

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

Individually and) Case No.:
on Behalf of All Others)
Similarly Situated,)
Plaintiff(s),) CLASS ACTION
vs.) **COMPLAINT FOR VIOLATIONS OF**
REDDIT, INC., STEVEN HUFFMAN,) **THE FEDERAL SECURITIES LAWS**
ANDREW VOLLERO, and JENNIFER WONG,) DEMAND FOR JURY TRIAL
Defendant(s).)

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

NATURE OF THE ACTION

15 3. This is a federal securities class action on behalf of all investors who purchased or
16 otherwise acquired Reddit securities between October 29, 2024, and May 20, 2025, inclusive (the
17 “Class Period”), seeking to recover damages caused by Defendants’ violations of the federal
18 securities laws (the “Class”).

JURISDICTION AND VENUE

20 4. Plaintiff brings this action, on behalf of himself and other similarly situated
21 investors, to recover losses sustained in connection with Defendants' fraud.

22 5. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of the
23 Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC
24 (17 C.F.R. §240.10b-5).

25 6. This Court has jurisdiction over the subject matter of this action pursuant to 28
26 U.S.C. §§1331 and 1337, and Section 27 of the Exchange Act, 15 U.S.C. §78aa.

27 7. Venue is proper in this District pursuant to §27 of the Exchange Act and 28 U.S.C.
28 §1391(b), as Defendant Reddit is headquartered in this District and a significant portion of its

1 business, actions, and the subsequent damages to Plaintiff and the Class, took place within this
2 District.

3 8. In connection with the acts, conduct and other wrongs alleged in this Complaint,
4 Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce,
5 including but not limited to, the United States mail, interstate telephone communications and the
6 facilities of the national securities exchange.

THE PARTIES

8 9. Plaintiff purchased Reddit common stock at artificially inflated prices during the
9 Class Period and was damaged upon the revelation of the Defendants' fraud. Plaintiff's certification
10 evidencing his transactions in Reddit is attached hereto.

11 10. Reddit, Inc. is a Delaware corporation with its principal executive offices located at
12 303 2nd Street, South Tower, 5th Floor, San Francisco, CA 94107. During the Class Period, the
13 Company's common stock traded on the New York Stock Exchange ("NYSE") (the "NYSE") under
14 the symbol "RDDT."

15 11. Defendant Steven Huffman (“Huffman”) was, at all relevant times, Co-Founder and
16 Chief Executive Officer of Reddit.

17 12. Defendant Andrew Vollero (“Vollero”) was, at all relevant times, the Chief Financial
18 Officer of Reddit.

19 13. Defendant Jennifer Wong (“Wong”) was, at all relevant times, the Chief Operating
20 Officer of Reddit.

14. Defendants Huffman, Vollero, and Wong are sometimes referred to herein as the
“Individual Defendants.” Reddit together with the Individual Defendants are referred to herein as
the “Defendants.”

24 15. The Individual Defendants, because of their positions with the Company, possessed
25 the power and authority to control the contents of Reddit's reports to the SEC, press releases, and
26 presentations to securities analysts, money and portfolio managers, and institutional investors, i.e.,
27 the market. Each Individual Defendant was provided with copies of the Company's reports and
28 press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the

1 ability and opportunity to prevent their issuance or cause them to be corrected. Because of their
2 positions and access to material non-public information available to them, each of these Individual
3 Defendants knew that the adverse facts specified herein had not been disclosed to, and were being
4 concealed from, the public, and that the positive representations which were being made were then
5 materially false and/or misleading. The Individual Defendants are liable for the false statements
6 pleaded herein, as those statements were each “group-published” information, the result of the
7 collective actions of the Individual Defendants.

8 16. Reddit is liable for the acts of the Individual Defendants, and its employees under the
9 doctrine of respondeat superior and common law principles of agency as all the wrongful acts
10 complained of herein were carried out within the scope of their employment with authorization.

11 17. The scienter of the Individual Defendants, and other employees and agents of the
12 Company are similarly imputed to Reddit under respondeat superior and agency principles.

SUBSTANTIVE ALLEGATIONS

Company Background

15 18. Reddit is a social media platform and forum-style website where users share and
16 discuss content through posts and comments, organized into communities called subreddits. Users
17 vote on content, with upvotes pushing posts and comments to the top, and downvotes doing the
18 opposite. It has often been described as "the front page of the internet" due to its curated content and
19 ability to surface trending topics.

20 19. Google Search is the most popular online search engine in the world. A significant
21 portion of Reddit's user traffic is from individuals seeking answers to questions using Google
22 Search. In 2024, Google Search began implementing new Artificial Intelligence ("AI") capabilities
23 such as AI Overviews that could change the nature of search results.

24 20. AI Overviews is feature in Google Search that uses generative AI to provide concise
25 and informative search results, often appearing at the very top of the page. These overviews attempt
26 to quickly answer user queries by synthesizing information from multiple sources, including Reddit.
27 As a result, a user may find the answer to their search query directly on Google Search without
28 needing to click through to any external website. This situation is known as a “zero-click search.”

21. Reddit's primary source of revenue is generated from advertising on its website. Reddit's most recent earnings report for first quarter 2025, showed that \$358.6 million out of a total of \$392.4 million, or about 91%, of revenue came from advertising.

22. Reddit also reports user metrics and how they impact revenue in its financial statements. A key financial measure is a daily active unique (“DAUq”) that Reddit defines as a “user whom we can identify with a unique identifier who has visited a page on the Reddit website, www.reddit.com, or opened a Reddit application at least once during a 24-hour period. Average DAUq for a particular period is calculated by adding the number of DAUq on each day of that period and dividing that sum by the number of days in that period.” Another key user metric is the average revenue per unique (“ARPU”) that Reddit defines as “quarterly revenue in a given geography divided by the average DAUq in that geography.”

The Defendants Materially Mislead Investors

The Third Quarter 2024 Earnings Report and Conference Call

23. The Class Period begins on October 29, 2024, when Reddit issued an earnings release announcing its third quarter 2024 financial results for the period ending September 30, 2024 (“3Q24 Earning Release”). The 3Q24 Earning Release reported DAUq increased 47% year-over-year to 97.2 million and revenue growth of 68% year-over-year to \$384.4 million.

24. On the same day as issuing the 3Q25 Earnings Release, the Individual Defendants held a call with analysts to discuss its financial results. Before opening the call to analysts, Defendant Huffman answered a few prepared questions from Reddit users. Defendant Huffman stated the following regarding a Google Search question:

Next question is basically a Google question, "One thing that worries me is Google taketh dynamic, particularly with logged out DAU growth. I guess most of us would be expecting logging in to be outgrowing logged out, but logged in is at 27%, logged out is at 70%. Even the 2-year stacks, the logged out DAU crushes. My questions are, what are the dynamics of those users? It would be good if you could have some color on the conversion of them, if they show intention on the Google queries, et cetera? And how much should we worry about Google diverting traffic in the future?

Also, if you can comment on the famous essay, Google is dying and people are depending on Reddit for their queries?"

1 Okay. Thank you for the question. Look, we've long had, I think, a symbiotic
2 relationship with Google and the Google Search platform specifically. So I think *if*
3 *you look within the Google traffic, there's a couple of big classes of users that I*
4 *think are important to recognize. So the first are people who go to Google with*
5 *the intention of ending up on Reddit.* So in that stat I mentioned in my opening
6 remarks, we're seeing a lot of those users. Reddit is the sixth most searched word
7 on Google in the U.S. this year. *And so those are people literally typing the word*
8 *Reddit into Google. So they know they're going to end up on it. They're using, in*
9 *this case, Google to navigate Reddit.*

10 *The second class of users is users who are running maybe a more general search*
11 *on Google and then ending up on Reddit, also valuable.* And so we think of these
12 users as this is an opportunity to teach people that Reddit has the answers to their
13 questions. And so in that case, it's a great source of new users and a great
opportunity to kind of show a new audience what Reddit is all about.

14 *It's true, the algorithm does kind of come and go, give us and take us away, as*
15 *you say. So you'll never hear us celebrate or complain about an algorithm change*
16 *here. But at the end of the day, Reddit has great content. It has answers to*
17 *questions. It has advice and perspectives that people are looking for, and that's*
18 *what Internet consumers want, whether they're coming directly to Reddit or*
19 *finding us through other means.¹*

20 (Emphasis added).

21 25. Later in the earnings call, J.P. Morgan and Chase analyst Douglas Till Anmuth ask the
22 Individual Defendants if they could "help us think through some of the puts and takes of getting up
23 to 40% of daily traffic coming from Google." Defendant Huffman responded:

24 [O]n the kind of more traditional external search side, yes, look, I think, as I
25 mentioned, *we've long had I think a symbiotic relationship with the Google search*
26 *platform.* It's high utility for some of our core users. *Those users are going to come*
27 *to Reddit regardless.* And it's a great source of new users, effectively a marketing
28 channel, to educate new users about Reddit. And look, we've seen their algorithm
change a lot over the years, and of course, it always will. And Google, of course,
experiments with all sorts of new search products. Some help, some hurt.

29 But we've been on this journey for 19 years. So yes, there's volatility in that traffic.
30 But if you look over the last few years, our logged in growth has been very stable
31 and reliable. Our app growth has been stable and reliable. And that's where the vast
32 majority of our revenue is. So yes, volatility on the logged out users, on the external
33 users, but our actual business has been very stable and reliable growth over that time
34 period, and that's what we see looking forward as well.

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1 The Fourth Quarter and Full Year 2024 Earnings Report and Conference Call

2 26. On February 12, 2025, Reddit issued an earnings release announcing its fourth
3 quarter and full year 2024 financial results for the period ending December 31, 2024 (“4Q24
4 Earning Release”). The 4Q24 Earning Release reported that DAUq increased 39% year-over-year to
5 101.7 million and revenue growth of 71% year-over-year to \$427.7 million.

6 27. On the same day as issuing the 4Q24 Earnings Release, the Individual Defendants
7 held a call with analysts to discuss its financial results. In his opening remarks, Defendant Huffman
8 stated the following regarding “volatility” in Google search traffic:

9 We finished the year with 101.7 million DAUq, marking 39% growth year-over-
10 year, led by strong international growth at 46%. Additionally, logged-in users grew
11 27% and they’ve grown at this rate or higher every quarter for the last year and have
maintained a steady upward trend for the last two years.

12 *Late in Q4, we did experience some volatility from Google Search triggered by a
13 periodic algorithm change, but traffic from search has recovered so far in Q1 and
we've regained momentum.*

14 *What happened wasn't unusual.* Referrals from search fluctuate from time to time
15 and they primarily affect logged-out users.

16 *Our teams have navigated many algorithm updates over the years and did an
17 excellent job adapting to these latest changes effectively.*

18 *This particular swing was interesting because along with it, we saw a
19 corresponding increase in the query term Reddit, which suggests users are
searching with the specific intent of reaching Reddit and this propensity continues
to rise.*

20 We typically see two types of users on Reddit, those who scroll and those who seek.

21 Scrollers engage with Reddit for its core community and conversation while seekers
22 come to or end up on Reddit for answers to their questions. Just a few years ago,
23 adding Reddit to the end of your search query felt novel.

24 28. Later in the same earnings call, Deutsche Bank analyst Benjamin Black had a
25 question for the Individual Defendants about the year ahead asking, “How do you think about the
26 balance of U.S. user growth versus ARPU growth?” Individual Defendants Huffman and Wong
27 responded, in part:

Defendant Huffman

[I]n terms of user growth and ARPU growth...I think we still have a tremendous amount of opportunity on users.

We haven't come, I think close to tapping out in the U.S., which is our most mature market. We're really getting off the ground in a number of countries around the world. Communities are universal, and so we see very high potential in building a product that is literally universal -- everybody belongs to communities, everybody wants that feeling of belonging.

• • •

Defendant Wong

So as we've mentioned before, we don't manage to ARPU. There's nobody who managed it to what it is. It is just the revenue divided by the users. It did grow in Q4 nicely in both regions, the U.S. and rest of world. There's a lot of headroom there. We know that, that's an opportunity to grow over time.

But the way we think about it is we're trying to grow revenue by continuing to expand our verticals, drive performance, make our ad platform easier so that we have more advertisers on it, driving more demand into our platform. That grows our share as we continue to also grow users in parallel.

Look, the ARPU in both the U.S. and rest of worldwide, they grew in Q4 are still very early. The ARPU for the rest of world is just a fraction of the U.S. So there's a lot of opportunity for growth there.

But again we think of it as really growing our revenue, growing our share and users in parallel.

This was false and misleading because ARPU was a key metric for Reddit's financial health and that a decline in users visiting the site would create pressures on ARPU.

Later in the same earnings call, LightShed Partners analyst Rich Greenfield had a question about what changed in the Google Search algorithm during the quarter, and how to “get comfort and confidence that future changes are not going to be more problematic, and the impact on revenue.” Individual Defendants Huffman responded:

Okay. What did Google change? I have my suspicions but it's not my place to say but *I'm not worried about it.*

Number two, assume no revenue -- impact to revenue -- sorry, assume no revenue impact? Correct. No revenue impact.

Three, what was adjusted down in Q4, what's it look like in Q1? Look, I can't put specific numbers on it but I don't think we'd be having this conversation if not for the swing there, and we feel very good about the pace that we're on in Q1.

Like I said, look, we see volatility from Google all the time as does everybody. You can read the blogs a couple of times a year. Our relationship with them is great.

1 *We collaborate in a number of ways including how they can continue to crawl us*
2 *better so there's zero concern from us in this department.*

3 29. Later in the same earnings call, Citi analyst Ron Josey also questioned the Individual
4 Defendants about whether the Google Search change in algorithm had any impact to engagement or
5 revenue. Individual Defendants Huffman responded, in part:

6 Look, these changes happen. They actually happen all the time I'd say ballpark,
7 twice a year, not the first, not the last. For us, it primarily affects logged-out users in
8 the U.S. This one was particularly interesting because it really was a swing down but
9 then a recovery shortly thereafter.

10 It happened right at the end of the quarter. It was kind of interesting during this one,
11 the team recovered. I think adapted nice.

12 *We see these things for all sorts of different reasons.*

13 *We did see an increase in the query term "Reddit" in our own search dashboard,
14 which says that kind of despite what happens on the Google side, Internet
15 consumers broadly want to end up on Reddit.*

16 *So as we've mentioned, we started off Q1, I think on a great foot, both with our
17 search traffic and then also with the rest of our traffic.*

18 30. The above statements in Paragraphs 23 to 29 were false and/or materially
19 misleading. Specifically, Defendants made false and/or misleading statements and/or failed to
20 disclose that: (i) changes in Google Search's algorithm and features like AI Overview were causing
21 users to stop their query on Google Search; (ii) these algorithm changes were materially different
22 than prior instances of reduced traffic to the Reddit website; (iii) Defendants were aware that the
23 increase in the query term "Reddit" on search engines was because users were getting the sought
24 after answer from Google Search without having to go to Reddit, and not because they intended to
25 visit Reddit; (iv) this zero-click search reality was dramatically reducing traffic to Reddit in a
26 manner the Company was unable to overcome in the short term; (v) Defendants, therefore, lacked a
27 reasonable basis for their outlook on user rates and advertising revenues; and (vi) as a result, the
28 Company's public statements were materially false and misleading at all relevant times.

The Truth Begins to Emerge

The First Quarter 2025 Earnings Report and Conference Call

31. On May 1, 2025, after the market close, Reddit issued an earnings release announcing its first quarter 2024 financial results for the period ending March 31, 2025 (“1Q25 Earning Release”). The 1Q25 Earning Release DAUq increased 31% year-over-year to 108.1 million and revenue growth of 61% year-over-year to \$392.4 million.

32. The DAUq figures in the 1Q25 Earnings Release would mark Reddit's third consecutive quarter slowdown in daily active user growth, which increased uncertainty around the sustainability of growth.

33. On the same day as issuing the 1Q25 Earnings Release, the Individual Defendants held a call with analysts to discuss its financial results. In their opening remarks, the Individual Defendants omitted all discussion of Google's change in algorithm. The first question from an analyst Ron Josey from Citi asked Defendant Huffman his "thoughts on DAUq and users overall. More specifically ... how you see user growth for the remainder of the year going forward? And I ask you this only because I think we've seen two or so Google algorithm changes since December." Defendant Huffman responded:

So look, we're happy with the start to the year. In Q1, we had 108 million dailies, 400 million weeklies. So that's 31% each year-over-year. ***We believe we're in great shape over the medium and longer term.***

Look, ultimately, we drive growth when we make improvements to the product, which is where our focus is. So things like onboarding, search, machine translation, they all drive growth over the long term.

Now, look. Remember, we're an open platform, and we want people to find Reddit's content in search. Being open drives awareness and visibility, but it can also create variability.

We do expect some bumps along the way from Google because we've already seen a few this year. This is expected in any year, but given that the search ecosystem is under heavy construction, the near-term could be more bumpy than usual.

To give you an early read on Q2 through the month of April, *we're seeing total DAUs growing in the high-teens range year-over-year*.

1 But the short-term bumps don't affect our long-term strategy or opportunity. We're
2 in control of our own destiny.

3 *I think the question behind the question is, is there a long-term risk to Reddit
4 here? And in my view, the answer is no.* In fact, I think there's opportunity. There's
5 no doubt LLMs will evolve search on the Internet. We can all see that. It's awesome.

6 Sometimes people will want the summarized, annotated, sterile answers from AI,
7 and we're even building this ourselves in Reddit Answers. But other times, they
8 want the subjective, authentic, messy, multiple viewpoints that Reddit provides.

9 So in the same way that Reddit for the last decade has been an alternative to social
10 media – social media being performative and manicured, and Reddit being the
11 opposite – Reddit communities and conversations will be an alternative to AI search
12 answers.

13 *And furthermore, people want what Reddit has. When they search, they search for
14 Reddit by name. In the last 90 days, the word "Reddit", was the sixth most
15 searched word on Google between "news" and "Trump", which incidentally also
16 says something about our position in the media landscape. The Google algorithm
17 serves users what they want and what they ask for. Of course we have had a long
18 and symbiotic relationship with Google.*

19 So in summary, expect some bumps and expect us to continue to improve the
20 product and lay the foundation for more consistency in the back half of the year and
21 beyond. Our opportunity remains huge, communities are universal, our knowledge
22 base is unparalleled.

23 34. Later in the same earnings call, Wells Fargo analyst Ken Gawrelske asked the
24 follow-up question, "back to the DAU point you made about it being in the high tens in April in
25 volatility. Could you give us [] please a bit more color on both U.S. versus international and kind of
26 logged out versus logged in." Defendant Huffman responded:

27 So look, we're focused on the product and building longer term. Search traffic is
28 mostly logged out, but it's some logged in, too; it's more U.S. than not, simply
29 because that's where we've had the content base. That's the biggest content base and
30 where it's had it the longest.

31 So look, we'll see where it goes. As I said, we expect some bumps. ***Some bumps are
32 normal.***

33 It's probably more bumpy than typical because of the evolution. So we'll share more
34 with you
35 next quarter.

1 35. Upon the opening of trading markets the following day, investors and analysts began
2 immediately reacting to these surprising revelations. The price of Reddit's common stock declined
3 dramatically. From a closing market price of \$118.79 per share on May 1, 2025, Reddit's stock
4 price fell to \$113.83 per share on May 2, 2025, a decline of about 4.2%.

The May 19, 2025 Wells Fargo Analysts Downgrade

6 36. On May 19, 2025, Wells Fargo analysts downgraded Reddit's stock and lowered
7 their price target to \$115 per share from a previous \$168 per share. Wells Fargo called Google
8 Search's implementation of new AI features as likely "**permanent**" disruptions on user traffic for
9 Reddit. The analysts stated traffic to Reddit from Google Search, particularly from from logged-out
10 users in the U.S. is likely to decline as result of the changes. Accordingly, the reduction in traffic
11 will ultimately hurt Reddit's advertising revenue.

12 37. Investors reacted immediately to the Wells Fargo revelations. The price of Reddit's
13 common stock declined dramatically. From a closing market price of \$113.23 per share on May 16,
14 2025, Reddit's stock price fell to \$107.99 per share on May 19, 2025 (the next trading day), a
15 decline of about 4.2%.

The May 21, 2025 Baird Analysts Downgrade

17 38. On May 21, 2025 Baird analysts substantially downgraded Reddit's stock, reducing
18 the price target to \$120 per share from the previous \$140 per share. Citing similar concerns as the
19 Wells Fargo analysts, Baird analysts also noted the new developments in Google Search that had
20 just been presented at the Google I/O developer conference. With this confirmation on permanent
21 disruptions to Reddit's traffic, Baird analysts accordingly "adjust[ed] estimates for ongoing U.S.
22 user growth headwinds."

23 39. Investors reacted immediately to the Baird revelations. The price of Reddit's
24 common stock declined dramatically. From a closing market price of \$105.64 per share on May 20,
25 2025, Reddit's stock price fell to \$95.85 per share on May 21, 2025, a decline of about 9.3%.

Loss Causation and Economic Loss

27 40. During the Class Period, as detailed herein, Defendants made materially false and
28 misleading statements and engaged in a scheme to deceive the market and a course of conduct that

1 artificially inflated the price of Reddit's common stock and operated as a fraud or deceit on Class
2 Period purchasers of Reddit's common stock by materially misleading the investing public. Later,
3 Defendants' prior misrepresentations and fraudulent conduct became apparent to the market, the
4 price of Reddit's common stock materially declined, as the prior artificial inflation came out of the
5 price over time. As a result of their purchases of Reddit's common stock during the Class Period,
6 Plaintiff and other members of the Class suffered economic loss, i.e., damages under federal
7 securities laws.

8 41. Reddit's stock price fell in response to the corrective events on May 2, 19, and 21,
9 2025, as alleged *supra*. On these dates, Defendants and analysts disclosed information that was
10 directly related to the Defendants' prior misrepresentations and material omissions concerning
11 Reddit's traffic from search engines, user growth, and how these issues would impact the
12 Company's outlook advertising revenues.

13 42. Specifically, on May 1, 2025, Reddit announced volatile traffic coming from Google
14 Search to the website and striking deceleration in daily active users. Further, additional revelations
15 on these issues truth were disclosed by analysts from Wells Fargo on May 19, 2025, and Baird on
16 May 21, 2025.

Presumption of Reliance; Fraud-On-The-Market

18 43. At all relevant times, the market for Reddit's common stock was an efficient market
19 for the following reasons, among others:

20 (a) Reddit's common stock met the requirements for listing and was listed and actively
21 traded on the NYSE during the Class Period, a highly efficient stock exchange;

22 (b) Reddit communicated with public investors via established market communication
23 mechanisms, including disseminations of press releases on the national circuits of major newswire
24 services and other wide-ranging public disclosures, such as communications with the financial press
25 and other similar reporting services;

26 (c) Reddit was followed by several securities analysts employed by major brokerage
27 firms who wrote reports that were distributed to the sales force and certain customers of their

1 respective brokerage firms during the Class Period. Each of these reports was publicly available and
2 entered the public marketplace; and

3 (d) Unexpected material news about Reddit was reflected in and incorporated into the
4 Company's stock price during the Class Period.

5 44. As a result of the foregoing, the market for Reddit's common stock promptly
6 digested current information regarding the Company from all publicly available sources and
7 reflected such information in Reddit's stock price. Under these circumstances, all purchasers of
8 Reddit's common stock during the Class Period suffered similar injury through their purchase of
9 Reddit's common stock at artificially inflated prices, and a presumption of reliance applies.

10 45. Alternatively, reliance need not be proven in this action because the action involves
11 omissions and deficient disclosures. Positive proof of reliance is not a prerequisite to recovery
12 pursuant to ruling of the United States Supreme Court in *Affiliated Ute Citizens of Utah v. United*
13 *States*, 406 U.S. 128 (1972). All that is necessary is that the facts withheld be material in the sense
14 that a reasonable investor might have considered the omitted information important in deciding
15 whether to buy or sell the subject security.

16 **No Safe Harbor; Inapplicability of Bespeaks Caution Doctrine**

17 46. The statutory safe harbor provided for forward-looking statements under certain
18 circumstances does not apply to any of the material misrepresentations and omissions alleged in this
19 Complaint. As alleged above, Defendants' liability stems from the fact that they provided investors
20 with revenue projections while at the same time failing to maintain adequate forecasting processes.
21 Defendants provided the public with forecasts that failed to account for this decline in sales and/or
22 adequately disclose the fact that the Company at the current time did not have adequate forecasting
23 processes.

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

1 48. Defendants are also liable for any false or misleading “forward-looking statements”
2 pleaded because, at the time each “forward-looking statement” was made, the speaker knew the
3 “forward-looking statement” was false or misleading and the “forward-looking statement” was
4 authorized and/or approved by an executive officer of Reddit who knew that the “forward-looking
5 statement” was false. Alternatively, none of the historic or present-tense statements made by
6 Defendants were assumptions underlying or relating to any plan, projection, or statement of future
7 economic performance, as they were not stated to be such assumptions underlying or relating to any
8 projection or statement of future economic performance when made, nor were any of the projections
9 or forecasts made by the defendants expressly related to or stated to be dependent on those historic
10 or present-tense statements when made.

CLASS ACTION ALLEGATIONS

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

19 50. The members of the Class are so numerous that joinder of all members is
20 impracticable. Throughout the Class Period, Reddit's common stock was actively traded on the
21 NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be
22 ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or
23 thousands of members in the proposed Class. Record owners and other members of the Class may
24 be identified from records maintained by Reddit or its transfer agent and may be notified of the
25 pendency of this action by mail, using the form of notice similar to that customarily used in
26 securities class actions. As of April 30, 2025, there were 129.55 million shares of the Company's
27 Class A common stock outstanding. Upon information and belief, these shares are held by

1 thousands, if not millions, of individuals located throughout the country and possibly the world.
2 Joinder would be highly impracticable.

3 51. Plaintiff's claims are typical of the claims of the members of the Class as all
4 members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal
5 law complained of herein.

6 52. Plaintiff will fairly and adequately protect the interests of the members of the Class
7 and has retained counsel competent and experienced in class and securities litigation. Plaintiff has
8 no interests antagonistic to or in conflict with those of the Class.

9 53. Common questions of law and fact exist as to all members of the Class and
10 predominate over any questions solely affecting individual members of the Class. Among the
11 questions of law and fact common to the Class are:

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

14 (b) whether statements made by Defendants to the investing public during the Class
15 Period misrepresented material facts about the business, operations and management of Reddit;

16 (c) whether the Individual Defendants caused Reddit to issue false and misleading
17 financial statements during the Class Period;

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

20 (e) whether the prices of Reddit's common stock during the Class Period were
21 artificially inflated because of the Defendants' conduct complained of herein; and

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

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

COUNT I
Against All Defendants for Violations of
Section 10(b) and Rule 10b-5 Promulgated Thereunder

55. Plaintiff repeats, realleges, and reincorporates the allegations contained above in Paragraphs 1-54 as if fully set forth herein.

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

57. During the Class Period, Defendants: (1) engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; (2) made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (3) employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Reddit common stock; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Reddit's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

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

59. By virtue of their positions at the Company, Defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended

1 thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants
2 acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose
3 such facts as would reveal the materially false and misleading nature of the statements made,
4 although such facts were readily available to Defendants. Said acts and omissions of defendants
5 were committed willfully or with reckless disregard for the truth. In addition, each defendant knew
6 or recklessly disregarded that material facts were being misrepresented or omitted as described
7 above.

8 60. Information showing that Defendants acted knowingly or with reckless disregard for
9 the truth is peculiarly within defendants' knowledge and control. As the senior managers and/or
10 directors of the Company, the Individual Defendants had knowledge of the details of Reddit's
11 internal affairs.

12 61. The Individual Defendants are liable both directly and indirectly for the wrongs
13 complained of herein. Because of their positions of control and authority, the Individual Defendants
14 were able to and did, directly or indirectly, control the content of the statements of the Company. As
15 officers and/or directors of a publicly-held company, the Individual Defendants had a duty to
16 disseminate timely, accurate, and truthful information with respect to Reddit's businesses,
17 operations, future financial condition and future prospects. As a result of the dissemination of the
18 aforementioned false and misleading reports, releases and public statements, the market price of
19 Reddit's common stock was artificially inflated throughout the Class Period. In ignorance of the
20 adverse facts concerning the Company which were concealed by Defendants, Plaintiff and the other
21 members of the Class purchased or otherwise acquired Reddit's common stock at artificially
22 inflated prices and relied upon the price of the common stock, the integrity of the market for the
23 common stock and/or upon statements disseminated by Defendants, and were damaged thereby.

24 62. During the Class Period, Reddit's common stock was traded on an active and
25 efficient market. Plaintiff and the other members of the Class, relying on the materially false and
26 misleading statements described herein, which the defendants made, issued or caused to be
27 disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares of
28 Reddit's common stock at prices artificially inflated by defendants' wrongful conduct. Had Plaintiff

1 and the other members of the Class known the truth, they would not have purchased or otherwise
2 acquired said common stock, or would not have purchased or otherwise acquired them at the
3 inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the
4 Class, the true value of Reddit's common stock was substantially lower than the prices paid by
5 Plaintiff and the other members of the Class. The market price of Reddit's common stock declined
6 sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class
7 members.

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

11 64. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the
12 other members of the Class suffered damages in connection with their respective purchases,
13 acquisitions and sales of the Company's common stock during the Class Period, upon the disclosure
14 that the Company had been disseminating misrepresented financial statements to the investing
15 public.

COUNT II
Against the Individual Defendants
for Violations of Section 20(a) of the Exchange Act

18 65. Plaintiff repeats, realleges, and reincorporates the allegations contained above in
19 Paragraphs 1-54 as if fully set forth herein.

66. During the Class Period, the Individual Defendants participated in the operation and
management of the Company, and conducted and participated, directly and/or indirectly, in the
conduct of the Company's business affairs. Because of their senior positions, they knew the adverse
non-public information about Reddit's misstatements.

24 67. As officers and/or directors of a publicly owned company, the Individual Defendants
25 had a duty to disseminate accurate and truthful information, and to correct promptly any public
26 statements issued by Reddit which had become materially false or misleading.

1 68. Because of their positions of control and authority as senior officers, the Individual
2 Defendants were able to, and did, control the contents of the various reports, press releases and
3 public filings which Reddit disseminated in the marketplace during the Class Period concerning the
4 misrepresentations. Throughout the Class Period, the Individual Defendants exercised their power
5 and authority to cause Reddit to engage in the wrongful acts complained of herein. The Individual
6 Defendants, therefore, were “controlling persons” of the Company within the meaning of Section
7 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which
8 artificially inflated the market price of Reddit’s common stock.

9 69. Each of the Individual Defendants, therefore, acted as a controlling person of the
10 Company. By reason of their senior management positions and/or being directors of the Company,
11 each of the Individual Defendants had the power to direct the actions of, and exercised the same to
12 cause Reddit to engage in the unlawful acts and conduct complained of herein. Each of the
13 Individual Defendants exercised control over the general operations of the Company and possessed
14 the power to control the specific activities which comprise the primary violations about which
15 Plaintiff and the other members of the Class complain.

16 70. By reason of the above conduct, the Individual Defendants and/or Reddit are liable
17 pursuant to Section 20(a) of the Exchange Act for the violations committed by the Company.

PRAYER FOR RELIEF

19 71. **WHEREFORE**, Plaintiff demand judgment against defendants as follows:

20 A. Determining that the instant action may be maintained as a class action under Rule
21 23 of the Federal Rules of Civil Procedure, certifying Plaintiff as the Class representative;

22 B. Requiring Defendants to pay all damages sustained by Plaintiff and the Class by
23 reason of the acts and transactions alleged herein:

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

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

DEMAND FOR TRIAL BY JURY

72. Plaintiff hereby demands a trial by jury.

1
2 DATED: June 18, 2025

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Respectfully Submitted,