microsoft issued a release providing the Company's financial
8 results for its fiscal first quarter ended September 30, 2025 ("1Q26"). The release stated that
9 during the quarter, Microsoft generated \$30.9 billion in Intelligent Cloud revenue, a 28% increase,
10 while "Azure and other cloud services revenue increased 40%." The release quoted CEO Nadella
11 as stating: "Our planet-scale cloud and AI factory, together with Copilots across high value
12 domains, is driving broad diffusion and real-world impact It's why we continue to increase
13 our investments in AI across both capital and talent to meet the massive opportunity ahead." CFO
14 Hood added: "We delivered a strong start to the fiscal year, exceeding expectations across
15 revenue, operating income, and earnings per share Continued strength in the Microsoft Cloud
16 reflects the growing customer demand for our differentiated platform."

17 33. Also on October 29, 2025, Microsoft filed with the SEC a 1Q26 quarterly report on
18 Form 10-Q, which was signed by CEO Nadella and CFO Hood who attested to the report's
19 accuracy and material completeness. The Form 10-Q contained the same financial information
20 regarding Microsoft's Azure and Intelligent Cloud offerings contained in the 1Q26 release. The
21 Form 10-Q continued: "Azure and other cloud services revenue grew 40% driven by demand for
22 our portfolio of services with continued growth across all workloads."

23 34. That same day, Microsoft hosted an earnings conference call with analysts and
24 investors to discuss the Company's 1Q26 results hosted by CEO Nadella and CFO Hood. In his
25 prepared remarks, CEO Nadella touted the recently announced restructuring of Microsoft's
26 partnership with OpenAI and the Company's purportedly market-leading AI capabilities, stating:

1 And as you saw yesterday, we closed a new definitive agreement with
2 OpenAI, marking the next chapter in what is one of the most successful partnerships
3 and investments our industry has ever seen. This is a great milestone for both
4 companies, and we continue to benefit mutually from each other’s growth across
5 multiple dimensions.

6 Already, we have roughly 10x-ed our investment. OpenAI has contracted
7 an incremental \$250 billion of Azure services, our rev share, exclusive IP rights
8 and API exclusivity for Azure continue until AGI or through 2030. And we have
9 extended the model and product IP rights through 2032. And we are also energized
10 to innovate and pursue AI advancements with both talent and compute investments
11 that have real-world impact.

12 With that, let’s turn to our momentum across our AI platform and Copilots
13 as well as with agents. **We have the most expansive data center fleet for the AI
14 era, and we are adding capacity at an unprecedented scale. We will increase our
15 total AI capacity by over 80% this year and roughly double our total data center
16 footprint over the next two years, reflecting the demand signals we see.** Just this
17 quarter, we announced the world’s most powerful AI data center, Fairwater in
18 Wisconsin, which will go online next year and scale to 2 gigawatts alone.

19 And we have deployed the world’s first large-scale cluster of NVIDIA
20 GB300s. We are building a fungible fleet that’s been continuously modernized and
21 spans all stages of the AI life cycle from pretraining to post training to synthetic
22 data generation and inference. And it also goes beyond GenAI workloads to
23 recommendation engines, databases, and streaming. **We’re optimizing this fleet
24 across silicon systems and software to maximize performance and efficiency.**

25 35. Later in his prepared remarks, CEO Nadella elaborated on the purported demand
26 and capabilities of Copilot, calling Copilot “best-in-class” according to multiple third-party
27 benchmarks:

***We are seeing increasing demand and diffusion of our AI platform and family of
Copilots, which is fueling our investments across both capital and talent.***

* * *

28 Now let’s turn to applications and agents we ourselves are building on this
29 platform. We now have 900 million monthly active users of our AI features across
30 our products. And our first-party family of Copilots now has surpassed 150 million
31 monthly active users across the information work, coding, security, science, health,
32 and consumer.

33 When it comes to information work, we continue to innovate with Microsoft
34 365 Copilot. ***Copilot is becoming the UI for the agentic AI experience.*** We have

1 integrated chat and agentic workflows into everyday tools like Outlook, Word,
2 Excel, PowerPoint, and Teams. ***Just nine months since release, tens of millions***
3 ***of users across Microsoft 365 customer base are already using chat. Adoption is***
4 ***accelerating rapidly, growing 50% quarter over quarter, and we continue to see***
5 ***usage intensity increase.***

6 This quarter, we also introduced agent mode, which turns single prompts
7 into export quality Word documents, Excel spreadsheets, PowerPoint presentation
8 and then iterate to deliver the final product much like agent mode in coding tools
9 today. ***We're thrilled by the early response, including third-party benchmarks***
10 ***that rank it best-in-class.***

11 Beyond individual productivity, Copilot is multiplayer, (technical
12 difficulty) agents like Facilitator and Project Manager, prep meeting agendas, take
13 notes, capture decision, kick off group tasks.

14 We are seeing a growing Copilot agent ecosystem with top ISVs like Adobe,
15 Asana, Jira, LexisNexis, SAP, ServiceNow, Snowflake and Workday, all building
16 their own agents that connect to Copilot. And customers are also building agents
17 for their mission-critical business processes and workflows using tools like Copilot
18 Studio and integrating them into Copilot.

19 The overall number of agent users doubled quarter over quarter. And just
20 yesterday, we announced App Builder, a new Copilot agent that lets anyone create
21 and deploy task-specific apps and agents in minutes grounded in Microsoft 365
22 context.

23 ***All this innovation is driving our momentum. Customers continue to***
24 ***adopt Microsoft 365 Copilot at a faster rate than any other new Microsoft 365***
25 ***suite, all up more than 90% of the Fortune 500 now use Microsoft 365 Copilot,***
26 ***Accenture, Bristol-Myers Squibb, EY Global and the UK's Tax and Payments***
and Customs Authority all purchased over 15,000 seats this quarter. Lloyds
Banking Group has deployed 30,000 seats, saving each employee an average of
46 minutes daily.

And a large majority of our enterprise customers continue to come back
to purchase more seats. Our partner, PwC, alone added 155,000 seats this
quarter and now has over 200,000 deployed across its global operations. In just
six months, PwC employees interacted with Microsoft 365 Copilot over 30 million
times, and they credit this identic transformation with saving millions of hours in
employee productivity.

36. On December 2, 2025, Microsoft's EVP E&D Jha presented at the UBS Global
Technology and AI Conference. When he was asked about consumer adoption of Copilot, EVP
E&D Jha responded that the "intensity" of Copilot usage was increasing, stating:

COMPLAINT FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS

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1 As we recently disclosed, *two quarters in a row, the daily active*
2 *engagement with Copilot has more than doubled, quarter over quarter. That, to*
3 *me, is a real sign of product with increased intensity of usage and more users*
4 *engaging with the Copilot experience.*

5 *Another one I would point to: Maybe a couple of quarters ago, we said,*
6 *what, 70% of the Fortune 500 had Copilot. Now, that's up to 90%.*

7 I do think the ARPU growth is a good one to think about. As we discussed,
8 most of our seat growth today is in lower ARPU base: small businesses, first-line
9 workers. *The fact that our ARPU growth has been stable, Copilot is a contributor*
10 *to that.*

11 37. Later, in response to a question about Copilot's trajectory, EVP E&D Jha
12 represented that there were several "things that are already elevating the capabilities of Copilot,"
13 continuing:

14 I think the first is *the reasoning model finally unlocks AI and graphical*
15 *user interfaces to work much more effectively.* I'm very excited in the January,
16 February timeframe. You're going to see agent mode inside of Office, inside of
17 Excel, inside of Word, inside of PowerPoint, in your calendar, in your meeting,
18 inside your Teams channel. That is going to be a big one.

19 It's one thing to go and say there's AI off on the side, which I think is a very
20 interesting user experience because you get to express your intent in a natural
21 language, but then, to be able to take that same capability and bring that to existing
22 workflows that hundreds of millions of people are already on with a graphical user
23 interface and have those two coexist, I think the agent mode is going to be a big
24 unlock. That's thing 1.

25 The second thing is what we talked about: enabling more Agentic
26 workflows. *This is where Agent 365 as a governance and a compliance plane*
enables customers to go without the worry of a sprawl or a management issue on
their hands.

Finally, with Copilot, we brought multiple sources of intelligence into
Copilot. Just like if I hire an employee with liberal arts background to work on a
project and I hire an employee with a STEM background to work on a project,
they're going to bring different strengths. *And so with Copilot, it's not just about*
the model. It's about how the models come together with the graphical user
interface, the innate capabilities of the model, multiple lineages of the model to
actually deliver the outcome or the workflow that you're planning to go do,
whether in our applications or agents that you will build on your own.

1 38. When asked about competitive threats for Copilot, and specifically Google's
2 Gemini, EVP E&D Jha stated that Copilot offered numerous unique differentiators and
3 consistently outperformed the competition, stating:

4 Let me first just say, look, with – let me talk about Copilot, what's
5 differentiated, what's unique?

6 *The first thing we got to do is to make sure we meet users' expectations*
7 *with what they expect Generative AI to do: be a great writer, be a great analyzer,*
8 *be able to tell you the weather, create an image, and all of that stuff.*

9 *That's [table stakes]. We're going to go do that. We're going to be*
10 *competitive like any other Gen AI tool on that.*

11 Now, let's talk about what's unique and what's differentiated.

12 The first thing is what we call Work IQ, which is understanding your work
13 context. Most of the people powering economic activity around the globe are on
14 M365. Work IQ gives us a pretty good understanding of the projects that matter to
15 you, who your work group is, what events are interesting, who are your customers,
16 your e-mails, your meetings, your documents. We have a pretty good
17 understanding of that stuff.

18 Then, you'll hear the other tools talk about connectors. Connector is trying
19 to drink through a very thin straw and understand your work context. Now, you
20 can take many sips from a thin straw, it is still a thin straw.

21 *And so we have customers who've done side-by-side analysis of Copilot in*
22 *the context of your work and connector-based things and the gap is very*
23 *significant and growing. Anyway, that's just thing one.*

24 Thing two, though, as people use Copilot, both as a new endpoint, as a peer
25 to what Excel, PowerPoint, Outlook, Teams – as a pure endpoint. But they have
26 billions of transactions every hour that go through these applications.

We have an opportunity to serve the same Work IQ intelligence with agent
mode inside of these existing applications that people use. *We can uniquely do*
that well. That's thing two.

Thing three, human-to-human collaboration, communication, productivity,
highly regulated. We have 15 years' experience on how to do eDiscovery,
sensitivity label, all sorts of things, legal hold, data classification, data governance.

All of that works with human-to-AI conversations in Copilot automatically
for customers. Our 15 years of maturity on that stuff is enterprise-grade maturity

1 and human-to-human productivity. Human and AI productivity gets all of that for
2 free. The other providers are going to have to go build all of that capability.

3 Thing 4, can I keep going or you can keep coming?

4 Thing 4, though, it's, like, can I go back to – we are not beholden to a model,
5 we are beholden to the best outcome. And so we will build experiences that are
6 powered by whether it be our IP partner, OpenAI, whether it be Anthropic, whether
7 it be Copilot tuning, whether it be an open source model whose weights you want
8 to go create as your own unique IP. We are multi-model.

9 Finally, the more important thing that – and I go back to the comment I
10 made earlier, if you think that the future workforce is going to have more agents
11 than humans – (inaudible) this is going to be true in every organization, how is the
12 human supposed to get work?

13 I thought that the beauty of AI was I don't have to worry about tools
14 anymore. I have one natural language interface that abstracts away the tools and I
15 express my intent.

16 In a world where, now, I'm surrounded by hundreds of agents that are semi-
17 autonomous, some that I'm managing, some that I have to rendezvous with, how
18 does a human navigate all of that stuff?

19 ***Copilot is going to be the UI through which they orchestrate the agent.***
20 ***We are going to be the search engine for these agents. We're going to be the***
21 ***relevance engine for these agents. We're going to be the orchestration engine***
22 ***for these agents.***

23 IT is going to have a bunch of controls. Karl, you're in this department.
24 These following agents are the most relevant to you. Your work group will create
25 an agent that you tend to use a lot. Copilot will know to use that.

26 So when you put all of these things together, I really like our ability to go
serve M365 customers with M365 Copilot.

39. On December 5, 2025, Microsoft held its Annual Shareholders Meeting, which was
hosted by CEO Nadella, CFO Hood, and other Microsoft executives. During the meeting, CEO
Nadella highlighted the purported “major advances in AI innovation” that had occurred in
Microsoft’s “family of Copilots.” CFO Hood similarly emphasized Microsoft Windows’
purported “best in class AI capabilities.”

1 40. Later, several Microsoft executives gave examples of these claimed capabilities in
2 action. For example, Microsoft 365 Copilot Director Callie August claimed that “Copilot doesn’t
3 just access your work data, it actually understands it.” She continued: “We call this work IQ, and
4 it’s the intelligence layer behind Microsoft 365 Copilot and agents that helps Copilot understand
5 you, your job, and your company. This enables Copilot to give you more accurate, relevant, and
6 personalized responses.”

7 41. During the shareholder meeting, CEO Nadella also discussed the AI-readiness of
8 the Company’s cloud infrastructure, stating it was already “obviously at scale and building out
9 rapidly”:

10 *So for example, our infrastructure business, one of the great opportunities*
11 *we now get is to build out our cloud infrastructure so that it’s AI ready for what*
12 *is going to be the token factories or the intelligence factories. So that’s sort of*
13 *our number one priority. We’re obviously at scale and building out rapidly.* The
14 layer above that. Is you want to use these token factories to create AI agents, so
there’s a new app server being born, and that’s where things like Foundry and
GitHub Copilot and all come together so that we can then enable our developers
and you know our partners to build great agents.

15 And then the layer above that is where the high value domains in which we,
16 have always participated, information work, right? That’s where Microsoft 365
17 Copilot comes in. Software development with Gitup Copilot or security Copilot or
18 what we’re doing in business applications and of course in the consumer space, so
we’re taking a pretty full stack approach, but the real goal is for not only for us to
reimagine the current categories and also build new extensions.

19 42. The statements referenced in ¶¶23-41 above were materially false and/or
20 misleading when made because they failed to disclose the following adverse facts pertaining to the
21 Company’s business, operations, and financial condition, which were known to defendants or
22 recklessly disregarded by them as follows:

23 (a) that Microsoft’s Copilot family of products had experienced significant
24 brand positioning, user experience, usage, data siloing, computational capacity, organizational,
25 and interoperability problems;

1 (b) that Microsoft’s flagship proprietary AI model ranked well below
2 competitors on a number of benchmark tests;

3 (c) that Microsoft needed to increase by billions of dollars its capital
4 expenditures and divert GPU and CPU capacity away from fulfilling demand for its profitable
5 Azure services in order to improve the competitive positioning of its critical Copilot family of
6 products and increase its AI-related R&D; and

7 (d) that, as a result of (a)-(c) above, Microsoft had failed to convert a significant
8 percentage of its commercial Microsoft 365 users to paid Copilot subscriptions and the Company’s
9 Copilot offerings had lost market share to rival products, a trend that was increasing.

10 43. Furthermore, Item 303 of SEC Regulation S-K, 17 C.F.R. §229.303(b)(2)(ii) (“Item
11 303”), required defendants to “[d]escribe any known trends or uncertainties that have had or that
12 are reasonably likely to have a material favorable or unfavorable impact on net sales or revenues
13 or income from continuing operations.” Similarly, Item 105 of SEC Regulation S-K, 17 C.F.R.
14 §229.105 (“Item 105”), required, in the “Risk Factors” section of registration statements and
15 prospectuses, “a discussion of the material factors that make an investment in the registrant or
16 offering speculative or risky” and required each risk factor to “adequately describe[] the risk.”

17 44. The failure of Microsoft’s periodic SEC filings to disclose the problems detailed
18 herein regarding the development and customer adoption of Copilot products and Microsoft’s
19 proprietary AI models violated Item 303, because these undisclosed facts were known to
20 defendants and would (and did) have an unfavorable impact on the Company’s sales, revenues,
21 and income from continuing operations. This failure also violated Item 105, because these adverse
22 facts created significant risks that were not disclosed even though they were some of the most
23 significant factors that made an investment in Microsoft stock speculative or risky. Indeed, the
24 risk disclosures contained in Microsoft’s periodic SEC filings were themselves materially
25 misleading, presenting potential, future contingent risks as mere possibilities (*e.g.*, “[i]neffective
26 or inadequate AI development or deployment practices by Microsoft or others *could* result in

1 incidents that impair the acceptance of AI solutions, cause harm to individuals, customers, or
2 society, or result in our products and services not working as intended”), while concealing adverse
3 developments in Microsoft’s Copilot products and services and other AI-related offerings that had
4 *already* occurred and making the numerous affirmative misrepresentations about those same
5 products and services detailed herein.

6 45. Then, on January 28, 2026, Microsoft announced disappointing results for its fiscal
7 second quarter ended December 31, 2025 (“2Q26”). First, during the quarter Microsoft’s Azure
8 growth had slowed suddenly and fallen below analyst expectations. During the related earnings
9 call, CFO Hood revealed that the slower Azure growth was primarily due to computational
10 capacity constraints, as the Company had diverted central processing unit (“CPU”) and graphics
11 processing unit (“GPU”) capacity to Copilot applications and AI-related research and development
12 (“R&D”). Second, Microsoft revealed that its capital expenditures had increased to \$37.5 billion
13 during the quarter, causing the Company’s capital expenditures for the first six months of its fiscal
14 2026 to balloon to \$72.4 billion compared to \$88.2 billion for *all* of Microsoft’s fiscal 2025. The
15 reason for the dramatic growth in capital expenditures was again largely attributed to AI-related
16 R&D and Copilot development and capacity buildout costs. Third, Microsoft revealed, for the
17 first time, that the number of paid Microsoft 365 Copilot seats totaled only 15 million to date,
18 materially below analyst estimates and a fraction of the more than 450 million commercial
19 Microsoft 365 users.

20 46. On this news, the price of Microsoft shares declined over \$48 per share, from
21 \$481.63 per share at market close share on January 28, 2026 to \$433.50 per share at market close
22 on January 29, 2026, on abnormally high trading volume of nearly 129 million shares traded.

23 47. On February 3, 2026, *The Wall Street Journal* revealed, in an article titled
24 “Microsoft’s Pivotal AI Product Is Running Into Big Problems,” that severe challenges and
25 functionality issues had plagued Microsoft’s Copilot offerings, leading to Copilot losing market
26 share during the Class Period to competing products such as Google’s Gemini. The article reported

1 The effort to train proprietary models has also been hampered by a shortage
2 of computing capacity, with the company rationing server time to ensure
3 availability for OpenAI and other customers of its Azure cloud service. On a
4 number of benchmark tests, Microsoft’s flagship proprietary AI model ranks well
5 below competitors.

6 48. The price of Microsoft stock continued to fall in the days after Microsoft’s 2Q26
7 earnings announcement as the market continued to digest the adverse news and sources such as
8 *The Wall Street Journal* revealed new adverse information, falling below \$393 per share on
9 February 5, 2026.

10 49. On February 11, 2026, analysts at Melius Research LLC published a research note
11 linking Microsoft’s decision to divert Azure capacity to fix apparent flaws in Copilot as a “no-win
12 situation” that was likely to plague the Company for the foreseeable future. The analysts wrote
13 that “Copilot Woes and Azure are Linked” and that “the better the AI assistants get from
14 competitors, the more Microsoft will seem behind in Copilot and its other AI tools – and then will
15 need to spend more to invest in them, consuming the upside in Azure for their own purposes.”

16 50. On March 17, 2026, *The Wall Street Journal* revealed in an article titled “Microsoft
17 Seeks More Coherence in AI Efforts With Copilot Reorganization” that Microsoft was
18 reorganizing its Copilot product teams to unify commercial and consumer versions partly in
19 response to the challenges revealed by *The Wall Street Journal*’s prior reporting on Copilot’s
20 problem-plagued development and disappointing customer adoption.

21 51. As a result of this news, price of Microsoft stock continued to fall, dropping to a
22 low of just \$380 per share by March 20, 2026 – 30% below the Class Period high.

23 52. On April 29, 2026, Microsoft announced results for its fiscal third quarter ended
24 March 31, 2026. During the accompanying earnings call, defendant Hood revealed that the
25 Company had increased its planned capital expenditures for calendar 2026 to \$190 billion, \$37
26 billion more than analyst expectations according to BofA Securities.

53. On June 2, 2026, Evercore hosted Microsoft’s CFO of Commercial Products and
Infrastructure Mat McBride (“McBride”) at its TMT Conference. During the interview, McBride

1 was asked about the “perception that Copilot’s not delivering what people want.” In response,
2 McBride stated the Company had been working to “improve[] the product rapidly over the last
3 year,” which included the launch of “625 new features,” such that the “product is way different
4 than it was 90 days ago.”

5 54. Despite these purported improvements, Copilot has continued to lose market share
6 according to third-party tracking services. For example, according to First Page Sage, which
7 describes itself as “an SEO and thought leadership marketing company with offices throughout
8 the U.S.,” Copilot held an 8.7% market share among top generative AI chatbots in June 2026,
9 down significantly from Copilot’s 14.3% market share in June 2025 as measured by the service.
10 According to First Page Sage, during this time period Copilot fell from the second most used
11 generative AI chatbot by market share to the fourth most used generative AI chatbot.

12 55. As a result of the revelations detailed herein undermining defendants’ Class Period
13 representations, plaintiff and the Class (defined herein) have suffered significant financial losses
14 and economic damages under the federal securities laws.

15 **ADDITIONAL SCIENTER ALLEGATIONS**

16 56. As alleged herein, defendants acted with scienter in that defendants knew, or
17 recklessly disregarded, that the public documents and statements they issued and disseminated
18 during the Class Period to the investing public in the name of the Company, or in their own name,
19 were materially false and misleading. Defendants knowingly and substantially participated or
20 acquiesced in the issuance or dissemination of such statements and documents as primary
21 violations of the federal securities laws. Defendants, by virtue of their receipt of information
22 reflecting the true facts regarding Microsoft, and their control over and/or receipt and/or
23 modification of Microsoft’s allegedly materially misleading misstatements, were active and
24 culpable participants in the fraudulent scheme alleged herein.

25 57. Defendants knew and/or recklessly disregarded the false and misleading nature of
26 the information they caused to be disseminated to the investing public. Accordingly, the fraud

1 described herein could not have been perpetrated during the Class Period without the knowledge
2 and complicity of, or at least the reckless disregard by, personnel at the highest levels of the
3 Company, including the Individual Defendants.

4 58. The Individual Defendants, because of their positions with Microsoft, controlled
5 the contents of Microsoft's public statements during the Class Period. The Individual Defendants
6 were each provided with or had access to the information alleged herein to be false and/or
7 misleading prior to or shortly after its issuance and had the ability and opportunity to prevent its
8 issuance or cause it to be corrected. Because of their positions and access to material, nonpublic
9 information, the Individual Defendants knew or recklessly disregarded that the adverse facts
10 specified herein had not been disclosed to and were being concealed from the public and that the
11 positive representations that were being made were false and misleading. As a result, each of the
12 defendants is responsible for the accuracy of Microsoft's corporate statements and is, therefore,
13 responsible and liable for the representations contained therein.

14 59. In addition, the Individual Defendants were each personally involved in the
15 development of Microsoft's Copilot offerings and/or customer adoption and repeatedly held
16 themselves out to the market as the Microsoft executives most knowledgeable and competent to
17 speak on such topics during discussions with investors, analysts, and the media. During McBride's
18 June 2026 Evercore interview, for example, he described how the Company's most-senior
19 leadership, which would include the Individual Defendants, methodically developed and oversaw
20 the Company's AI infrastructure buildout in consultation with the Board given its scale, expected
21 duration, and importance to the Company, likening the effort to prior cloud computing initiatives.
22 Moreover, as documented by *The Wall Street Journal's* reporting, the Individual Defendants were
23 personally and directly involved in identifying and attempting to remediate the Copilot problems
24 detailed herein, yet failed to accurately and timely disclose such issues to the market while
25 simultaneously making the materially false and misleading statements attributed to them herein.
26 As a result, there is a compelling inference that each Individual Defendant knew, or was reckless

1 in not knowing, of their materially false and misleading nature at the time each statement was
2 made that is at least as compelling as any non-culpable inference.

3 60. The Individual Defendants also had the motive and opportunity to commit fraud.
4 For example, defendant Nadella sold over \$75 million worth of Microsoft shares during the Class
5 Period at prices above \$500 per share. These sales were suspicious, in excess of defendant
6 Nadella’s insider trading practices in each of the three years prior to the start of the Class Period,
7 and at prices substantially above the price to which Microsoft stock fell at the end of the Class
8 Period following the corrective disclosures detailed herein.

9 **CLASS ACTION ALLEGATIONS**

10 61. Plaintiff brings this action as a class action on behalf of a class consisting of all
11 persons who purchased Microsoft common stock during the Class Period (the “Class”). Excluded
12 from the Class are defendants and their families, the officers, directors, and affiliates of defendants,
13 at all relevant times, and members of their immediate families, and their legal representatives,
14 heirs, successors, or assigns, and any entity in which defendants have or had a controlling interest.

15 62. The members of the Class are so numerous that joinder of all members is
16 impracticable. Throughout the Class Period, shares of Microsoft common stock were actively
17 traded on the Nasdaq. While the exact number of Class members is unknown to plaintiff at this
18 time and can only be ascertained through appropriate discovery, plaintiff believes that there are
19 thousands of members in the proposed Class. Record owners and other members of the Class may
20 be identified from records maintained by Microsoft or its transfer agent and may be notified of the
21 pendency of this action by mail, using the form of notice similar to that customarily used in
22 securities class actions, including being given an opportunity to exclude themselves from the Class.

23 63. Plaintiff’s claims are typical of the claims of the members of the Class, as all
24 members of the Class are similarly affected by defendants’ wrongful conduct in violation of federal
25 law that is complained of herein.

1 64. Plaintiff will fairly and adequately protect the interests of the members of the Class
2 and has retained counsel competent and experienced in class and securities litigation.

3 65. Common questions of law and fact exist as to all members of the Class and
4 predominate over any questions solely affecting individual members of the Class. Among the
5 questions of law and fact common to the Class are:

6 (a) whether defendants' statements during the Class Period were materially
7 false and misleading;

8 (b) whether defendants acted with scienter in issuing materially false and
9 misleading statements during the Class Period; and

10 (c) the extent of injuries sustained by the members of the Class and the
11 appropriate measure of damages.

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

17 **LOSS CAUSATION**

18 67. During the Class Period, as detailed herein, defendants engaged in a scheme to
19 deceive the market and a course of conduct that artificially inflated the price of Microsoft common
20 stock and operated as a fraud or deceit on Class Period purchasers of Microsoft common stock by
21 failing to disclose and misrepresenting the adverse facts detailed herein. When defendants' prior
22 misrepresentations and fraudulent conduct were disclosed and became apparent to the market, the
23 price of Microsoft common stock declined significantly as the prior artificial inflation came out of
24 the price of the stock, as detailed herein. As result of their purchases of Microsoft common stock
25 during the Class Period, plaintiff and other members of the Class suffered economic loss, *i.e.*,
26 damages, under the federal securities laws.

**APPLICATION OF THE PRESUMPTION OF RELIANCE:
FRAUD ON THE MARKET**

1
2
3 68. At all relevant times, the market for Microsoft common stock was an efficient
4 market for the following reasons, among others:

5 (a) Microsoft common stock met the requirements for listing and was listed and
6 actively traded on the Nasdaq, a highly efficient, national stock market;

7 (b) as a regulated issuer, Microsoft filed periodic public reports with the SEC;

8 (c) according to the Company's Form 10-Q for the fiscal quarter ended
9 December 31, 2025 filed with the SEC on January 28, 2026, Microsoft had over 7.4 billion
10 common shares outstanding as of January 22, 2026;

11 (d) Microsoft regularly communicated with public investors via established
12 market communication mechanisms, including the regular dissemination of press releases on
13 national circuits of major newswire services, the Internet, and other wide-ranging public
14 disclosures; and

15 (e) unexpected material news about Microsoft was rapidly reflected in and
16 incorporated into prices for shares of Microsoft common stock during the Class Period.

17 69. As a result of the foregoing, the market for Microsoft common stock promptly
18 digested current information regarding Microsoft from all publicly available sources and reflected
19 such information in the price of the stock. Under these circumstances, all purchasers of Microsoft
20 common stock during the Class Period suffered similar injury through their purchases of Microsoft
21 common stock at artificially inflated prices and a presumption of reliance applies.

22 70. A Class-wide presumption of reliance is also appropriate in this action under the
23 Supreme Court's holding in *Affiliated Ute Citizens v. United States*, 406 U.S. 128 (1972), because
24 the Class's claims are, in large part, grounded on defendants' material misstatements and/or
25 omissions. Because this action involves defendants' failure to disclose material adverse
26 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

1 recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable
2 investor might have considered them important in making investment decisions. Given the
3 importance of the Class Period material misstatements and omissions set forth above, that
4 requirement is satisfied here.

5 **NO SAFE HARBOR**

6 71. The statutory safe harbor provided for forward-looking statements under certain
7 circumstances does not apply to any of the allegedly false statements pled in this complaint. Many
8 of the specific statements pled herein were not identified as “forward-looking statements” when
9 made. To the extent there were any forward-looking statements, there were no meaningful
10 cautionary statements identifying important factors that could cause actual results to differ
11 materially from those in the purportedly forward-looking statements. Alternatively, to the extent
12 that the statutory safe harbor does apply to any forward-looking statements pled herein, defendants
13 are liable for those false forward-looking statements because at the time each of those forward-
14 looking statements was made, the particular speaker knew that the particular forward-looking
15 statement was false and/or the forward-looking statement was authorized and/or approved by an
16 executive officer of Microsoft who knew that those statements were false when made.

17 **COUNT I**

18 **For Violation of §10(b) of the 1934 Act and**
19 **Rule 10b-5 Promulgated Thereunder**
20 **Against All Defendants**

21 72. Plaintiff repeats and realleges each and every allegation contained in the foregoing
22 paragraphs as if fully set forth herein.

23 73. During the Class Period, the defendants named herein disseminated or approved
24 the false statements specified above, which they knew or deliberately disregarded were misleading
25 in that they contained misrepresentations and failed to disclose material facts necessary in order to
26 make the statements made, in light of the circumstances under which they were made, not
misleading.

1 74. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

2 (a) employed devices, schemes, and artifices to defraud;

3 (b) made untrue statements of material fact or omitted to state material facts
4 necessary in order to make the statements made, in light of the circumstances under which they
5 were made, not misleading; or

6 (c) engaged in acts, practices, and a course of business that operated as a fraud
7 or deceit upon plaintiff and others similarly situated in connection with their purchases of
8 Microsoft common stock during the Class Period.

9 75. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of
10 the market, they paid artificially inflated prices for Microsoft common stock. Plaintiff and the
11 Class would not have purchased Microsoft common stock at the prices they paid, or at all, if they
12 had been aware that the market price had been artificially and falsely inflated by defendants'
13 misleading statements.

14 76. As a direct and proximate result of defendants' wrongful conduct, plaintiff and the
15 other members of the Class suffered damages in connection with their purchases of Microsoft
16 common stock during the Class Period.

17 **COUNT II**

18 **For Violation of §20(a) of the 1934 Act**
19 **Against All Defendants**

20 77. Plaintiff repeats and realleges each and every allegation contained in the foregoing
21 paragraphs as if fully set forth herein.

22 78. During the Class Period, the Individual Defendants acted as controlling persons of
23 Microsoft within the meaning of §20(a) of the 1934 Act. By virtue of their positions and their
24 power to control public statements about Microsoft, ownership of Microsoft stock, and
25 relationships with the Company, the Individual Defendants had the power and ability to control
26 the actions of Microsoft and its employees.

1 79. Microsoft controlled the Individual Defendants and all of its other officers and
2 employees.

3 80. By reason of such conduct, defendants are liable pursuant to §20(a) of the 1934
4 Act.

5 **PRAYER FOR RELIEF**

6 WHEREFORE, plaintiff prays for relief and judgment, as follows:

7 A. Determining that this action is a proper class action, designating plaintiff as Lead
8 Plaintiff, and certifying plaintiff as a Class representative under Rule 23 of the Federal Rules of
9 Civil Procedure and plaintiff’s counsel as Lead Counsel;

10 B. Awarding compensatory damages in favor of plaintiff and the other Class members
11 against all defendants, jointly and severally, for all damages sustained as a result of defendants’
12 wrongdoing, in an amount to be proven at trial, including interest thereon;

13 C. Awarding plaintiff and the Class their reasonable costs and expenses incurred in
14 this action, including counsel fees and expert fees; and

15 D. Awarding such equitable/injunctive or other relief as the Court may deem just and
16 proper, including permitting any putative Class members to exclude themselves by requesting
17 exclusion through noticed procedures.

18 **JURY DEMAND**

19 Plaintiff hereby demands a trial by jury.

20 DATED: June 12, 2026

KELLER ROHRBACK L.L.P.
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21
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