

1 Plaintiff (“Plaintiff”), individually and on behalf of all other persons
2 similarly situated, by his undersigned attorneys, alleges in this Complaint for violations of the
3 federal securities laws (the “Complaint”) the following based upon knowledge with respect to his
4 own acts, and upon facts obtained through an investigation conducted by his counsel, which
5 included, *inter alia*: (a) review and analysis of relevant filings made by C3.ai, Inc. (“C3” or the
6 “Company”) with the United States Securities and Exchange Commission (the “SEC”); (b) review
7 and analysis of C3 AI’s public documents, conference calls, press releases, and stock chart; (c)
8 review and analysis of securities analysts’ reports and advisories concerning the Company; and
9 (d) information readily obtainable on the internet.

10 Plaintiff believes that further substantial evidentiary support will exist for the allegations
11 set forth herein after a reasonable opportunity for discovery. Most of the facts supporting the
12 allegations contained herein are known only to the defendants or are exclusively within their
13 control.

14 **NATURE OF THE ACTION**

15 1. This is a federal securities class action on behalf of all investors who purchased or
16 otherwise acquired C3 AI securities between February 26, 2025, to August 8, 2025, inclusive (the
17 “Class Period”), seeking to recover damages caused by Defendants’ violations of the federal
18 securities laws (the “Class”).

19 2. Defendants provided investors with material information concerning C3 AI’s
20 ability to perform in spite of its Chief Executive Officer’s health situation and in providing
21 expected revenue for the first quarter and full fiscal year 2026. Defendants’ statements included,
22 among other things, assurances that Chief Executive Officer, Defendant Siebel, was in sufficient
23 health to effectively conduct his role, without any indication his health or the necessary
24 accommodations utilized could jeopardize financial growth or the Company’s ability to close
25 deals. Defendants’ statements further confidently discussed C3 AI’s market opportunity, the
26 demand for its products, and its ability to execute and capitalize on the growth opportunity before
27 it.

1 including but not limited to, the United States mail, interstate telephone communications and the
2 facilities of the national securities exchange.

3 **THE PARTIES**

4 11. Plaintiff purchased C3 AI common stock at artificially inflated prices during the
5 Class Period and was damaged upon the revelation of the Defendants' fraud. Plaintiff's
6 certification evidencing his transaction(s) in C3 AI is attached hereto.

7 12. C3 AI, Inc. is a California corporation with its principal executive offices located
8 at 1400 Seaport Boulevard, Redwood City, CA 94063. During the Class Period, the Company's
9 common stock traded on the New York Stock Exchange (the "NYSE") under the symbol "AI."

10 13. Defendant Thomas M. Siebel ("Siebel") was, at all relevant times, the Founder,
11 Chief Executive Officer, and Chairman of the Board of C3 AI.

12 14. Defendant Hitesh Lath ("Lath") was, at all relevant times, the Senior Vice President
13 and Chief Financial Officer of C3 AI.

14 15. Defendants Siebel and Lath are sometimes referred to herein as the "Individual
15 Defendants." C3 AI together with the Individual Defendants are referred to herein as the
16 "Defendants."

17 16. The Individual Defendants, because of their positions with the Company, possessed
18 the power and authority to control the contents of C3 AI's reports to the SEC, press releases, and
19 presentations to securities analysts, money and portfolio managers, and institutional investors, *i.e.*,
20 the market. Each Individual Defendant was provided with copies of the Company's reports and
21 press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the
22 ability and opportunity to prevent their issuance or cause them to be corrected. Because of their
23 positions and access to material non-public information n available to them, each of these
24 Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and
25 were being concealed from, the public, and that the positive representations which were being
26 made were then materially false and/or misleading. The Individual Defendants are liable for the
27 false statements pleaded herein, as those statements were each "group-published" information, the
28 result of the collective actions of the Individual Defendants.

1 17. C3 AI is liable for the acts of the Individual Defendants, and its employees under
2 the doctrine of respondeat superior and common law principles of agency as all the wrongful acts
3 complained of herein were carried out within the scope of their employment with authorization.

4 18. The scienter of the Individual Defendants, and other employees and agents of the
5 Company are similarly imputed to C3 AI under respondeat superior and agency principles.

6 **SUBSTANTIVE ALLEGATIONS**

7 **A. Company Background**

8 19. C3 AI is a global artificial intelligence application software company. The
9 Company's C3 agentic AI platform enables customers to design, develop, deploy, and operate
10 enterprise AI applications.

11 20. Through this platform, the Company offers various targeted AI applications geared
12 toward specific industry and government use cases.

13 **B. The Defendants Materially Misled Investors Concerning C3 AI's Ability to** 14 **Perform Despite its CEO's Health Scare**

15 *February 26, 2025*

16 21. On February 26, 2025, Defendants issued their third quarter fiscal 2025 results.
17 During the question-and-answer portion of the same-day earnings call, Defendant Siebel addressed
18 his recent health concerns and assured investors of his ability to perform in his role during the
19 following pertinent exchange:

20 <Q: Patrick D. Walravens – Citizens JMP Securities, LLC – MD, Director of
21 Technology Research, and Equity Research Analyst> Tom, would you be okay
22 talking about the note that you published on February 18? So sorry, but if you could
23 just talk about what the health setback was and what steps you're taking in terms of
24 running the business, I think that would be great.

24 <A: Thomas M. Siebel> . . . Now as it relates to operating the business, it has so --
25 Tom has to learn some new skills, and we put the accommodations in place. I mean,
26 you know me to be intimately familiar with the details of this business, okay? And
27 you can imagine that we spent exacting detail with this management team on how
28 we were reorganizing this company around this new opportunity that's here.

***We've done the same -- we have the same meeting with all of our salespeople
around from the world. I spent a lot of time personally with all of the -- a lot of
time personally, okay, with all of the partners that we've discussed. I put the***

1 ***accommodations in place for -- about really the only thing I can't do is read e-***
2 ***mail.***

3 So the -- so we put the [compensation] in place, there is somebody here with a hot
4 computer, who reads the e-mails to me. I comment, I respond, I approve, I don't
5 prove, what have you. I am here in the office. I am managing the business every
6 day.

7 In the short term, my travel, the medical community has me on kind of -- they don't
8 want me going real far or a high altitude. ***And so we've made arrangements for***
9 ***Jim Snabe, who you most certainly know or know of and one of our more***
10 ***distinguished directors.***

11 Jim, of course, was the Co-CEO of SAP, Chairman of Maersk, Chairman of
12 Allianz, Chairman of [Siemens]. And so Jim assumed the role as a special assistant
13 to the Chief Executive, okay? And he's filling in for the events that Tom can't do.
14 Let's say, I was supposed to be at VivaTech at Paris or what have you or maybe we
15 need to do an executive customer review at Shell in London.

16 And so this is how it's organized. ***I am fully engaged, managing every details of***
17 ***the business every day, as you know me a little bit and you know I'm generally in***
18 ***touch with those details.*** My health is excellent, okay? So beyond all of the
19 infirmities that I had, I just can't see.

20 (Emphasis added).

21 May 28, 2025

22 22. On May 28, 2025, Defendants published their fourth quarter and full-year fiscal
23 2025 results. During the corresponding earnings call, Defendant Siebel discussed the state of the
24 market demand and potential for C3 AI's business to grow, stating, in pertinent part:

25 Now let's look at where we are, the facts of the market in -- I'm sorry, May of 2025,
26 okay? ***We have a generally acknowledged, large and rapidly growing market.*** And
27 we look at the AI stack and the companies that are playing at the bottom of the
28 stack. We have the silicon providers, the Intels, the AMDs, the NVIDIAs. Above
that, we have the infrastructure providers, the Microsoft Azure, AWS, GCP, et
cetera. On top of that, we have the people providing the foundation models like
OpenAI and Anthropic, Facebook, et cetera. On top of that, we have the providers
of many thousands of utilities that are out there that do things like platform
independent, relational database persistence or key value stores or AutoML or
virtualization or whatever it may be.

...

The result of this, we've experienced -- as a result of the kind of realization of this
enterprise AI kind of reality, ***we've seen enormous growth in our market,*** again,

1 in the last few years, going from 6% to 16% to 25%. **And our focus, if we look at**
2 **Q3 and Q4 of fiscal year '25 has been building an ecosystem to be able to address**
3 **this huge sucking sound that we hear out there, that is the demand for enterprise**
4 **AI applications.** And in order to address these applications, we need an army of
5 partners. And so **we have been focused in the last few quarters on establishing**
6 **this army of strategic partners and enabling this army of strategic partners to be**
7 **effective at communicating the benefits of these applications and selling these**
8 **applications.**

9 ...

10 our revenue growth rate continues to exceed our expense growth rate. Fast math
11 without the Excel spreadsheet. **It follows ipso facto, the cash possibility and non-**
12 **GAAP profitability is simply a matter of scale.** And I expect in 2027 and beyond,
13 we will cross that path into consistent cash positivity and an annualized non-GAAP
14 profitability thereafter. So it was a great quarter, a great year. Customers are happy,
15 products are excellent, market is huge. And if there is anybody else in the Enterprise
16 AI applications business, I'm unaware of who they are.

17 (Emphasis added).

18 23. C3 AI's Agentic AI was in accord, pertinently stating on the call:

19 And finally, we expect to see accelerating growth driven by the Generative AI and
20 Agentic AI markets where our solutions are highly differentiated, highly beneficial
21 and address a market opportunity that is incalculably large. The Enterprise AI
22 landscape is at an inflection point and C3 AI stands ready to lead. The convergence
23 of market demand and our proven capabilities creates a unique opportunity to drive
24 sustained growth by combining best-in-class technology with a world-class
25 network of partners and a relentless focus on customer value, we are poised to shape
26 the future of business operations across industries. As we step into fiscal 2026, our
27 path is clear. Our momentum is strong, and our commitment to delivering impactful
28 AI solutions has never been greater.

29 24. Defendant Lath then took over the prepared remarks to pertinently provide the
30 Company's guidance for the first quarter and full year of fiscal 2026, stating:

31 Now I'll move on to our guidance for the next quarter. **Our revenue guidance for**
32 **Q1 of fiscal '26 is \$100 million to \$109 million. For the full fiscal 2026, we are**
33 **anticipating revenue in the range of \$447.5 million to \$484.5 million. Our**
34 **guidance for non-GAAP loss from operations for the first quarter is \$23.5 million**
35 **to \$33.5 million. And our non-GAAP loss from operations for the year, the**
36 **guidance is \$65 million to \$100 million.** Our guidance is predicated on the
37 assumption of geopolitical stability. Were there to be a situation that the U.S.
38 government closed, the budget did not pass, or we see indications of global trade
friction, given the reality of these market risks, those could have unknown and
adverse consequences on our business results.

1 Last year, our revenue growth was 25% and our expenses grew by 18%. *As we*
2 *approach fiscal '26, we expect the revenue growth rate to continue to exceed our*
3 *expense growth rate. So profitability remains simply a matter of scale.* Our
4 expectation is that we will cross into non-GAAP profitability during the second half
of fiscal '27, and we expect to be free cash flow positive in the fourth quarter of
fiscal '26 and in successive years thereafter.

5 (Emphasis added).

6 25. During the question-and-answer segment, Defendant Siebel highlighted his
7 improving health and defended management's wider-than-typical full year guidance range during
8 the following exchanges, in pertinent part:

9 <Q: Patrick D. Walravens – Citizens JMP Securities, LLC – MD, Director of
10 Technology Research, and Equity Research Analyst> Wonderful. And then if I
11 could ask a follow-up. With your permission, Tom, I hope this is okay. But in
12 February, you informed us that you'd suffered a health setback and it was limiting
13 your ability to travel and then you're going to have Jim Snabe help out, but I was
14 delighted to hear on this call that you're -- I mean, you're probably not delighted to
15 get out of red eye, but I was delighted to hear that you're getting on a red eye
16 because that sounds like some positive development. So I don't know, any
17 comments that you're okay sharing with us on that, I'm sure, would be greatly
18 appreciated.

19 <A: Thomas M. Siebel> *I did get slowed down for a little bit. There's no question*
20 *about it.* And I had -- it's very unlikely to work from home. You know that. And *I*
21 *had to work from home for a little while and take it easy and recover*, but I will
22 catch a red eye to Washington, D.C. tonight. I will be in Washington, D.C. again
23 for 3 days, I think, 10 days from now after attending a wedding in Cabo. *So just*
24 *when you thought it was safe, Pat, I'm back.*

25 ...

26 <Q: Matthew Ryan Calitri – Needham & Company, LLC – Research Analyst> . . .
27 looking at your FY '26 revenue guidance, the band of outcomes is considerably
28 larger than what you've given in past quarters. How did you think through guidance
construction this quarter? And what needs to happen to achieve the high end of that
band versus the low end?

<A: Thomas M. Siebel> Well, we read the same newspaper that you guys read.
And we do talk to the President, and I had dinner with the speaker of the house last
night. I spoke with the leader of the Senate last week, and I'll meet -- and so we do
know these people and we do read the newspaper. And we all know there is risk.
There is risk in Europe. We have kinetic risk. We have geopolitical risk. We have
risk -- we have budget risk of, in fact, the government even shutting down. And
these are real. And we have companies out there that were withdrawing guidance
altogether. And we thought in the interest of being -- we have to acknowledge that

1 these risks are real. And so that results -- as a result, we have a broader range than
2 usual to accommodate the unanticipated. And when we deal with these guys who
3 are making America great again, they seem to hit us with the unanticipated quite
4 frequently. So that's it. We're just acknowledging very real risk -- market risk that's
5 out there. And should it go bad, it's going to have an adverse effect on our business
6 as it will, General Motors and everybody else in the world.

7 (Emphasis added).

8 July 24, 2025

9 26. On July 24, 2025, C3 AI issued a press release announcing that the Company “has
10 initiated a search for Mr. Siebel’s successor as Chief Executive Officer of C3 AI.”

11 27. Defendant Siebel was quoted in the release discussing his departure and assuring
12 investors of his continued engagement in his current role until a successor is found, stating, in
13 pertinent part:

14 After being diagnosed with an autoimmune disease in early 2025, I have
15 experienced significant visual impairment . . . ***I will remain fully engaged as Chief
16 Executive Officer of C3.ai*** until such time as the C3.ai board appoints my successor
17 after which I will continue in the role of Executive Chairman focusing on strategy,
18 product innovation, strategic partner and customer relationships.”

19 (Emphasis added).

20 28. The above statements in Paragraphs 20 to 27 were false and/or materially
21 misleading. Defendants created the false impression that they possessed reliable information
22 pertaining to the Company’s projected revenue outlook and anticipated growth while also
23 minimizing risk to the Company’s profitability from Defendant Siegel’s health concerns. In truth,
24 C3 AI’s optimistic reports of growth, earnings potential, and anticipated margins fell short of
25 reality as they relied far too heavily on the health and effectiveness of the Company’s CEO.
26 Despite repeated assurances, Defendant Siegel had not sufficiently recovered from his ailments to
27 act in the same capacity for C3 AI as he had previously.

28 **C. The Truth Emerges during C3 AI’s First Quarter Preliminary Report**

August 8, 2025

29 29. On August 8, 2025, Defendants issued a press release announcing preliminary
30 financial results for the first quarter of fiscal 2026, in pertinent part, as follows:

1 **Fiscal First Quarter 2026 Preliminary Business Update**

- 2 • Total revenue for the quarter was \$70.2 million – \$70.4 million.
3 • GAAP loss from operations was (\$124.7) million – (\$124.9) million.
4 • Non-GAAP loss from operations was (\$57.7) million – (\$57.9) million.
5 • \$711.9 million in cash, cash equivalents, and marketable securities as of July
6 31, 2025.

7 30. The same day, Defendants issued a second press release announcing a restructuring
8 of its sales and services organizations. In the press release, Defendant Siebel spoke on the quarter’s
9 performance, stating, in pertinent part:

10 The good news is we have completely restructured the sales and services
11 organization, including new and highly experienced leadership across the board to
12 ensure a return to accelerating growth and increased customer success at C3 AI.
13 *The bad news is that sales results in Q1 were completely unacceptable.* Having
14 given this a lot of thought, I attribute this to *two factors. One: It is clear that in the*
15 *short term, the reorganization with new leadership had a disruptive effect. Two:*
16 *As we have previously announced, I have had a number of health issues in the*
17 *past six months* including multiple hospitalizations and vision impairment.
18 Unfortunately, dealing with these health issues prevented me from participating in
19 the sales process as actively as I have in the past. With the benefit of hindsight, *it*
20 *is now apparent that my active participation in the sales process may have had a*
21 *greater impact than I previously thought.*

22 (Emphasis added).

23 31. The aforementioned press releases and statements made by the Individual
24 Defendants are in direct contrast to statements they made during the February 26 and May 28,
25 2025, earnings calls. On those calls, Defendants continually praised high market demand for their
26 products, continued growth, and repeatedly assured investors as to Defendant Siegel’s health,
27 while they simultaneously minimized the associated risks to the Company’s ability to close deals
28 and capitalize on its alleged growth potential.

 32. Investors and analysts reacted immediately to C3 AI’s revelation. The price of C3
AI’s common stock declined dramatically. From a closing market price of \$22.13 per share on
August 8, 2025, C3 AI’s stock price fell to \$16.47 per share on August 11, 2025, a decline of about
25.58% in the span of just a single day.

 33. A number of well-known analysts who had been following C3 AI lowered their
price targets in response to C3 AI’s disclosures. For example, Oppenheimer, while downgrading

1 to market performance and altogether removing their price target highlighted the Company's
2 "extremely weak preliminary 1Q26 results," pertinently noting C3 AI "significantly lowered
3 revenue expectations for 1Q26, from ~\$105M to ~\$70M, implying a 35% sequential decline and
4 a major concern given the recurring nature of its Subscription revenues, suggesting the services
5 are not working as advertised."

6 34. Similarly, Northland Capital Markets downgraded the stock, as C3 AI's
7 "preliminary results not only missed [their] revenue estimates, but also came in lower than [their]
8 subscription estimates, which are supposed to be relatively visible on a quarterly basis."

9 35. The fact that these analysts, and others, discussed C3 AI's shortfall and below-
10 expectation results suggests the public placed significant weight on C3 AI's prior revenue and
11 sales estimates. The frequent, in-depth discussion of C3 AI's guidance confirms that Defendants'
12 statements during the Class Period were material.

13 **D. Loss Causation and Economic Loss**

14 36. During the Class Period, as detailed herein, Defendants made materially false and
15 misleading statements and engaged in a scheme to deceive the market and a course of conduct that
16 artificially inflated the price of C3 AI's common stock and operated as a fraud or deceit on Class
17 Period purchasers of C3 AI's common stock by materially misleading the investing public. Later,
18 Defendants' prior misrepresentations and fraudulent conduct became apparent to the market, the
19 price of C3 AI's common stock materially declined, as the prior artificial inflation came out of the
20 price over time. As a result of their purchases of C3 AI's common stock during the Class Period,
21 Plaintiff and other members of the Class suffered economic loss, *i.e.*, damages under federal
22 securities laws.

23 37. C3 AI's stock price fell in response to the corrective event on August 8, 2025, as
24 alleged *supra*. On August 8, 2025, Defendants disclosed information that was directly related to
25 their prior misrepresentations and material omissions concerning C3 AI's forecasting processes
26 and growth guidance, as well as concerning the capacity of Defendant Siegel to adequately perform
27 in his roles.

1 38. In particular, on August 8, 2025, C3 AI announced preliminary results for the first
2 quarter of fiscal year 2026 significantly below both market expectations and the company’s own
3 prior guidance.

4 **E. Presumption of Reliance; Fraud-On-The-Market**

5 39. At all relevant times, the market for C3 AI’s common stock was an efficient market
6 for the following reasons, among others:

7 (a) C3 AI’s common stock met the requirements for listing and was listed and actively
8 traded on the NYSE during the Class Period, a highly efficient and automated market;

9 (b) C3 AI communicated with public investors via established market communication
10 mechanisms, including disseminations of press releases on the national circuits of major newswire
11 services and other wide-ranging public disclosures, such as communications with the financial
12 press and other similar reporting services;

13 (c) C3 AI was followed by several securities analysts employed by major brokerage
14 firms who wrote reports that were distributed to the sales force and certain customers of their
15 respective brokerage firms during the Class Period. Each of these reports was publicly available
16 and entered the public marketplace; and

17 (d) Unexpected material news about C3 AI was reflected in and incorporated into the
18 Company’s stock price during the Class Period.

19 40. As a result of the foregoing, the market for C3 AI’s common stock promptly
20 digested current information regarding the Company from all publicly available sources and
21 reflected such information in C3 AI’s stock price. Under these circumstances, all purchasers of C3
22 AI’s common stock during the Class Period suffered similar injury through their purchase of C3
23 AI’s common stock at artificially inflated prices, and a presumption of reliance applies.

24 41. Alternatively, reliance need not be proven in this action because the action involves
25 omissions and deficient disclosures. Positive proof of reliance is not a prerequisite to recovery
26 pursuant to ruling of the United States Supreme Court in *Affiliated Ute Citizens of Utah v. United*
27 *States*, 406 U.S. 128 (1972). All that is necessary is that the facts withheld be material in the sense
28

1 that a reasonable investor might have considered the omitted information important in deciding
2 whether to buy or sell the subject security.

3 **F. No Safe Harbor; Inapplicability of Bespeaks Caution Doctrine**

4 42. The statutory safe harbor provided for forward-looking statements under certain
5 circumstances does not apply to any of the material misrepresentations and omissions alleged in
6 this Complaint. As alleged above, Defendants' liability stems from the fact that they provided
7 investors with updates to Defendant Siegel's health and his ability to effectively perform his roles
8 in C3 AI, and then provided investors with revenue projections, which relied upon the
9 effectiveness of Defendant Siegel, while failing to maintain adequate forecasting processes.
10 Defendants provided the public with forecasts that failed to account for this decline in sales and/or
11 adequately disclose the fact that the Company at the current time did not have adequate forecasting
12 processes.

13 43. To the extent certain of the statements alleged to be misleading or inaccurate may
14 be characterized as forward looking, they were not identified as "forward-looking statements"
15 when made and there were no meaningful cautionary statements identifying important factors that
16 could cause actual results to differ materially from those in the purportedly forward-looking
17 statements.

18 44. Defendants are also liable for any false or misleading "forward-looking statements"
19 pleaded because, at the time each "forward-looking statement" was made, the speaker knew the
20 "forward-looking statement" was false or misleading and the "forward-looking statement" was
21 authorized and/or approved by an executive officer of C3 AI who knew that the "forward-looking
22 statement" was false. Alternatively, none of the historic or present-tense statements made by
23 Defendants were assumptions underlying or relating to any plan, projection, or statement of future
24 economic performance, as they were not stated to be such assumptions underlying or relating to
25 any projection or statement of future economic performance when made, nor were any of the
26 projections or forecasts made by the defendants expressly related to or stated to be dependent on
27 those historic or present-tense statements when made.

1 **CLASS ACTION ALLEGATIONS**

2 45. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
3 Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise
4 acquired C3 AI's securities during the Class Period (the "Class"); and were damaged upon the
5 revelation of the alleged corrective disclosure. Excluded from the Class are defendants herein, the
6 officers and directors of the Company, at all relevant times, members of their immediate families
7 and their legal representatives, heirs, successors or assigns and any entity in which defendants have
8 or had a controlling interest.

9 46. The members of the Class are so numerous that joinder of all members is
10 impracticable. Throughout the Class Period, C3 AI's common stock were actively traded on the
11 NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be
12 ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or
13 thousands of members in the proposed Class. Record owners and other members of the Class may
14 be identified from records maintained by C3 AI or its transfer agent and may be notified of the
15 pendency of this action by mail, using the form of notice similar to that customarily used in
16 securities class actions. As of June 2, 2025, there were 130.886 million shares of the Company's
17 common stock outstanding. Upon information and belief, these shares are held by thousands, if
18 not millions, of individuals located throughout the country and possibly the world. Joinder would
19 be highly impracticable.

20 47. Plaintiff's claims are typical of the claims of the members of the Class as all
21 members of the Class are similarly affected by Defendants' wrongful conduct in violation of
22 federal law that is complained of herein.

23 48. Plaintiff will fairly and adequately protect the interests of the members of the Class
24 and has retained counsel competent and experienced in class and securities litigation. Plaintiff has
25 no interests antagonistic to or in conflict with those of the Class.

26 49. Common questions of law and fact exist as to all members of the Class and
27 predominate over any questions solely affecting individual members of the Class. Among the
28 questions of law and fact common to the Class are:

1 (a) whether the federal securities laws were violated by Defendants' acts as alleged
2 herein;

3 (b) whether statements made by Defendants to the investing public during the Class
4 Period misrepresented material facts about the business, operations and management of C3 AI;

5 (c) whether the Individual Defendants caused C3 AI to issue false and misleading
6 financial statements during the Class Period;

7 (d) whether Defendants acted knowingly or recklessly in issuing false and misleading
8 financial statements;

9 (e) whether the prices of C3 AI's common stock during the Class Period were
10 artificially inflated because of the Defendants' conduct complained of herein; and

11 (f) whether the members of the Class have sustained damages and, if so, what is the
12 proper measure of damages.

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

18 **COUNT I**

19 ***Against All Defendants for Violations of***

20 **Section 10(b) and Rule 10b-5 Promulgated Thereunder**

21 51. Plaintiff repeats and realleges each and every allegation contained above as if fully
22 set forth herein.

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

25 53. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and
26 course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions,
27 practices and courses of business which operated as a fraud and deceit upon. Plaintiff and the other
28 members of the Class; made various untrue statements of material facts and omitted to state

1 material facts necessary in order to make the statements made, in light of the circumstances under
2 which they were made, not misleading; and employed devices, schemes and artifices to defraud in
3 connection with the purchase and sale of securities. Such scheme was intended to, and, throughout
4 the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members,
5 as alleged herein; (ii) artificially inflate and maintain the market price of C3 AI common stock;
6 and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire C3 AI's
7 securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of
8 conduct, Defendants, and each of them, took the actions set forth herein.

9 54. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the
10 defendants participated directly or indirectly in the preparation and/or issuance of the quarterly
11 and annual reports, SEC filings, press releases and other statements and documents described
12 above, including statements made to securities analysts and the media that were designed to
13 influence the market for C3 AI's securities. Such reports, filings, releases and statements were
14 materially false and misleading in that they failed to disclose material adverse information and
15 misrepresented the truth about the Company.

16 55. By virtue of their positions at the Company, Defendants had actual knowledge of
17 the materially false and misleading statements and material omissions alleged herein and intended
18 thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants
19 acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose
20 such facts as would reveal the materially false and misleading nature of the statements made,
21 although such facts were readily available to Defendants. Said acts and omissions of defendants
22 were committed willfully or with reckless disregard for the truth. In addition, each defendant knew
23 or recklessly disregarded that material facts were being misrepresented or omitted as described
24 above.

25 56. Information showing that Defendants acted knowingly or with reckless disregard
26 for the truth is peculiarly within defendants' knowledge and control. As the senior managers and/or
27 directors of the Company, the Individual Defendants had knowledge of the details of C3 AI's
28 internal affairs.

1 57. The Individual Defendants are liable both directly and indirectly for the wrongs
2 complained of herein. Because of their positions of control and authority, the Individual
3 Defendants were able to and did, directly or indirectly, control the content of the statements of the
4 Company. As officers and/or directors of a publicly-held company, the Individual Defendants had
5 a duty to disseminate timely, accurate, and truthful information with respect to C3 AI's businesses,
6 operations, future financial condition and future prospects. As a result of the dissemination of the
7 aforementioned false and misleading reports, releases and public statements, the market price of
8 C3 AI's common stock was artificially inflated throughout the Class Period. In ignorance of the
9 adverse facts concerning the Company which were concealed by Defendants, Plaintiff and the
10 other members of the Class purchased or otherwise acquired C3 AI's common stock at artificially
11 inflated prices and relied upon the price of the common stock, the integrity of the market for the
12 common stock and/or upon statements disseminated by Defendants, and were damaged thereby.

13 58. During the Class Period, C3 AI's common stock was traded on an active and
14 efficient market. Plaintiff and the other members of the Class, relying on the materially false and
15 misleading statements described herein, which the defendants made, issued or caused to be
16 disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares
17 of C3 AI's common stock at prices artificially inflated by defendants' wrongful conduct. Had
18 Plaintiff and the other members of the Class known the truth, they would not have purchased or
19 otherwise acquired said common stock, or would not have purchased or otherwise acquired them
20 at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff
21 and the Class, the true value of C3 AI's common stock was substantially lower than the prices paid
22 by Plaintiff and the other members of the Class. The market price of C3 AI's common stock
23 declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and
24 Class members.

25 59. By reason of the conduct alleged herein, Defendants knowingly or recklessly,
26 directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5
27 promulgated thereunder.

1 to cause C3 AI to engage in the unlawful acts and conduct complained of herein. Each of the
2 Individual Defendants exercised control over the general operations of the Company and possessed
3 the power to control the specific activities which comprise the primary violations about which
4 Plaintiff and the other members of the Class complain.

5 66. By reason of the above conduct, the Individual Defendants and/or C3 AI are liable
6 pursuant to Section 20(a) of the Exchange Act for the violations committed by the Company.

7 **PRAYER FOR RELIEF**

8 **WHEREFORE**, Plaintiff demand judgment against defendants as follows:

9 A. Determining that the instant action may be maintained as a class action under Rule
10 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representatives;

11 B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason
12 of the acts and transactions alleged herein;

13 C. Awarding Plaintiff and the other members of the Class pre-judgment and post-
14 judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and

15 D. Awarding such other and further relief as this Court may deem just and proper.

16 **DEMAND FOR TRIAL BY JURY**

17 Plaintiff hereby demands a trial by jury.

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19 Dated: August 22, 2025
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