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12 UNITED STATES DISTRICT COURT
13 NORTHERN DISTRICT OF CALIFORNIA
14 SAN JOSE DIVISION

15 NORFOLK COUNTY RETIREMENT)
16 SYSTEM, Individually and On Behalf of All)
Others Similarly Situated,)

17 Plaintiff,)

18 vs.)

19 SUPER MICRO COMPUTER, INC.,)
20 CHARLES LIANG, and DAVID WEIGAND,)

21 Defendants.)

Case No.

CLASS ACTION

COMPLAINT FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

1 common stock traded at artificially inflated prices during the Class Period, reaching as high as \$1,229
2 per share on March 8, 2024.

3 5. This action alleges that Defendants intentionally or recklessly misled investors during
4 the Class Period by: (a) materially misstating Super Micro’s reported revenues, earnings, and other
5 financial figures in violation of GAAP; (b) failing to disclose that Super Micro’s internal controls
6 over financial reporting were ineffective; (c) concealing material information about related parties
7 and related party transactions; and (d) claiming to have been in compliance with trade control
8 regulations restricting exports to Russia.

9 6. Super Micro’s fraud was first revealed on August 27, 2024, when investment research
10 firm Hindenburg Research (“Hindenburg”) published a report titled *Super Micro: Fresh Evidence of*
11 *Accounting Manipulation, Sibling Self-Dealing and Sanctions Evasion at this AI High Flyer* (the
12 “Hindenburg Report”). The Hindenburg Report provided credible evidence of “glaring accounting
13 red flags, evidence of undisclosed related party transactions, sanctions and export control failures,
14 and customer issues” at Super Micro. As detailed in the Hindenburg Report and corroborated by a
15 recent whistleblower lawsuit, Super Micro improperly recognized revenue from equipment sales to
16 multiple large customers, recorded incomplete sales before fulfilling contractual obligations, and
17 misallocated revenue to its hardware business to artificially inflate its profitability from fiscal years
18 2020 to 2022.

19 7. In addition to uncovering significant accounting misconduct, the Hindenburg Report
20 revealed compliance violations related to U.S. export controls. Despite claims of halting sales to
21 Russia following the 2022 invasion of Ukraine, the report found that Super Micro circumvented U.S.
22 export controls between February 24, 2022 and June 30, 2024. During this period, Super Micro’s
23 exports to Russia surged, with approximately \$210 million of products shipped to the country. In
24 reaction to the Hindenburg Report, Super Micro stock ***dropped 2.64 percent***, to close at \$547.64 per
25 share on August 27, 2024.

26 8. The next day, on August 28, 2024, Super Micro announced that it would delay the
27 filing of its annual report on Form 10-K to assess the “design and operating effectiveness of its internal
28

1 controls over financial reporting.” On this news, Super Micro stock ***dropped 19.02 percent***, to close
2 at \$443.49 per share on August 28, 2024.

3 9. Then, on September 26, 2024, *The Wall Street Journal* reported that the U.S.
4 Department of Justice (“DOJ”) had initiated an investigation into Super Micro. The investigation
5 reportedly focused on allegations made by a whistleblower and former employee, who accused the
6 company of accounting violations. On news of the DOJ investigation, Super Micro stock ***dropped***
7 ***12.17 percent***, to close at \$402.40 per share on September 26, 2024.

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

11 **JURISDICTION, VENUE, AND DIVISIONAL ASSIGNMENT**

12 11. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the
13 Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)), and Rule 10b-5 promulgated thereunder by the SEC
14 (17 C.F.R. § 240.10b-5).

15 12. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C.
16 § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

17 13. Venue is proper in this District pursuant to 28 U.S.C. §1391(b) and Section 27 of the
18 Exchange Act (15 U.S.C. § 78aa) as the alleged misstatements and the subsequent damages took place
19 in this judicial district and Super Micro is headquartered in this Judicial District. The intra-district
20 assignment to the San Jose division of the Court is proper under Local Rule 3-2(d), because a
21 substantial number of the events or omissions giving rise to the claims arose in Santa Clara County,
22 where Defendant is headquartered and conducts business.

23 14. In connection with the acts, conduct and other wrongs alleged in this complaint,
24 Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce,
25 including but not limited to, the United States mails, interstate telephone communications and the
26 facilities of the national securities exchange.

PARTIES

1
2 15. Plaintiff, as set forth in the accompanying Certification, which is incorporated by
3 reference herein, purchased Super Micro securities during the Class Period and was damaged as the
4 result of Defendants’ wrongdoing alleged in this complaint.

5 16. Defendant Super Micro is a manufacturer of server and storage solutions, providing
6 hardware to technology companies for use in servers supporting websites, data storage, and artificial
7 intelligence applications. Super Micro is incorporated in Delaware and its principal executive office
8 is located at 980 Rock Avenue, San Jose, California, 95131. Throughout the Class Period, Super
9 Micro common stock was listed on the NASDAQ stock exchange under the ticker symbol “SMCI.”

10 17. Defendant Charles Liang (“Liang”) is, and was at all times throughout the Class
11 Period, the President, Chief Executive Officer (“CEO”), and Chairman of the Board of Super Micro.

12 18. Defendant David Weigand (“Weigand”) is, and was at all times throughout the Class
13 Period, Senior Vice President and Chief Financial Officer (“CFO”) of Super Micro.

14 19. Defendants Liang and Weigand are sometimes collectively, in whole or in part,
15 referred to herein as the “Individual Defendants.”

16 20. The Individual Defendants possessed the power and authority to control the contents
17 of Super Micro’s SEC filings, press releases, and other market communications. The Individual
18 Defendants were provided with copies of Super Micro’s SEC filings and press releases alleged herein
19 to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent
20 their issuance or to cause them to be corrected. Because of their positions within Super Micro, and
21 their access to material information available to them but not to the public, the Individual Defendants
22 knew that the adverse facts specified herein had not been disclosed to and were being concealed from
23 the public, and that the positive representations being made were then materially false and misleading.
24 The Individual Defendants are liable for the false statements and omissions pleaded herein.

25 21. The Company and the Individual Defendants are sometimes collectively, in whole or
26 in part, referred to herein as the “Defendants.”

DEFENDANTS' MATERIALLY FALSE AND MISLEADING STATEMENTS

22. The Class Period starts on February 2, 2021, when Super Micro issued a press release announcing its financial results for the fiscal quarter ended December 31, 2020 (“Q2 2021 Release”), followed by its Form 10-Q for the same period (“Q2 2021 Form 10-Q”) filed on February 5, 2021. The Q2 2021 Form 10-Q was signed by Defendants Liang and Weigand. The Q2 2021 Release announced, among other things, the following financial results, which were detailed in the Q2 2021 Form 10-Q:

- Net sales of \$830 million versus \$762 million in the first quarter of fiscal year 2021 and \$871 million in the same quarter of last year.
- Gross margin of 16.4% versus 17.0% in the first quarter of fiscal year 2021 and 15.9% in the same quarter of last year.
- Net income of \$28 million versus \$27 million in the first quarter of fiscal year 2021 and \$24 million in the same quarter of last year.
- Diluted net income per common share of \$0.52 versus \$0.49 in the first quarter of fiscal year 2021 and \$0.46 in the same quarter of last year.
- Non-GAAP diluted net income per common share of \$0.63 versus \$0.55 in the first quarter of fiscal year 2021 and \$0.57 in the same quarter of last year.
- Cash flow from operations of \$63 million and capital expenditures of \$14 million.

23. Further, in the Q2 2021 Form 10-Q, Defendants stated that they had “undertaken remedial procedures to address the IT General Control (ITGC) material weakness in our internal control over financial reporting,” that “management continued to re-design processes and controls related to IT privileged access for our primary accounting system and boundary systems,” and that “[m]anagement’s testing of ITGCs has commenced and the remediation of this material weakness will depend on management’s ability to ensure properly designed ITGC’s are operating effectively as of June 30, 2021.”

24. Appended as an exhibit to the Q2 2021 Form 10-Q were signed certifications pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”), wherein the Individual Defendants certified that they had reviewed the Form 10-Q, that “the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and

1 cash flows of the registrant as of, and for, the periods presented in this report,” and that they had
2 “[d]esigned such internal control over financial reporting, or caused such internal control over
3 financial reporting to be designed under our supervision, to provide reasonable assurance regarding
4 the reliability of financial reporting and the preparation of financial statements for external purposes
5 in accordance with generally accepted accounting principles.”

6 25. On May 4, 2021, Super Micro issued a press release announcing its financial results
7 for the fiscal quarter ended March 31, 2021 (“Q3 2021 Release”), followed by its Form 10-Q for the
8 same period (“Q3 2021 Form 10-Q”) filed on May 7, 2021. The Q3 2021 Form 10-Q was signed by
9 Defendants Liang and Weigand. The Q3 2021 Release announced, among other things, the following
10 financial results, which were detailed in the Q3 2021 Form 10-Q:

- 11 • Net sales of \$896 million versus \$830 million in the second quarter of fiscal year 2021
12 and \$772 million in the same quarter of last year.
- 13 • Gross margin of 13.7% versus 16.4% in the second quarter of fiscal year 2021 and
14 17.3% in the same quarter of last year.
- 15 • Net income of \$18 million versus \$28 million in the second quarter of fiscal year 2021
16 and \$16 million in the same quarter of last year.
- 17 • Diluted net income per common share of \$0.35 versus \$0.52 in the second quarter of
18 fiscal year 2021 and \$0.29 in the same quarter of last year.
- 19 • Non-GAAP diluted net income per common share of \$0.50 versus \$0.63 in the second
20 quarter of fiscal year 2021 and \$0.84 in the same quarter of last year.
- 21 • Cash flow used in operations of \$124 million and capital expenditures of \$19 million.

22 26. Further, in the Q3 2021 Form 10-Q, Defendants stated that they had “undertaken
23 remedial procedures to address the IT General Control (ITGC) material weakness in our internal
24 control over financial reporting,” that “management continued to re-design processes and controls
25 related to IT privileged access for our primary accounting system and boundary systems,” and that
26 “[m]anagement’s testing of ITGCs and the remediation of this material weakness will depend on
27 management’s ability to ensure properly designed ITGC’s are operating effectively as of June 30,
28 2021.”

1 27. Appended as an exhibit to the Q3 2021 Form 10-Q were signed certifications pursuant
2 to the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-Q, that
3 “the financial statements, and other financial information included in this report, fairly present in all
4 material respects the financial condition, results of operations and cash flows of the registrant as of,
5 and for, the periods presented in this report” and that they had “[d]esigned such internal control over
6 financial reporting, or caused such internal control over financial reporting to be designed under our
7 supervision, to provide reasonable assurance regarding the reliability of financial reporting and the
8 preparation of financial statements for external purposes in accordance with generally accepted
9 accounting principles.”

10 28. On August 10, 2021, Super Micro issued a press release announcing its financial
11 results for the fiscal quarter ended June 30, 2021 (“Q4 2021 Release”), followed by its Form 10-K
12 for the fiscal year ended June 30, 2021 (“2021 Form 10-K”) filed on August 27, 2021. The 2021
13 Form 10-K was signed by Defendants Liang and Weigand. The Q4 2021 Release announced, among
14 other things, the following financial results, which were detailed in the 2021 Form 10-K:

- 15 • Net sales of \$1.07 billion versus \$896 million in the third quarter of fiscal year 2021
16 and \$896 million in the same quarter of last year.
- 17 • Gross margin of 13.6% versus 13.7% in the third quarter of fiscal year 2021 and 13.8%
18 in the same quarter of last year.
- 19 • Net income of \$39 million versus \$18 million in the third quarter of fiscal year 2021
20 and \$18 million in the same quarter of last year.
- 21 • Diluted net income per common share of \$0.74 versus \$0.35 in the third quarter of
22 fiscal year 2021 and \$0.34 in the same quarter of last year.
- 23 • Non-GAAP diluted net income per common share of \$0.81 versus \$0.50 in the third
24 quarter of fiscal year 2021 and \$0.68 in the same quarter of last year.
- 25 • Cash flow generated from operations of \$64 million and capital expenditures of \$13
26 million.

27 29. Further, in the 2021 Form 10-K, Super Micro stated that “management has concluded
28 that our internal control over financial reporting was effective as of June 30, 2021 to provide
reasonable assurance regarding the reliability of financial reporting and preparation of consolidated
financial statements in accordance with U.S. GAAP.”

1 30. Appended as an exhibit to the 2021 Form 10-K were signed certifications pursuant to
2 the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-K, that “the
3 financial statements, and other financial information included in this report, fairly present in all
4 material respects the financial condition, results of operations and cash flows of the registrant as of,
5 and for, the periods presented in this report” and that they had “[d]esigned such internal control over
6 financial reporting, or caused such internal control over financial reporting to be designed under our
7 supervision, to provide reasonable assurance regarding the reliability of financial reporting and the
8 preparation of financial statements for external purposes in accordance with generally accepted
9 accounting principles.”

10 31. On November 2, 2021, Super Micro issued a press release announcing its financial
11 results for the fiscal quarter ended September 30, 2021, (“Q1 2022 Release”), followed by its Form
12 10-Q for the same period (“Q1 2022 Form 10-Q”) filed on November 5, 2021. The Q1 2022 Form
13 10-Q was signed by Defendants Liang and Weigand. The Q1 2022 Release announced, among other
14 things, the following financial results, which were detailed in the Company’s Q1 2022 Form 10-Q:

- 15 • Net sales of \$1.03 billion versus \$1.07 billion in the fourth quarter of fiscal year 2021
16 and \$762 million in the same quarter of last year.
- 17 • Gross margin of 13.4% versus 13.6% in the fourth quarter of fiscal year 2021 and
18 17.0% in the same quarter of last year.
- 19 • Net income of \$25 million versus \$39 million in the fourth quarter of fiscal year 2021
20 and \$27 million in the same quarter of last year.
- 21 • Diluted net income per common share of \$0.48 versus \$0.74 in the fourth quarter of
22 fiscal year 2021 and \$0.49 in the same quarter of last year.
- 23 • Non-GAAP diluted net income per common share of \$0.58 versus \$0.81 in the fourth
24 quarter of fiscal year 2021 and \$0.55 in the same quarter of last year.
- 25 • Cash flow used in operations of \$135 million and capital expenditures of \$12 million.

26 32. Further, in the Q1 2022 Form 10-Q, Defendants stated that, “[t]here were no changes
27 in our internal control over financial reporting during the quarter ended September 30, 2021, that have
28 materially affected, or are reasonably likely to materially affect, our internal control over financial
reporting.”

1 33. Appended as an exhibit to the Q1 2022 Form 10-Q were signed certifications pursuant
2 to the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-Q, that
3 “the financial statements, and other financial information included in this report, fairly present in all
4 material respects the financial condition, results of operations and cash flows of the registrant as of,
5 and for, the periods presented in this report” and that they had “[d]esigned such internal control over
6 financial reporting, or caused such internal control over financial reporting to be designed under our
7 supervision, to provide reasonable assurance regarding the reliability of financial reporting and the
8 preparation of financial statements for external purposes in accordance with generally accepted
9 accounting principles.”

10 34. On February 1, 2022, Super Micro issued a press release announcing its financial
11 results for the fiscal quarter ended December 31, 2021, (“Q2 2022 Release”), followed by its Form
12 10-Q for the same period (“Q2 2022 Form 10-Q”) filed on February 4, 2022. The Q2 2022 Form 10-
13 Q was signed by Defendants Liang and Weigand. The Q2 2022 Release announced, among other
14 things, the following financial results, which were detailed in the Company’s Q2 2022 Form 10-Q:

- 15 • Net sales of \$1.17 billion versus \$1.03 billion in the first quarter of fiscal year 2022
16 and \$830 million in the same quarter of last year.
- 17 • Gross margin of 14.0% versus 13.4% in the first quarter of fiscal year 2022 and 16.4%
18 in the same quarter of last year.
- 19 • Net income of \$42 million versus \$25 million in the first quarter of fiscal year 2022
20 and \$28 million in the same quarter of last year.
- 21 • Diluted net income per common share of \$0.78 versus \$0.48 in the first quarter of
22 fiscal year 2022 and \$0.52 in the same quarter of last year.
- 23 • Non-GAAP diluted net income per common share of \$0.88 versus \$0.58 in the first
24 quarter of fiscal year 2022 and \$0.63 in the same quarter of last year.
- 25 • Cash flow used in operations for the second quarter of fiscal year 2022 of \$53 million
26 and capital expenditures of \$12 million.

27 35. Further, in the Q2 2022 Form 10-Q, Defendants stated that “[t]here were no changes
28 in our internal control over financial reporting during the quarter ended December 31, 2021, that have
materially affected, or are reasonably likely to materially affect, our internal control over financial
reporting.”

1 36. Appended as an exhibit to the Q2 2022 Form 10-Q were signed certifications pursuant
2 to the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-Q, that
3 “the financial statements, and other financial information included in this report, fairly present in all
4 material respects the financial condition, results of operations and cash flows of the registrant as of,
5 and for, the periods presented in this report” and that they had “[d]esigned such internal control over
6 financial reporting, or caused such internal control over financial reporting to be designed under our
7 supervision, to provide reasonable assurance regarding the reliability of financial reporting and the
8 preparation of financial statements for external purposes in accordance with generally accepted
9 accounting principles.”

10 37. On May 3, 2022, Super Micro issued a press release announcing its financial results
11 for the fiscal quarter ended March 31, 2022, (“Q3 2022 Release”), followed by its Form 10-Q for the
12 same period (“Q3 2022 Form 10-Q”) filed on May 6, 2022. The Q3 2022 Form 10-Q was signed by
13 Defendants Liang and Weigand. The Q3 2022 Release announced, among other things, the following
14 financial results, which were detailed in the Company’s Q3 2022 Form 10-Q:

- 15 • Net sales of \$1.36 billion versus \$1.17 billion in the second quarter of fiscal year 2022
16 and \$896 million in the same quarter of last year.
- 17 • Gross margin of 15.5% versus 14.0% in the second quarter of fiscal year 2022 and
18 13.7% in the same quarter of last year.
- 19 • Net income of \$77 million versus \$42 million in the second quarter of fiscal year 2022
20 and \$18 million in the same quarter of last year.
- 21 • Diluted net income per common share of \$1.43 versus \$0.78 in the second quarter of
22 fiscal year 2022 and \$0.35 in the same quarter of last year.
- 23 • Non-GAAP diluted net income per common share of \$1.55 versus \$0.88 in the second
24 quarter of fiscal year 2022 and \$0.50 in the same quarter of last year.
- 25 • Cash flow used in operations for the third quarter of fiscal year 2022 of \$228 million
26 and capital expenditures of \$11 million.

27 38. In the Q3 2022 Form 10-Q, Defendants also stated:

28 The crisis in eastern Europe continues to be a challenge to global companies,
including us, which have customers in the impacted regions. The U.S. and
other global governments have placed restrictions on how companies may
transact with businesses in these regions, particularly Russia, Belarus and
restricted areas in Ukraine. ***Because of these restrictions and the growing***

1 ***logistical and other challenges, we have paused sales to Russia, Belarus and***
2 ***the restricted areas in Ukraine. This decision, which is in line with the***
3 ***approach of other global technology companies, helps us comply with our***
4 ***obligations under the various requirements in the U.S. and around the world.***
5 While it is difficult to estimate the impact on our business and financial
6 position of our pause in sales to Russia, Belarus and the restricted areas in
7 Ukraine and the current or future sanctions, our pause in sales and these
8 sanctions could have adverse impacts on us in future periods. For example, ***we***
9 ***do not make a material portion of our sales or acquire a material portion of***
10 ***our parts or components directly from impacted regions; however, our***
11 ***suppliers and their suppliers may acquire raw materials for parts or***
12 ***components from the impacted regions.***

13 39. Defendants reiterated the exact or materially similar statements as set forth in ¶ 38, in
14 the Company’s Forms 10-K filed with the SEC on August 29, 2022 and August 25, 2023.

15 40. Further, in the Q3 2022 Form 10-Q, Defendants stated that “[t]here were no changes
16 in our internal control over financial reporting during the quarter ended March 31, 2022, that have
17 materially affected, or are reasonably likely to materially affect, our internal control over financial
18 reporting.”

19 41. Appended as an exhibit to the Q3 2022 Form 10-Q were signed certifications pursuant
20 to the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-Q, that
21 “the financial statements, and other financial information included in this report, fairly present in all
22 material respects the financial condition, results of operations and cash flows of the registrant as of,
23 and for, the periods presented in this report” and that they had “[d]esigned such internal control over
24 financial reporting, or caused such internal control over financial reporting to be designed under our
25 supervision, to provide reasonable assurance regarding the reliability of financial reporting and the
26 preparation of financial statements for external purposes in accordance with generally accepted
27 accounting principles.”

28 42. On August 9, 2022, Super Micro issued a press release announcing its financial results
for the fiscal quarter ended June 30, 2022, (“Q4 2022 Release”), followed by its Form 10-K for the
fiscal year ended June 30, 2022 (“2022 Form 10-K”) filed on August 29, 2022. The 2022 Form 10-
K was signed by Defendants Liang and Weigand. The Q4 2022 Release announced, among other
things, the following financial results, which were detailed in the Company’s 2022 Form 10-K:

- 1 • Net sales of \$1.64 billion versus \$1.36 billion in the third quarter of fiscal year 2022
2 and \$1.07 billion in the same quarter of last year.
- 3 • Gross margin of 17.6% versus 15.5% in the third quarter of fiscal year 2022 and 13.6%
4 in the same quarter of last year.
- 5 • Net income of \$141 million versus \$77 million in the third quarter of fiscal year 2022
6 and \$39 million in the same quarter of last year.
- 7 • Diluted net income per common share of \$2.60 versus \$1.43 in the third quarter of
8 fiscal year 2022 and \$0.74 in the same quarter of last year.
- 9 • Non-GAAP diluted net income per common share of \$2.62 versus \$1.55 in the third
10 quarter of fiscal year 2022 and \$0.81 in the same quarter of last year.
- 11 • Cash flow used in operations for the fourth quarter of fiscal year 2022 of \$25 million
12 and capital expenditures of \$11 million.

13 43. Further, in the 2022 Form 10-K, Defendants stated that “[t]here were no changes in
14 our internal control over financial reporting identified in connection with the evaluation required by
15 Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended June
16 30, 2022, that have materially affected, or are reasonably likely to materially affect, our internal
17 control over financial reporting” and that “[u]nder the supervision, and with the participation, of our
18 management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”),
19 we evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-
20 15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”),
21 as of June 30, 2022. Based on this evaluation, our CEO and CFO have concluded that our disclosure
22 controls and procedures were effective at a reasonable assurance level as of June 30, 2022.”

23 44. Appended as an exhibit to the 2022 Form 10-K were signed certifications pursuant to
24 the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-K, that “the
25 financial statements, and other financial information included in this report, fairly present in all
26 material respects the financial condition, results of operations and cash flows of the registrant as of,
27 and for, the periods presented in this report” and that they had “[d]esigned such internal control over
28 financial reporting, or caused such internal control over financial reporting to be designed under our
supervision, to provide reasonable assurance regarding the reliability of financial reporting and the

1 preparation of financial statements for external purposes in accordance with generally accepted
2 accounting principles.”

3 45. On November 1, 2022, Super Micro issued a press release announcing its financial
4 results for the fiscal quarter ended September 30, 2022, (“Q1 2023 Release”), followed by its Form
5 10-Q for the same period (“Q1 2023 Form 10-Q”) filed on November 4, 2022, which was signed by
6 Defendants Liang and Weigand. The Q1 2023 Release announced, among other things, the following
7 financial results, which were detailed in the Company’s Q1 2023 Form 10-Q:

- 8 • Net sales of \$1.85 billion versus \$1.64 billion in the fourth quarter of fiscal year 2022
9 and \$1.03 billion in the same quarter of last year.
- 10 • Gross margin of 18.8% versus 17.6% in the fourth quarter of fiscal year 2022 and
11 13.4% in the same quarter of last year.
- 12 • Net income of \$184 million versus \$141 million in the fourth quarter of fiscal year
13 2022 and \$25 million in the same quarter of last year.
- 14 • Diluted net income per common share of \$3.35 versus \$2.60 in the fourth quarter of
15 fiscal year 2022 and \$0.48 in the same quarter of last year.
- 16 • Non-GAAP diluted net income per common share of \$3.42 versus \$2.62 in the fourth
17 quarter of fiscal year 2022 and \$0.58 in the same quarter of last year.
- 18 • Cash flow provided by operations for the first quarter of fiscal year 2023 of \$314
19 million and capital expenditures of \$11 million.

20 46. Further, in the Q1 2023 Form 10-Q, Defendants stated that “[t]here were no changes
21 in our internal control over financial reporting during the quarter ended September 30, 2022, that have
22 materially affected, or are reasonably likely to materially affect, our internal control over financial
23 reporting.”

24 47. Appended as an exhibit to the Q1 2023 Form 10-Q were signed certifications pursuant
25 to the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-Q, that
26 “the financial statements, and other financial information included in this report, fairly present in all
27 material respects the financial condition, results of operations and cash flows of the registrant as of,
28 and for, the periods presented in this report” and that they had “[d]esigned such internal control over
financial reporting, or caused such internal control over financial reporting to be designed under our
supervision, to provide reasonable assurance regarding the reliability of financial reporting and the

1 preparation of financial statements for external purposes in accordance with generally accepted
2 accounting principles.”

3 48. On January 31, 2023, Super Micro issued a press release announcing its financial
4 results for the fiscal quarter ended December 31, 2022, (“Q2 2023 Release”), followed by its Form
5 10-Q for the same period (“Q2 2023 Form 10-Q”) filed on February 3, 2023. The Q2 2023 Form 10-
6 Q was signed by Defendants Liang and Weigand. The Q2 2023 Release announced, among other
7 things, the following financial results, which were detailed in the Company’s Q2 2023 Form 10-Q:

- 8 • Net sales of \$1.80 billion versus \$1.85 billion in the first quarter of fiscal year 2023
9 and \$1.17 billion in the same quarter of last year.
- 10 • Gross margin of 18.7% versus 18.8% in the first quarter of fiscal year 2023 and 14.0%
11 in the same quarter of last year.
- 12 • Net income of \$176 million versus \$184 million in the first quarter of fiscal year 2023
13 and \$42 million in the same quarter of last year.
- 14 • Diluted net income per common share of \$3.14 versus \$3.35 in the first quarter of
15 fiscal year 2023 and \$0.78 in the same quarter of last year.
- 16 • Non-GAAP diluted net income per common share of \$3.26 versus \$3.42 in the first
17 quarter of fiscal year 2023 and \$0.88 in the same quarter of last year.
- 18 • Cash flow provided by operations for the second quarter of fiscal year 2023 of \$161
19 million and capital expenditures of \$10 million.

20 49. Further, in the Q2 2023 Form 10-Q, Defendants stated that “[t]here were no changes
21 in our internal control over financial reporting during the quarter ended December 31, 2022, that have
22 materially affected, or are reasonably likely to materially affect, our internal control over financial
23 reporting.”

24 50. Appended as an exhibit to the Q2 2023 Form 10-Q were signed certifications pursuant
25 to the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-Q, that
26 “the financial statements, and other financial information included in this report, fairly present in all
27 material respects the financial condition, results of operations and cash flows of the registrant as of,
28 and for, the periods presented in this report” and that they had “[d]esigned such internal control over
financial reporting, or caused such internal control over financial reporting to be designed under our
supervision, to provide reasonable assurance regarding the reliability of financial reporting and the

1 preparation of financial statements for external purposes in accordance with generally accepted
2 accounting principles.”

3 51. On May 2, 2023, Super Micro issued a press release announcing its financial results
4 for the fiscal quarter ended March 31, 2023, (“Q3 2023 Release”), followed by its Form 10-Q for the
5 same period (“Q3 2023 Form 10-Q”) filed on May 5, 2023. The Q3 2023 Form 10-Q was signed by
6 Defendants Liang and Weigand. The Q3 2023 Release announced, among other things, the following
7 financial results, which were detailed in the Company’s Q3 2023 Form 10-Q:

- 8 • Net sales of \$1.28 billion versus \$1.80 billion in the second quarter of fiscal year 2023
9 and \$1.36 billion in the same quarter of last year.
- 10 • Gross margin of 17.6% versus 18.7% in the second quarter of fiscal year 2023 and
11 15.5% in the same quarter of last year.
- 12 • Net income of \$86 million versus \$176 million in the second quarter of fiscal year
13 2023 and \$77 million in the same quarter of last year.
- 14 • Diluted net income per common share of \$1.53 versus \$3.14 in the second quarter of
15 fiscal year 2023 and \$1.43 in the same quarter of last year.
- 16 • Non-GAAP diluted net income per common share of \$1.63 versus \$3.26 in the second
17 quarter of fiscal year 2023 and \$1.55 in the same quarter of last year.
- 18 • Cash flow provided by operations for the third quarter of fiscal year 2023 of \$198
19 million and capital expenditures of \$8 million.

20 52. In addition to Defendants’ statements above (¶ 51), the Q3 2023 Form 10-Q
21 confirmed:

22 The Company had previously, before the designation of the FSB in
23 Executive Order 13382, authorized certain third parties to periodically file
24 notifications with, or apply for import licenses and permits from, the FSB on
25 our behalf in connection with the importation of our products into Russia, as
26 permitted under OFAC authorizations. During fiscal year 2023, including the
27 most recent quarter ended March 31, 2023, third parties filed notifications with,
28 applied for import licenses and permits from, and/or received the associated
approvals from the FSB on our behalf. ***However, no sales of any products
actually occurred in the Russian Federation during fiscal year 2023,
including the most recent quarter ended March 31, 2023, and accordingly,
these filing activities did not result in any revenue or otherwise contribute to
the Company’s net income for these quarters. The Company is in the process
of terminating these authorizations. The Company and its subsidiaries do not
sell products or provide services to the FSB. The Company and its
subsidiaries had last recorded revenue from Russia on February 23, 2022.***

1 53. Defendants reiterated the exact or materially similar statements, as set forth in ¶ 52, in
2 its Form 10-K filed with the SEC on August 25, 2023.

3 54. Further, in the Q3 2023 Form 10-Q, Defendants stated that “[t]here were no changes
4 in our internal control over financial reporting during the quarter ended March 31, 2023, that have
5 materially affected, or are reasonably likely to materially affect, our internal control over financial
6 reporting.”

7 55. Appended as an exhibit to the Q3 2023 Form 10-Q were signed certifications pursuant
8 to the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-Q, that
9 “the financial statements, and other financial information included in this report, fairly present in all
10 material respects the financial condition, results of operations and cash flows of the registrant as of,
11 and for, the periods presented in this report” and that they had “[d]esigned such internal control over
12 financial reporting, or caused such internal control over financial reporting to be designed under our
13 supervision, to provide reasonable assurance regarding the reliability of financial reporting and the
14 preparation of financial statements for external purposes in accordance with generally accepted
15 accounting principles.”

16 56. On August 8, 2023, Super Micro issued a press release announcing its financial results
17 for the fiscal quarter ended June 30, 2023, (“Q4 2023 Release”), followed by its Form 10-K for the
18 fiscal year ended June 30, 2023 (“2023 Form 10-K”) filed on August 28, 2023. The 2023 Form 10-
19 K was signed by Defendants Liang and Weigand. The Q4 2023 Release announced, among other
20 things, the following financial results, which were detailed in the Company’s 2023 Form 10-K:

- 21 • Net sales of \$2.18 billion versus \$1.28 billion in the third quarter of fiscal year 2023
22 and \$1.64 billion in the same quarter of last year.
- 23 • Gross margin of 17.0% versus 17.6% in the third quarter of fiscal year 2023 and 17.6%
24 in the same quarter of last year.
- 25 • Net income of \$194 million versus \$86 million in the third quarter of fiscal year 2023
26 and \$141 million in the same quarter of last year.
- 27 • Diluted net income per common share of \$3.43 versus \$1.53 in the third quarter of
28 fiscal year 2023 and \$2.60 in the same quarter of last year.
- Non-GAAP diluted net income per common share of \$3.51 versus \$1.63 in the third
 quarter of fiscal year 2023 and \$2.62 in the same quarter of last year.

- Cash flow used in operations for the fourth quarter of fiscal year 2023 of \$9 million and capital expenditures of \$8 million.

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4 57. Further, on the 2023 Form 10-K, Defendants stated that “[t]here were no changes in
5 our internal control over financial reporting identified in connection with the evaluation required by
6 Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended June
7 30, 2023, that have materially affected, or are reasonably likely to materially affect, our internal
8 control over financial reporting” and that “[u]nder the supervision, and with the participation, of our
9 management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”),
10 we evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-
11 15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”),
12 as of June 30, 2023. Based on this evaluation, our CEO and CFO have concluded that our disclosure
13 controls and procedures were effective at a reasonable assurance level as of June 30, 2023.”

14 58. Appended as an exhibit to the 2023 Form 10-K were signed certifications pursuant to
15 the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-K, that “the
16 financial statements, and other financial information included in this report, fairly present in all
17 material respects the financial condition, results of operations and cash flows of the registrant as of,
18 and for, the periods presented in this report” and that they had “[d]esigned such internal control over
19 financial reporting, or caused such internal control over financial reporting to be designed under our
20 supervision, to provide reasonable assurance regarding the reliability of financial reporting and the
21 preparation of financial statements for external purposes in accordance with generally accepted
22 accounting principles.”

23 59. On November 1, 2023, Super Micro issued a press release announcing its financial
24 results for the fiscal quarter ended September 30, 2023, (“Q1 2024 Release”), followed by its Form
25 10-Q for the same period (“Q1 2024 Form 10-Q”) filed on November 3, 2023. The Q1 2024 Form
26 10-Q was signed by Defendants Liang and Weigand. The Q1 2024 Release announced, among other
27 things, the following financial results, which were detailed in the Company’s Q1 2024 Form 10-Q:

- Net sales of \$2.12 billion versus \$2.18 billion in the fourth quarter of fiscal year 2023 and \$1.85 billion in the same quarter of last year.

- Gross margin of 16.7% versus 17.0% in the fourth quarter of fiscal year 2023 and 18.8% in the same quarter of last year.
- Net income of \$157 million versus \$194 million in the fourth quarter of fiscal year 2023 and \$184 million in the same quarter of last year.
- Diluted net income per common share of \$2.75 versus \$3.43 in the fourth quarter of fiscal year 2023 and \$3.35 in the same quarter of last year.
- Non-GAAP diluted net income per common share of \$3.43 versus \$3.51 in the fourth quarter of fiscal year 2023 and \$3.42 in the same quarter of last year.
- Cash flow provided by operations for the first quarter of fiscal year 2024 of \$271 million and capital expenditures of \$3 million.

60. Further, in the Q1 2024 Form 10-Q, Defendants stated that “[t]here were no changes in our internal control over financial reporting during the quarter ended September 30, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.”

61. Appended as an exhibit to the Q1 2024 Form 10-Q were signed certifications pursuant to the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-Q, that “the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report” and that they had “[d]esigned such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.”

62. On January 29, 2024, Super Micro issued a press release announcing its financial results for the fiscal quarter ended December 31, 2023, (“Q2 2024 Release”), followed by its Form 10-Q for the same period (“Q2 2024 Form 10-Q”) filed on February 2, 2024. The Q2 2024 Form 10-Q was signed by Defendants Liang and Weigand. The Q2 2024 Release announced, among other things, the following financial results, which were detailed in the Company’s Q2 2024 Form 10-Q:

- Net sales of \$3.66 billion versus \$2.12 billion in the first quarter of fiscal year 2024 and \$1.80 billion in the same quarter of last year.

- Gross margin of 15.4% versus 16.7% in the first quarter of fiscal year 2024 and 18.7% in the same quarter of last year.
- Net income of \$296 million versus \$157 million in the first quarter of fiscal year 2024 and \$176 million in the same quarter of last year.
- Diluted net income per common share of \$5.10 versus \$2.75 in the first quarter of fiscal year 2024 and \$3.14 in the same quarter of last year.
- Non-GAAP diluted net income per common share of \$5.59 versus \$3.43 in the first quarter of fiscal year 2024 and \$3.26 in the same quarter of last year.
- Cash flow used in operations for the second quarter of fiscal year 2024 of \$595 million and capital expenditures of \$15 million.

63. Further, in the Q2 2024 Form 10-Q, Defendants stated that “[t]here were no changes in our internal control over financial reporting during the quarter ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.”

64. Appended as an exhibit to the Q2 2024 Form 10-Q were signed certifications pursuant to the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-Q, that “the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report” and that they had “[d]esigned such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.”

65. On April 30, 2024, Super Micro issued a press release announcing its financial results for the fiscal quarter ended March 31, 2024, (“Q3 2024 Release”), followed by its Form 10-Q for the same period (“Q3 2024 Form 10-Q”) filed on May 6, 2024. The Q3 2024 Form 10-Q was signed by Defendants Liang and Weigand. The Q3 2024 Release announced, among other things, the following financial results, which were detailed in the Company’s Q3 2024 Form 10-Q:

- Net sales of \$3.85 billion versus \$3.66 billion in the second quarter of fiscal year 2024 and \$1.28 billion in the same quarter of last year.

- 1 • Gross margin of 15.5% versus 15.4% in the second quarter of fiscal year 2024 and
2 17.6% in the same quarter of last year.
- 3 • Net income of \$402 million versus \$296 million in the second quarter of fiscal year
4 2024 and \$86 million in the same quarter of last year.
- 5 • Diluted net income per common share of \$6.56 versus \$5.10 in the second quarter of
6 fiscal year 2024 and \$1.53 in the same quarter of last year.
- 7 • Non-GAAP diluted net income per common share of \$6.65 versus \$5.59 in the second
8 quarter of fiscal year 2024 and \$1.63 in the same quarter of last year.
- 9 • Cash flow used in operations for the third quarter of fiscal year 2024 of \$1,520 million
10 and capital expenditures of \$93 million.

11 66. Further, in the Q3 2024 Form 10-Q, Defendants stated that “[t]here were no changes
12 in our internal control over financial reporting during the quarter ended March 31, 2024, that have
13 materially affected, or are reasonably likely to materially affect, our internal control over financial
14 reporting.”

15 67. Appended as an exhibit to the Q3 2024 Form 10-Q were signed certifications pursuant
16 to the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-Q, that
17 “the financial statements, and other financial information included in this report, fairly present in all
18 material respects the financial condition, results of operations and cash flows of the registrant as of,
19 and for, the periods presented in this report” and that they had “[d]esigned such internal control over
20 financial reporting, or caused such internal control over financial reporting to be designed under our
21 supervision, to provide reasonable assurance regarding the reliability of financial reporting and the
22 preparation of financial statements for external purposes in accordance with generally accepted
23 accounting principles.”

24 68. On August 6, 2024, Super Micro issued a press release announcing its financial results
25 for the fiscal quarter and year ended June 30, 2024, (“Q4 2024 Release”), which was signed by
26 Defendant Liang. The Q4 2024 Release announced, among other things, the following financial
27 results:

- 28 • Net sales of \$5.31 billion versus \$3.85 billion in the third quarter of fiscal year 2024
and \$2.18 billion in the same quarter of last year.

- Gross margin of 11.2% versus 15.5% in the third quarter of fiscal year 2024 and 17.0% in the same quarter of last year.
- Net income of \$353 million versus \$402 million in the third quarter of fiscal year 2024 and \$194 million in the same quarter of last year.
- Diluted net income per common share of \$5.51 versus \$6.56 in the third quarter of fiscal year 2024 and \$3.43 in the same quarter of last year.
- Non-GAAP diluted net income per common share of \$6.25 versus \$6.65 in the third quarter of fiscal year 2024 and \$3.51 in the same quarter of last year.
- Cash flow used in operations for the fourth quarter of fiscal year 2024 of \$635 million and capital expenditures of \$27 million.

69. Defendants' statements contained in ¶¶ 22-68, and identical statements made throughout the Class Period regarding the Company's financial performance, were materially false and/or misleading because: (a) Super Micro's reported revenues, earnings, and other financial figures were materially misstated in violation of GAAP; (b) Super Micro's internal controls over financial reporting were ineffective; (c) material information about related parties and related party transactions was concealed from investors; and (d) Super Micro was not in compliance with trade control regulations restricting exports to Russia.

THE TRUTH EMERGES

70. On August 27, 2024, investment research firm Hindenburg issued a report titled *Super Micro: Fresh Evidence of Accounting Manipulation, Sibling Self-Dealing and Sanctions Evasion at this AI High Flyer*. The Hindenburg Report uncovered "glaring accounting red flags, evidence of undisclosed related party transactions, sanctions and export control failures, and customer issues" at the Company. Specifically, the report detailed how Super Micro engaged in a fraudulent revenue recognition scheme, which included: (a) misallocating revenue to hardware sales instead of services in the quarter ending December 2020 to artificially inflate profit margins; (b) prematurely recording revenue even when equipment could not be delivered or installed for customers; and (c) booking revenue early for faulty or incomplete products not yet ready for sale.

71. The Hindenburg Report also revealed compliance violations related to U.S. export controls. Despite claims of halting sales to Russia following the 2022 invasion of Ukraine, the report

1 found that Super Micro circumvented U.S. export controls between February 24, 2022 and June 30,
2 2024. During this period, Super Micro’s exports to Russia surged, with approximately \$210 million
3 of products shipped to the country. In reaction to the Hindenburg Report, Super Micro stock ***dropped***
4 ***2.64 percent***, to close at \$547.64 per share on August 27, 2024.

5 72. The following day, on August 28, 2024, Super Micro issued a press release announcing
6 that it would delay the filing of its Form 10-K for fiscal year 2024, as the Company was assessing the
7 “design and operating effectiveness of its internal controls over financial reporting.” The press release
8 stated:

9 Super Micro . . . today announced that it expects that ***it will not timely file its***
10 ***Annual Report on Form 10-K*** for the fiscal year ended June 30, 2024 (the
11 “Annual Report”) and expects to file a Notification of Late Filing on Form
12 12b-25 with respect to the Annual Report on August 30, 2024. SMCI ***is unable***
13 ***to file its Annual Report*** within the prescribed time period without
14 unreasonable effort or expense. ***Additional time is needed for SMCI’s***
management to complete its assessment of the design and operating
effectiveness of its internal controls over financial reporting as of June 30,
2024. SMCI has not made updates to its results for the fiscal year and quarter
ended June 30, 2024 that were announced in SMCI’s press release dated
August 6, 2024.

15 73. On this news, Super Micro stock ***dropped 19.02 percent***, to close at \$443.49 per share
16 on August 28, 2024.

17 74. Then, on September 26, 2024, *The Wall Street Journal* reported that the U.S.
18 Department of Justice (“DOJ”) had initiated an investigation into Super Micro. The investigation
19 reportedly focused on allegations made by a whistleblower and former employer who accused the
20 Company of accounting violations. On news of the DOJ investigation, Super Micro stock ***dropped***
21 ***12.17 percent***, to close at \$402.40 per share on September 26, 2024.

22 **CLASS ACTION ALLEGATIONS**

23 75. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules
24 of Civil Procedure on behalf of all persons or entities who purchased or otherwise acquired Super
25 Micro securities between February 2, 2021 and September 25, 2024, inclusive (the “Class”).
26 Excluded from the Class are Defendants and their families, the officers and directors of Super Micro,
27 members of their immediate families and their legal representatives, heirs, successors or assigns, and
28 any entity in which Defendants have or had a controlling interest.

1 76. The members of the Class are so numerous that joinder of all members is
2 impracticable. The disposition of their claims in a class action will provide substantial benefits to the
3 parties and the Court. Throughout the Class Period, Super Micro securities was actively traded on
4 the NASDAQ, one of the largest stock exchanges in the world. While the exact number of Class
5 members is unknown to Plaintiff at this time and can only be ascertained through appropriate
6 discovery, Plaintiff believes that there are thousands of members in the proposed Class. During the
7 Class Period, there were more than 58 million shares of Super Micro common stock outstanding, and
8 the average daily trading volume was over 2.4 million shares. Record owners and other members of
9 the Class may be identified from records maintained by Super Micro or its transfer agent(s) and may
10 be notified of the pendency of this action using the form of notice similar to that customarily used in
11 securities class actions.

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

- 15 a. Whether Defendants violated the Exchange Act;
- 16 b. Whether Defendants omitted and/or misrepresented material facts;
- 17 c. Whether Defendants' statements omitted material facts necessary in order to make
18 the statements made, in light of the circumstances under which they were made,
19 not misleading;
- 20 d. Whether Defendants knew or recklessly disregarded that their statements were
21 false and misleading;
- 22 e. Whether the price of Super Micro stock was artificially inflated; and
- 23 f. The extent of damage sustained by members of the Class and the appropriate
24 measure of damages.

25 78. Plaintiff's claims are typical of those of the Class because Plaintiff and the Class
26 sustained damages as a result of Defendants' wrongful conduct.

1 79. Plaintiff will adequately protect the interests of the Class and has retained counsel who
2 is experienced in securities and class action litigation. Plaintiff has no interests which conflict with
3 those of the Class.

4 80. A class action is superior to all other available methods for the fair and efficient
5 adjudication of this controversy. Joinder of all Class members is impracticable.

6 **APPLICABILITY OF PRESUMPTION OF RELIANCE: FRAUD ON THE MARKET**

7 81. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the-
8 market doctrine in that, among other things:

- 9 a. Defendants made public misrepresentations or failed to disclose material facts
10 during the Class Period;
- 11 b. the omissions and misrepresentations were material;
- 12 c. the Company's securities traded in an efficient market;
- 13 d. the misrepresentations alleged would tend to induce a reasonable investor to
14 misjudge the value of the Company's stock; and
- 15 e. Plaintiff and other members of the Class purchased Super Micro securities between
16 the time Defendants misrepresented or failed to disclose material facts and the time
17 the true facts were disclosed, without knowledge of the misrepresented or omitted
18 facts.

19 82. At all relevant times, the market for Super Micro securities was efficient for the
20 following reasons, among others:

21 83. As a result of the foregoing, the market for Super Micro securities promptly digested
22 current information regarding Super Micro from all publicly available sources and reflected such
23 information in the price of Super Micro securities.

- 24 a. as a regulated issuer, Super Micro filed periodic public reports with the SEC;
- 25 b. Super Micro regularly communicated with public investors via established market
26 communication mechanisms, including through regular disseminations of press
27 releases on the major newswire services and through other wide-ranging public
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1 disclosures, such as communications with the financial press, securities analysts,
2 and other similar reporting services;

3 c. Super Micro was followed by numerous securities analysts employed by major
4 brokerage firms who wrote reports that were distributed to the sales force and
5 certain customers of their respective brokerage firms and that were publicly
6 available and entered the public marketplace; and

7 d. Super Micro securities were actively traded in an efficient market, including its
8 common stock that was traded on the NASDAQ, under the ticker symbol “SMCI.”

9 **NO SAFE HARBOR**

10 84. The statutory safe harbor provided for forward-looking statements under certain
11 circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The
12 statements alleged to be false and misleading herein all relate to then-existing facts and conditions.
13 In addition, to the extent certain of the statements alleged to be false may be characterized as forward-
14 looking, they were not identified as “forward-looking statements” when made and there were no
15 meaningful cautionary statements identifying important factors that could cause actual results to differ
16 materially from those in the purportedly forward-looking statements. In the alternative, to the extent
17 that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein,
18 Defendants are liable for those false forward-looking statements because at the time each of those
19 forward-looking statements were made, the speaker had actual knowledge that the forward-looking
20 statement was materially false or misleading, and/or the forward-looking statement was authorized or
21 approved by an executive officer of Super Micro who knew that the statement was false when made.

22 **LOSS CAUSATION**

23 85. During the Class Period, as detailed herein, Super Micro and the Individual Defendants
24 made materially false and misleading statements and omissions, and engaged in a scheme to deceive
25 the market. These false and misleading statements and omissions artificially inflated the price of
26 Super Micro securities and operated as a fraud or deceit on the Class. Later, when Defendants’ prior
27 misrepresentations and fraudulent conduct were disclosed to the market, the price of Super Micro
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1 securities fell significantly. As a result of their purchases of Super Micro securities during the Class
2 Period, Plaintiff and the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

3 **COUNT I**

4 **For Violations of Section 10(b) of the Exchange Act and Rule 10b-5**
5 **Promulgated Thereunder Against All Defendants**

6 86. Plaintiff repeats and realleges each and every allegation contained above as if fully set
7 forth herein.

8 87. This Count is asserted against Defendants based upon Section 10(b) of the Exchange
9 Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

10 88. During the Class Period, Defendants, individually and in concert, directly or indirectly,
11 disseminated or approved the false statements specified above, which they knew or deliberately
12 disregarded were misleading in that they contained misrepresentations and failed to disclose material
13 facts necessary in order to make the statements made, in light of the circumstances under which they
14 were made, not misleading.

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

- 16 a. employed devices, schemes and artifices to defraud;
- 17 b. made untrue statements of material facts or omitted to state material facts
18 necessary in order to make the statements made, in light of the circumstances under
19 which they were made, not misleading; or
- 20 c. engaged in acts, practices and a course of business that operated as a fraud or deceit
21 upon plaintiff and others similarly situated in connection with their purchases of
22 the Company's securities during the Class Period.

23 90. Defendants acted with scienter in that they knew that the public documents and
24 statements issued or disseminated in the name of the Company were materially false and misleading;
25 knew that such statements or documents would be issued or disseminated to the investing public; and
26 knowingly and substantially participated or acquiesced in the issuance or dissemination of such
27 statements or documents as primary violations of the securities laws. These defendants by virtue of
28 their receipt of information reflecting the true facts of the Company, their control over, and/or receipt

1 and/or modification of the Company's allegedly materially misleading statements, and/or their
2 associations with the Company which made them privy to confidential proprietary information
3 concerning the Company, participated in the fraudulent scheme alleged herein.

4 91. Individual Defendants, who are or were senior executives and/or directors of the
5 Company, had actual knowledge of the material omissions and/or the falsity of the material statements
6 set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the
7 alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the
8 true facts in the statements made by them or other Catalent personnel to members of the investing
9 public, including Plaintiff and the Class.

10 92. As a result of the foregoing, the market price of Super Micro securities was artificially
11 inflated during the Class Period. In ignorance of the falsity of Defendants' statements, Plaintiff and
12 the other members of the Class relied on the statements described above and/or the integrity of the
13 market price of Super Micro securities during the Class Period in purchasing Super Micro securities
14 at prices that were artificially inflated as a result of Defendants' false and misleading statements.

15 93. Had Plaintiff and the other members of the Class been aware that the market price of
16 Super Micro securities had been artificially and falsely inflated by Defendants' misleading statements
17 and by the material adverse information which Defendants did not disclose, they would not have
18 purchased Company securities at the artificially inflated prices that they did, or at all.

19 94. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the
20 Class have suffered damages in an amount to be established at trial.

21 95. By reason of the foregoing, Defendants have violated Section 10(b) of the 1934 Act
22 and Rule 10b-5 promulgated thereunder and are liable to the Plaintiff and the other members of the
23 Class for substantial damages which they suffered in connection with their purchase of Super Micro
24 securities during the Class Period.

COUNT II

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

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96. Plaintiff repeats, and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

97. During the Class Period, the Individual Defendants participated in the operation and management of the Company, and conducted and participated, directly and indirectly, in the conduct of the Company's business affairs. Because of their senior positions, they knew the adverse non-public information about the Company's misstatement of revenue and profit and false financial statements.

98. As officers of a public business, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to the Company's financial condition and results of operations, and to correct promptly any public statements issued by the Company which had become materially false or misleading.

99. Because of their positions of control and authority as senior executives and/or directors, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which the Company disseminated in the marketplace during the Class Period concerning the Company's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause the Company to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of the Company within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Company securities.

100. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by the Company.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and the Class, prays for judgment as follows:

Counsel for Plaintiff

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