UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GERALD CHATLIN, Individually and on Behalf of All Others Similarly Situated, Plaintiff, vs. RESEARCH IN MOTION LIMITED, BRIAN BIDULKA, JAMES L. BALSILLIE, and MIHALIS "MICHAEL" LAZARIDIS, Defendants.	Civil Action No. <u>CLASS ACTION</u> COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS <u>DEMAND FOR JURY TRIAL</u>

INTRODUCTION

1. This is a securities class action on behalf of all persons who purchased or otherwise acquired the common stock of Research In Motion Limited ("RIM" or the "Company") between December 16, 2010 and April 28, 2011 (the "Class Period"), against RIM and certain of its officers and/or directors for violations of the Securities and Exchange Act of 1934 ("1934 Act"). These claims are asserted against RIM and certain of its officers and/or directors who made materially false and misleading statements during the Class Period in press releases, analyst conference calls, and filing with the Securities and Exchange Commission ("SEC").

2. RIM is a designer, manufacturer and marketer of wireless solutions for the worldwide mobile communications market. Through the development of integrated hardware, software and services that support wireless network standards, the Company provides platforms and solutions for access to time-sensitive information, including e-mail, phone, short message service, Internet and intranet-based applications. RIM's primary revenue stream is generated by the BlackBerry wireless solution, comprised of wireless devices, software and services.

3. During the Class Period, defendants issued materially false and misleading statements regarding the Company's financials and business prospects. Specifically, the Company failed to inform investors that its aging product line and inability to introduce new products to the market was negatively impacting the Company's business and margins. Contrary to defendants' statements, the Company was unable to timely introduce new products, which were critical to the Company's ability to maintain its market share in the extremely competitive smartphone market. RIM's inability to bring new products to the market was further impeded by the fact that the Company had become resource limited as it simultaneously attempted to develop new smartphones, a new operating system, and a new tablet computing device. This resource limitation disrupted RIM's production ability, resulting in lower-than-expected Blackberry smartphone sales and shipments in

the United Stated and Latin America. Moreover, as the Company failed to bring new products to the market, it was forced to rely on sales of older-model smartphones, which commanded a far-lower retail price than newer, but delayed, offerings. As a result of defendants' false statements, RIM common stock traded at artificially inflated prices during the Class Period, reaching a high of $69.86 per share on February 18, 2011.

4. At the start of the Class Period, defendants touted the Company's record third quarter 2011 Blackberry smartphone shipments, noting that the third quarter 2011 the "sixth consecutive quarter that RIM has reported record shipments." The Company also stated that:

> International markets continue to adopt Blackberry in record numbers and Blackberry is the number one smartphone in several markets in Western Europe, including the UK. And Blackberry was the number one smartphone for the third consecutive quarter in Latin America.

5. Additionally, analysts and market commentators were optimistic when responding to the Company's positive comments regarding RIM and its operating system built by RIM's QNX Software Systems unit for the PlayBook tablet offering. For example, Jeffries analysts stated:

> QNX better and earlier than expected: our checks indicates that the new OS provides a great browsing experience, is scalable so can address low end and high end, is easy to port Android apps to, and is more secure, and requires less bandwidth. Also, the transition to QNX will be faster than expected.

6. On March 24, 2011, however, the Company announced disappointing fourth quarter and fiscal 2011 financial results and guidance, resulting in an 11.2% drop in the price of RIM common stock, or $7.20 per share on March 25, 2011, on heavy trading volume. In response to this partial disclosure, analysts at Deutsche Bank and Robert W. Baird downgraded RIM.

7. On April 28, 2011, RIM updated its first quarter 2012 guidance with lower earnings per share ("EPS") estimates than projected the prior month, as a result of lower than expected shipments of Blackberry smartphones in March 2011. RIM blamed lower shipment volumes of Blackberry smartphones for the Company's EPS shortfall.

8. In response to RIM's guidance cut, on April 29, 2011, Jeffries downgraded the Company to "Underperform," stating, "We Were Wrong: QNX Too Late and Too Little." Jeffries analysts further stated, "[RIM] will see continued execution issues, product delays, and lackluster product launches for the next year. We believe Blackberry OS 7.0 (renamed, formerly 6.1) and QNX will be delayed and that carriers are withdrawing support."

9. On this news, as well as in reaction to numerous analyst downgrades, RIM's common stock plummeted 14%, or $7.94 per share, to close at $48.65 per share on April 29, 2011, on heavy trading volume.

10. The true facts, which were known by defendants but concealed from the investing public during the Class Period, were as follows:

(a) the Company failed to inform investors that its aging product line and inability to introduce new products to the market was negatively impacting the Company's business and margins;

(b) due to execution issues, product delays, and lackluster product launches, defendants knew that shipments of Blackberry smartphones would be down and inventory would be up; and

(c) as a result of the foregoing, defendants' statements regarding the Company's financial performance and expected earnings were false and misleading and lacked a reasonable basis when made.

11. As a result of defendants' false statements, RIM's common stock traded at inflated levels during the Class Period. After the above revelations seeped into the market, the Company's shares were hammered by massive sales, sending them down ***30.4%*** from their Class Period high.

JURISDICTION AND VENUE

12. Jurisdiction is conferred by §27 of the 1934 Act. The claims asserted herein arise under §§10(b) and 20(a) of the 1934 Act, 15 U.S.C. §§78j(b) and 78t(a), and SEC Rule 10b-5, 17 C.F.R. §240.10b-5.

13. Venue is proper in this District pursuant to §27 of the 1934 Act. The violations of law complained of herein occurred in part in the District, including the dissemination of materially false and misleading statements complained of herein into this District. RIM's principal executive offices are located at 295 Phillip Street, Waterloo, Ontario, Canada.

14. In connection with the acts alleged in this Complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets. RIM's stock trades in an efficient market on the NASDAQ Global Market.

PARTIES

15. Plaintiff Gerald Chatlin ("Plaintiff") purchased RIM common stock as described in the attached certification and was damaged thereby.

16. As stated above, RIM is a designer, manufacturer and marketer of wireless solutions for the worldwide mobile communications market and is located in Waterloo, Ontario, Canada.

17. Defendant James L. Balsillie ("Balsillie") is, and at all relevant times was, Co-Chief Executive Officer ("CEO") of RIM. Additionally, Balsillie served a Director of the Board from 1993 until February 2009, and was re-appointed on May 28, 2010.

18. Defendant Mihalis "Michael" Lazaridis ("Lazaridis") is, and at all relevant time was, Founder, President, Co-CEO and a Director of RIM.

19. Defendant Brian Bidulka ("Bidulka") is, and at all relevant time was, Chief Financial Officer ("CFO") of RIM.

20. Defendants Balsillie, Lazaridis, and Bidulka (the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of RIM's quarterly reports, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. They 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 with the Company, and their access to material non-public information available to them but not to the public, 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 being made were then materially false and misleading. The Individual Defendants are liable for the false statements pleaded herein.

FRAUDULENT SCHEME AND COURSE OF BUSINESS

21. Defendants are liable for: (i) making false statements; or (ii) failing to disclose adverse facts known to them about RIM. Defendants' fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of RIM common stock was a success, as it: (i) deceived the investing public regarding RIM's prospects and business; (ii) artificially inflated the prices of RIM common stock; and (iii) caused Plaintiff and other members of the Class to purchase RIM common stock at inflated prices and suffer economic loss when the revelations set forth herein reached the market.

CLASS ACTION ALLEGATIONS

22. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons who purchased or otherwise acquired RIM common stock during the Class Period (the "Class"). Excluded from the Class are defendants and their families, 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.

23. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court. RIM has over 523 million shares of stock outstanding, owned by hundreds if not thousands of persons.

24. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual Class members include:

(a) whether the 1934 Act was violated by defendants;

(b) whether defendants omitted and/or misrepresented material facts;

(c) whether defendants' statements omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;

(d) whether defendants knew or recklessly disregarded that their statements were false and misleading;

(e) whether the price of RIM common stock was artificially inflated; and

(f) the extent of damage sustained by Class members and the appropriate measure of damages.

25. Plaintiff's claims are typical of those of the Class because plaintiff and the Class sustained damages from defendants' wrongful conduct.

26. Plaintiff will adequately protect the interests of the Class and has retained counsel who are experienced in class action securities litigation. Plaintiff has no interests which conflict with those of the Class.

27. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

BACKGROUND

28. RIM describes itself as "a global leader in wireless innovation, [that] revolutionized the mobile industry with the introduction of the Blackberry® solution in 1999." The Company's Blackberry product lines includes the Blackberry Playbook tablet, the Blackberry smartphone, as well as software for business and accessories. The Company is organized and managed as a single reportable business segment, and RIM's primary revenue stream is generated by the BlackBerry wireless solution, comprised of wireless handsets, service and software. BlackBerry service is provided through a combination of RIM's Network Operations Center ("NOC") and the wireless networks of RIM's carrier partners. For fiscal year 2011, 80.2% of the Company's revenue was generated from devices, 16% from service, 1.5% from software, and 2.5% from other.

DEFENDANTS' FALSE AND MISLEADING STATEMENTS ISSUED DURING THE CLASS PERIOD

29. The Class Period starts on December 16, 2010. On that date, RIM issued a press release reporting third quarter financial results for the three months ended November 27, 2010. The Company reported that "[r]ecord BlackBerry® smartphone shipments of 14.2 million grew 40% over the same quarter last year." The Company also reported a 40% growth in revenue to $5.5 billion, and EPS of $1.74, a 58% increase of the same quarter in the prior year. The press release further discussed the Company's third quarter financial results and fourth quarter 2011 outlook, stating in pertinent part:

> Approximately 5.1 million net new BlackBerry® subscriber accounts were added in the quarter. At the end of the quarter, the total BlackBerry subscriber account base was over 55 million.
>
> "We are pleased to report another record quarter with strong growth in shipments of BlackBerry smartphones leading to record revenue, subscriber additions and

> earnings. RIM's business continues to grow and diversify as BlackBerry adoption accelerates in markets around the world," said Jim Balsillie, Co-CEO at Research In Motion. ***"With strong results and momentum from our recent product introductions, as well as growing excitement from our partners and customers around upcoming smartphone, tablet, software and service offerings, we are setting the stage for continuing success."***
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> **Q4 Outlook:**
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> Revenue for the fourth quarter of fiscal 2011 ending February 26, 2011 is expected to be in the range of $5.5-$5.7 billion. Gross margin percentage for the fourth quarter is expected to be similar to third quarter levels. Earnings per share for the fourth quarter are expected to be in the range of $1.74-$1.80 per share diluted.

30. Following issuance of the press release on December 16, 2010, RIM hosted a conference call to discuss its third quarter 2011 financial results and operations. During the conference call, defendants made numerous positive statements about the Company's business, operations and prospects. Specifically, Balsillie discussed the Company's strong Blackberry smartphone shipments, stating in relevant part:

> RIM is pleased to report a record third quarter with strong unit shipments, net adds, and financial performance, and a strong outlook for the fourth quarter. This is the sixth consecutive quarter that RIM has reported record shipments. International markets continue to adopt BlackBerry in record numbers and BlackBerry is the number one smartphone in several markets in Western Europe, including the UK. And BlackBerry was the number one smartphone for the third consecutive quarter in Latin America. In North America, BlackBerry was included in a number of exciting Black Friday and holiday promotions that are continuing throughout December. The smartphone market is rapidly evolving, highly segmented, and growing quickly. For example, the prepaid smartphone market in the UK alone grew 245% year-over-year versus post paid at only 65% growth. And RIM is taking advantage of these dynamics to leverage our unique position and grow the business to record levels.

31. Later in the call, RIM Vice President of Investor Relations, Edel Ebbs discussed the Company's fourth quarter and fiscal 2011 outlook stating, in relevant part:

> We expect to ship between 14.5 million and 15 million units in the fourth quarter of fiscal '11 and for revenue to be in the range of $5.5 billion to $5.7 billion. ***This growth is attributable to ongoing strong shipments in December to support demand throughout the holiday season, new product launches of Torch, Bold 9780, and***

Curve 3G in markets around the world, and ongoing strong demand for existing products, such as Curve 8520.

32. On December 17, 2010, RIM filed with the SEC its quarterly report on Form 6-K for the three and nine months ended November 27, 2010. The Company's Form 6-K reiterated the Company's financial results, and contained Form 52-109F2 certifications of interim filings signed by Lazaridis, Balsillie, and Bidulka stating that the Form 6-K filings "do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings." The Form 6-K further discussed the Company's revenue, and stated in part:

> Device revenue increased by $1.28 billion, or 39.8%, to $4.48 billion, or 81.6% of consolidated revenue, in the third quarter of fiscal 2011 compared to $3.21 billion, or 81.7% of consolidated revenue, in the third quarter of fiscal 2010. This increase in device revenue over the prior year was primarily attributable to a volume increase of approximately 4.1 million devices, or 41%, to approximately 14.2 million devices in the third quarter of fiscal 2011 compared to approximately 10.1 million devices in the third quarter of fiscal 2010. ***Consistent with the prior quarter, growth in non-North America markets continued to be a strong driver of growth as a result of increased demand for BlackBerry products and services.*** ASP for the third quarter of fiscal 2011 reflects a shift in the mix of certain products shipped, including new product introductions. ASP is dependent on a number of factors including projected future sales volumes, device mix, and new device introductions for the Company's enterprise, prosumer and consumer offerings as well as pricing by competitors in the industry.
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> Service revenue increased by $268.0 million, or 47.3%, to $834.7 million, or 15.2% of consolidated revenue in the third quarter of fiscal 2011, compared to $566.8 million, or 14.4% of consolidated revenue, in the third quarter of fiscal 2010, reflecting the Company's increase in BlackBerry subscriber accounts since the third quarter of fiscal 2010. For the third quarter of fiscal 2011, net subscriber account additions were 5.1 million compared to approximately 4.4 million for the third quarter of fiscal 2010. The total BlackBerry subscriber account base at the end of the third quarter of fiscal 2011 was over 55 million compared to approximately 36 million at the end of the third quarter of fiscal 2010. ***The Company continued to experience success in increasing BlackBerry penetration in enterprise, consumer and pre-paid markets during the third quarter.*** The percentage of the subscriber

account base outside of North America at the end of the third quarter of fiscal 2011 was over 48%.

33. On March 24, 2011, during the conference call, defendants disclosed for the first time that due to the maturity of the Blackberry product line, the Company was not forecasting any near term improvements during the first quarter of 2012 in North America. Thereafter, the defendants tried to minimize the impact of this disclosure by highlighting RIM's "record shipments and financial performance in fiscal 2011." But for defendants' positive statements, the price of RIM common stock would have dropped even further.

34. Also, on March 24, 2011, RIM issued a press release reporting fourth quarter 2011 financial results for the three months and fiscal year ended February 26, 2011. The Company reported that "[r]ecord BlackBerry® smartphone shipments of 52.3 million grew 43% over fiscal 2010." The Company also reported a 33% increase in fiscal 2011 revenue to $19.9 billion and a 47% increase in earning per share to $6.34 per diluted share. Further, the press release discussed the fourth quarter and fiscal 2011 results, as well as first quarter and fiscal 2012 guidance, stating in pertinent part:

> ***"We are pleased to report record shipments and financial performance in fiscal 2011,"*** said Jim Balsillie, Co-CEO at Research In Motion. ***"As we enter fiscal 2012, RIM is in an excellent position to benefit from the continuing convergence of the mobile communications and mobile computing markets. We are laying a strong foundation for RIM's expanding market opportunity through focused investments and we are extremely excited about our smartphone, tablet and platform roadmaps."***
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> **FY2012 and Q1 Outlook:**
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> ***For the full year fiscal 2012, RIM expects earnings per share to be in excess of $7.50 fully diluted. Revenue for the first quarter of fiscal 2012 ending May 28, 2011 is expected to be in the range of $5.2-$5.6 billion. Gross margin percentage for the first quarter is expected to be approximately 41.5%. Earnings per share for the first quarter are expected to be in the range of $1.47 -$1.55 per share diluted.*** This guidance range reflects a mix shift in handset towards lower ASP

> products in the first quarter and an increased level of investment in Research and Development and Sales and Marketing related to our tablet and platform initiatives. The guidance range is slightly wider than normal to reflect the risk of potential disruption in RIM's supply chain as a result of the recent earthquake in Japan.

35. On March 25, 2011, Deutsche Bank downgraded shares of RIM stock from "hold" to "sell." Deutsche Bank also reduced the Company's price target from $60.00 to $50.00, in response to "disappointing results and guidance." Deutsche Bank further discussed RIM's fourth quarter 2011 results, stating in relevant part:

> The firm comments, "We have remained neutral on the stock, in part, on the view that their new QNX OS could prove to be a viable competitor. We no longer see it this way. RIM will fragment itself as they support multiple run-times. The company also looks set to see meaningful margin compression as gross margins for the Playbook dilute corporate averages and they grow opex to support the new products. With no QNX on handsets until CY12, we think RIM will likely continue to lose share to Android smartphones whose prices are rapidly falling."

36. Similarly on March 25, 2011, analysts at Robert W. Baird downgraded RIM from a "neutral" rating to an "underperform" rating and reduced their price target for RIM from $60.00 to $47.00.

37. In response to the Company's disappointing fourth quarter and fiscal 2011 financial results and guidance, as well as multiple analyst downgrades, the price of RIM common stock dropped 11.2%, or $7.20 per share on March 25, 2011, on heavy trading volume.

38. On March 29, 2011, the Company filed with the SEC its annual report for the fiscal year ended February 26, 2011. The financial results reported in the Form 40-F were substantially similar to those reported in the Company's prior press releases. The Form 40-F contained required Sarbanes-Oxley certifications signed by Balsillie, Bidulka, and Lazaridis stating that the Form 40-F did not include any material misrepresentations. The Form 40-F further discussed the Company's production, stating in part:

> ***RIM is well positioned in 2011 to continue its commitment to support the fulfillment requirements of carrier customers seeking a reliable supply of BlackBerry smartphones. It is expected this contribution will continue to be significant and will grow incrementally as RIM pursues its objective to provide cost-effective and innovative access device solutions across the entire range of current wireless network standards.***

39. On April 28, 2011, RIM issued a press release disclosing lowered first quarter 2012 guidance for the three months ended May 28, 2011. The Company stated, in pertinent part, as follows:

> RIM now expects fully diluted earnings per share for Q1 to be in the range of $1.30-$1.37, lower than the range of $1.47-$1.55 previously forecasted by RIM on March 24, 2011. This shortfall is primarily due to shipment volumes of BlackBerry smartphones that are now expected to be at the lower end of the range of 13.5-14.5 million forecasted in March and a shift in the expected mix of devices shipped towards handsets with lower average selling prices. Gross margin for the first quarter is expected to be similar to the 41.5% previously guided. This mix shift is also expected to result in revenue that is slightly below the range of $5.2-5.6 billion guided on March 24. Expected shipments of BlackBerry PlayBook in the quarter continue to be in line with our previous expectations and we have not experienced any significant supply disruptions in Q1 due to the impact of the Japan earthquake.
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> RIM expects to achieve full year fully diluted earnings per share of approximately $7.50, which reflects anticipated strong revenue growth in the third and fourth quarters of the fiscal year driven primarily by the launches of new BlackBerry smartphone products and prudent cost management.

40. Following issuance of the press release on April 28, 2011, RIM hosted a conference call to discuss its updated first quarter 2012 guidance. During the call, Bidulka discussed the Company's shortfall, stating in part:

> The age of the Blackberry smartPhone portfolio currently in market, coupled with delays in new product introductions, are leading to lower than expected sell through than we anticipated, particularly in the US and Latin America which is keeping levels of channel inventory higher than expected resulting in lower than expected shipments for the first quarter.

41. On this news, RIM's common stock plummeted 14%, or $7.94 per share, to close at $48.65 per share on April 29, 2011, on heavy trading volume.

42. On April 29, 2011, in response to RIM's updated guidance, the *Wall Street Journal* published an article entitled, "RIM Shares Drop on Dim Outlook," which stated, in relevant part:

> Investors dumped shares of Research In Motion Ltd. Friday, amid growing worry that the BlackBerry maker's current development pipeline—including several new BlackBerry devices powered by its latest operating system—won't be enough to stem declining sales in the U.S.
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> RIM shares closed down $7.94, or 14%, to $48.65 on the Nasdaq Stock Market on Friday.
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> ***RIM lowered earnings guidance late Thursday, saying its BlackBerry shipments would be on the low side of previous estimates. Then, on a conference call, RIM executives raised new concerns about international sales, saying shipments were weak in Latin America.*** The smartphone maker has in recent quarters enjoyed strong overseas demand despite losing market share in North America to Apple Inc.'s iPhone and devices that run on Google Inc.'s Android operating system.
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> Recent product launches aimed at bolstering sales have been disappointing. Its BlackBerry Torch, RIM's first device with a touch screen and a slide-out keyboard, hasn't been a blockbuster as hoped. And the long-awaited PlayBook tablet launched after a delay, to tepid reviews, earlier this month.
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> RIM has struggled to react quickly to changes in consumer preferences, especially after Apple unveiled its iPhone, with its snazzy touch-screen interfaces and a bevy of third-party applications.
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> In response, RIM has overhauled its operating system, reached out to app developers and made several recent acquisitions of software companies to address shortcomings. Executives have tempered short-term expectations by saying the company was going through a critical transition.
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> ***But after Thursday's announcement, even some of the most optimistic RIM watchers have begun to question whether the company has done enough.***
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> ***"We really want to believe, but...last night's warning caps what has been a string of strategic and execution missteps," Cormark Securities analyst Richard Tse said in a note.***

43. In response to RIM's guidance cut, on April 29, 2011, Jeffries downgraded the Company to "Underperform," stating, "We Were Wrong: QNX Too Late and Too Little." Jeffries analysts further stated, "[RIM] will see continued execution issues, product delays, and lackluster

product launches for the next year. We believe Blackberry OS 7.0 (renamed, formerly 6.1) and QNX will be delayed and that carriers are withdrawing support."

44. Also on April 29, 2011, according to an article published on *American Banking & Market News*, RBC Capital downgraded shares of RIM common stock from a "top pick" rating to a "sector perform" rating. RBC Capital also reduced RIM's price target of $90.00 to $55.00.

45. The true facts, which were known by defendants but concealed from the investing public during the Class Period, were as follows:

(a) the Company failed to inform investors that its aging product line and inability to introduce new products to the market was negatively impacting the Company's business and margins;

(b) due to execution issues, product delays, and lackluster product launches, defendants knew that shipments of Blackberry smartphones would be down and inventory would be up; and

(c) as a result of the foregoing, defendants' statements regarding the Company's financial performance and expected earnings were false and misleading and lacked a reasonable basis when made.

46. As a result of defendants' false statements and omissions, RIM common stock traded at artificially inflated prices during the Class Period. After the above revelations were revealed to the market, however, the Company's shares were hammered by massive sales, sending them down approximately ***30.4%*** from their Class Period high.

ADDITIONAL SCIENTER ALLEGATIONS

47. As alleged herein, defendants acted with scienter in that defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and 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, defendants, by virtue of their receipt of information reflecting the true facts regarding RIM, their control over, and/or receipt and/or modification of RIM allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning RIM, participated in the fraudulent scheme alleged herein.

LOSS CAUSATION/ECONOMIC LOSS

48. During the Class Period, as detailed herein, defendants engaged in a scheme to deceive the market and a course of conduct that artificially inflated the prices of RIM common stock and operated as a fraud or deceit on Class Period purchasers of RIM common stock by failing to disclose and misrepresenting the adverse facts detailed herein. When defendants' prior misrepresentations and fraudulent conduct were disclosed and became apparent to the market through partial disclosures, the price of RIM common stock fell precipitously as the prior artificial inflation came out. As a result of their purchases of RIM common stock during the Class Period, Plaintiff and the other Class members suffered economic loss, *i.e.*, damages, under the federal securities laws when the truth about RIM was revealed through a series of partial disclosures that removed the artificial inflation from the price of RIM common stock.

49. By failing to disclose to investors the adverse facts detailed herein, defendants presented a misleading picture of RIM's business and prospects. Defendants' false and misleading statements had the intended effect and caused RIM common stock to trade at artificially inflated levels throughout the Class Period, reaching as high as $69.86 per share on February 18, 2011.

50. As a direct result of the disclosures on March 24, 2011 and April 28, 2011, RIM common stock fell precipitously. These drops removed the artificial inflation from the price of RIM

common stock, causing real economic loss to investors who had purchased RIM common stock at artificially inflated prices during the Class Period.

51. The declines were a direct result of the nature and extent of defendants' fraud finally being revealed to investors and the market. The timing and magnitude of the price declines in RIM common stock negates any inference that the loss suffered by Plaintiff and the other Class members was caused by changed market conditions, macroeconomic or industry factors or Company-specific facts unrelated to defendants' fraudulent conduct. The economic loss, *i.e.*, damages, suffered by Plaintiff and the other Class members was a direct result of defendants' fraudulent scheme to artificially inflate the prices of RIM common stock and the subsequent significant declines in the value of RIM common stock when defendants' prior misrepresentations and other fraudulent conduct were revealed.

APPLICABILITY OF PRESUMPTION OF RELIANCE: FRAUD ON THE MARKET DOCTRINE

52. At all relevant times, the market for RIM common stock was an efficient market for the following reasons, among others:

(a) RIM common stock 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, RIM filed periodic public reports with the SEC and the NASDAQ;

(c) RIM regularly communicated with public investors via established market communication mechanisms, including regular disseminations of press releases on the national circuits of major newswire services and other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and

(d) RIM was followed by several securities analysts employed by major brokerage firms who wrote reports which 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.

53. As a result of the foregoing, the market for RIM common stock promptly digested current information regarding RIM from all publicly available sources and reflected such information in the prices of the stock. Under these circumstances, all purchasers of RIM common stock during the Class Period suffered similar injury through their purchase of RIM common stock at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

54. 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. Many of the specific statements pleaded herein were not identified as "forward-looking statements" when made. To the extent there were any forward-looking statements, 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. Alternatively, to the extent that the statutory safe harbor does 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 were made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of RIM who knew that those statements were false when made.

COUNT I

FOR VIOLATION OF §10(B) OF THE 1934 ACT AND RULE 10B-5 AGAINST ALL DEFENDANTS

55. Plaintiff incorporates ¶¶1-54 by reference.

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

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

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

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

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

58. By virtue of the foregoing, RIM and the Individual Defendants have each violated §10b of the 1934 Act, and Rule 10b-5 promulgated thereunder.

59. As a direct result and proximate result of defendants' wrongful conduct, Plaintiff and the Class have suffered damages in connection with their respective purchases and sales of RIM stock during the Class Period, because, in reliance on the integrity of the market, they paid artificially inflated prices for RIM common stock and experienced loses when the artificial inflation was released from RIM stock as a result of the partial revelations and stock price decline detailed herein. Plaintiff and the Class would not have purchased RIM common stock at the prices they paid,

or at all, if they had been aware that the market prices had been artificially and falsely inflated by defendants' misleading statements.

COUNT II

FOR VIOLATION OF §20(A) OF THE 1934 ACT AGAINST INDIVIDUAL DEFENDANTS

60. Plaintiff incorporates ¶¶1-54 by reference.

61. The Individual Defendants acted as controlling persons of RIM within the meaning of §20(a) of the 1934 Act. By reason of their controlling positions with the Company, the Individual Defendants had the power and authority to cause RIM to engage in the wrongful conduct complained of herein. By reason of such conduct, the Individual Defendants are liable pursuant to §20(a) of the 1934 Act.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment as follows:

(a) Declaring this action to be a proper class action pursuant to Fed. R. Civ. P. 23;

(b) Awarding Plaintiff and the members of the Class damages, including interest;

(c) Awarding Plaintiff reasonable costs and attorneys' fees; and

(d) Awarding such equitable/injunctive or other relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury.

DATED: June 13, 2011

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