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8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

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11 Case No.

12
13 Plaintiff,

CLASS ACTION

14
15 v.

COMPLAINT FOR VIOLATIONS
OF THE FEDERAL SECURITIES
LAWS

16 RIVIAN AUTOMOTIVE, INC.,
17 ROBERT J. SCARINGE, and CLAIRE
MCDONOUGH,

DEMAND FOR JURY TRIAL

18
19 Defendants.

20
21 Plaintiff _____ (“Plaintiff”), individually and on behalf of all others
22 similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint
23 against Defendants, alleges the following based upon personal knowledge as to
24 Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters,
25 based upon, *inter alia*, the investigation conducted by and through Plaintiff’s
26 attorneys, which included, among other things, a review of the Defendants’ public
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documents, conference calls and announcements made by Defendants, United States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Rivian Automotive, Inc. (“Rivian” or the “Company”), analysts’ reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial, additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired Rivian securities between March 1, 2023 and February 21, 2024, both dates inclusive (the “Class Period”), seeking to recover damages caused by Defendants’ violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. Rivian, together with its subsidiaries, designs, develops, manufactures, and sells electric vehicles (“EVs”) and accessories. The Company sells its products directly to customers in the consumer and commercial markets.

3. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company’s business, operations, and

prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Rivian had overstated demand for its products, as well as its ability to withstand negative, near-term macroeconomic impacts; (ii) accordingly, Rivian’s business was experiencing reduced demand and increased customer cancellations as a result of, *inter alia*, high interest rates; (iii) as a result, Rivian’s order bank had significantly deteriorated; (iv) all the foregoing was likely to, and did, negatively impact the Company’s anticipated earnings and vehicle production targets for 2024; and (v) as a result, the Company’s public statements were materially false and misleading at all relevant times.

4. On February 21, 2024, Rivian announced its fourth quarter and full year 2023 financial results. Among other items, Rivian announced that it expected to produce 57,000 vehicles in 2024, significantly lower than analyst expectations of 80,000 vehicles. The Company further forecasted an adjusted EBITDA¹ loss of \$2.7 billion for full year 2024, compared to analyst expectations of \$2.59 billion, and announced plans to cut 10% of salaried staff, citing economic uncertainty. On the subsequent earnings call to discuss these results, Rivian’s Chief Executive Officer (“CEO”), Defendant Robert J. Scaringe (“Scaringe”), revealed that “historically high interest rates . . . ha[ve] negatively impacted demand” and “[o]ur order bank has notably reduced overtime . . . along with the impact of cancellations

¹ “EBITDA” refers to earnings before interest, taxes, depreciation, and amortization.

1 due to both the macroenvironment and [various] customer factors” such as “delivery
2 timing, location of order, monthly payments, and customer readiness.”

3
4 5. On this news, Rivian’s stock price fell \$3.94 per share, or 25.6%, to
5 close at \$11.45 per share on February 22, 2024.

6
7 6. As a result of Defendants’ wrongful acts and omissions, and the
8 precipitous decline in the market value of the Company’s securities, Plaintiff and
9 other Class members have suffered significant losses and damages.

10 **JURISDICTION AND VENUE**

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

15
16 8. This Court has jurisdiction over the subject matter of this action
17 pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act.

18
19 9. Venue is proper in this Judicial District pursuant to Section 27 of the
20 Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Rivian is headquartered
21 in this Judicial District, Defendants conduct business in this Judicial District, and a
22 significant portion of Defendants’ activities took place within this Judicial District.

23
24 10. In connection with the acts alleged in this complaint, Defendants,
25 directly or indirectly, used the means and instrumentalities of interstate commerce,
26 including, but not limited to, the mails, interstate telephone communications, and
27 the facilities of the national securities markets.
28

PARTIES

11. Plaintiff, as set forth in the attached Certification, acquired Rivian securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosures.

12. Defendant Rivian is a Delaware corporation with principal executive offices located at 14600 Myford Road, Irvine, California 92606. Rivian's Class A common stock trades in an efficient market on the Nasdaq Stock Market ("NASDAQ") under the ticker symbol "RIVN".

13. Defendant Scaringe has served as Rivian's CEO at all relevant times. Defendant Scaringe is also the Company's founder.

14. Defendant Claire McDonough ("McDonough") has served as Rivian's Chief Financial Officer at all relevant times.

15. Defendants Scaringe and McDonough are collectively referred to herein as the "Individual Defendants".

16. The Individual Defendants possessed the power and authority to control the contents of Rivian's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of Rivian's SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions with Rivian, and their access to material information available to them but not to the public, the Individual

1 Defendants knew that the adverse facts specified herein had not been disclosed to
2 and were being concealed from the public, and that the positive representations
3 being made were then materially false and misleading. The Individual Defendants
4 are liable for the false statements and omissions pleaded herein.
5

6 17. Defendant Rivian and the Individual Defendants are collectively
7 referred to herein as “Defendants”.
8

9 **SUBSTANTIVE ALLEGATIONS**

10 **Background**

11 18. Rivian, together with its subsidiaries, designs, develops, manufactures,
12 and sells EVs and accessories. The Company’s products include, among others, the
13 R1T, a two-row, five-passenger pickup truck, and the R1S, a three-row, seven-
14 passenger sport utility vehicle, both of which are marketed as consumer EVs, as
15 well as the Electric Delivery Van (“EDV”), which is marketed as a commercial EV.
16 Rivian sells its products directly to customers in both the consumer and commercial
17 markets.
18
19
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21 **Materially False and Misleading Statements Issued During the Class Period**

22 19. The Class Period begins on March 1, 2023. On February 28, 2023,
23 during after-market hours, Rivian issued a press release announcing that it had
24 published a letter to its website containing the Company’s fourth quarter and full
25 year 2022 financial results (the “4Q/FY22 Shareholder Letter”). The 4Q/FY22
26 Shareholder Letter stated, *inter alia*:
27
28

1 The successful introduction of the R1T and R1S has been underpinned
2 by strong demand and near categorically positive industry accolades –
3 the result is a net preorder backlog that extends into 2024.

4 * * *

5 Rivian’s rapid production ramp and introduction of multiple vehicle
6 platforms has afforded our team significant manufacturing, operations,
7 and development experience in a compressed timeframe. We are in the
8 process of aggressively applying these learnings to our first mass
9 market vehicle, the R2, and to our new manufacturing facility in
Georgia with the goal of achieving a considerably lower cost structure.

10 20. The 4Q/FY22 Shareholder Letter also stated, in relevant part:

11 In addition to our enhanced customer experience, we expect to
12 demonstrate considerable progress against our product development
13 roadmap in 2023. Deliveries of a ~400-mile R1 Max Pack variant are
14 planned to begin in Fall 2023. We intend to make this configuration
15 available to our existing preorder customers. We expect high demand
and interest for this new offering.

16 21. Also on February 28, 2023, during after-market hours, Rivian filed an
17 annual report on Form 10-K with the SEC, reporting the Company’s financial and
18 operating results for the quarter and year ended December 31, 2022 (the “2022 10-
19 K”). The 2022 10-K stated, *inter alia*:

21 **Seasonality**

22 Historically, the automotive industry has experienced higher revenue in
23 the spring and summer months. Additionally, we expect volumes of
24 commercial vehicle sales to be less in the winter months, as customers
25 shift their focus to making last mile deliveries during holidays, rather
26 than incorporating more vehicles into their fleet. ***We do not expect such
27 seasonality in demand to significantly impact our operations in the
28 near-term as we scale our business due to our backlog of preorders;***
however, we may experience seasonal variations in our business in the
long-term.

Competition

We aspire to drive meaningful change in the world's transition to sustainable mobility. *We believe multiple industry tailwinds such as regulatory support and shifting consumer demand will continue to drive a transition from legacy internal combustion engine ("ICE") vehicles to EVs.*

(Emphases in bold and italics added.)

22. In discussing factors affecting Rivian's performance, the 2022 10-K represented, in relevant part:

The R1T, R1S, and EDV appear to resonate with customers based on positive responses to vehicles delivered and preorder data. We believe the Rivian brand is becoming established in the most attractive consumer and commercial vehicle market segments.

* * *

[W]e expect to substantially raise brand awareness by connecting directly with our community through engaging content, rich digital experiences, and immersive events. We anticipate that these activities will lead to additional preorders and deliveries, and, as a result, increase our base of Rivian customers.

23. Moreover, the 2022 10-K assured investors that "[w]e believe we are well-positioned for international expansion in light of healthy global demand for EVs and for the vehicle segments in which we currently or expect to operate."

24. Appended as exhibits to the 2022 10-K were signed certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX"), wherein the Individual Defendants certified that the 2022 10-K "does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements

1 made, in light of the circumstances under which such statements were made, not
2 misleading with respect to the period covered by this report;” and that “the financial
3 statements, and other financial information included in this report, fairly present in
4 all material respects the financial condition, results of operations and cash flows of
5 the [Company] as of, and for, the periods presented in this report[.]”
6

7
8 25. On May 9, 2023, Rivian issued a press release announcing that it had
9 published a letter to its website containing the Company’s first quarter 2023
10 financial results (the “1Q23 Shareholder Letter”). The 1Q23 Shareholder Letter
11 stated, *inter alia*, that “[d]uring the first quarter of 2023, R1 production continued
12 to grow quarter-over-quarter and EDV is ramping production after the successful
13 introduction of our in-house motor[.]”
14
15

16 26. In addition, the 1Q23 Shareholder Letter stated, in relevant part, that
17 “[w]e plan to engage with our preorder customers and drive additional demand by
18 expanding our demo drive program, offering more opportunities for potential
19 customers to experience a Rivian vehicle.”
20

21 27. Also on May 9, 2023, Rivian filed a quarterly report on Form 10-Q
22 with the SEC, reporting the Company’s financial and operating results for the
23 quarter ended March 31, 2023 (the “1Q23 10-Q”). The 1Q23 10-Q continued to
24 represent that “[w]e do not expect . . . seasonality in demand to significantly impact
25 our operations in the near-term as we scale our business due to our backlog of
26 preorders” and that “[w]e believe we are well-positioned for international expansion
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1 in light of a healthy global demand for EVs and for the vehicle segments in which
2 we currently or expect to operate.”

3
4 28. Moreover, in discussing factors affecting Rivian’s performance, the
5 1Q23 10-Q contained the same statements referenced in ¶ 22, *supra*, regarding the
6 purported positive preorder data that the Company had observed, as well as the
7 brand awareness that would lead to additional preorders and deliveries.
8

9 29. Appended as exhibits to the 1Q23 10-Q were substantively the same
10 SOX certifications as referenced in ¶ 24, *supra*, signed by the Individual
11 Defendants.
12

13 30. On August 8, 2023, Rivian issued a press release announcing that it
14 had published a letter to its website containing the Company’s second quarter 2023
15 financial results (the “2Q23 Shareholder Letter”). The 2Q23 Shareholder Letter
16 stated, *inter alia*:
17

18 Results for the second quarter of 2023 reflect strong financial and
19 operational progress as we continued to ramp production, improved
20 cost efficiency, successfully introduced new technologies, and
21 enhanced the customer experience. On a quarter-over-quarter basis,
22 production and deliveries grew ~50% and ~60%, respectively while
gross profit per vehicle delivered improved by ~\$35,000.

23 * * *

24 Due to the progress we have seen to date on our production lines, the
25 ramp of our in-house motor line, and the supply chain outlook, we are
26 increasing our 2023 production guidance to 52,000 total units. Our
27 progress on cost management has also continued and therefore we are
28 improving our Adj. EBITDA guidance to \$(4,200) million. We are also

1 lowering our capital expenditures guidance to \$1,700 million with the
2 reduction largely driven by a timing shift of some expenses to 2024.

3 31. The 2Q23 Shareholder Letter also represented, in relevant part, that
4 “[f]or the remainder of 2023, we intend to maintain the momentum of the first half
5 of the year by continuing to deliver against our value drivers: production ramp, cost
6 efficiency, future platforms and technologies, and customer experience.”
7

8 32. Also on August 8, 2023, Rivian filed a quarterly report on Form 10-Q
9 with the SEC, reporting the Company’s financial and operating results for the
10 quarter ended June 30, 2023 (the “2Q23 10-Q”). The 2Q23 10-Q contained the
11 same statements referenced in ¶ 27, *supra*, regarding demand for Rivian’s products.
12

13 33. Moreover, in discussing factors affecting Rivian’s performance, the
14 2Q23 10-Q contained substantively the same statements referenced in ¶ 22, *supra*,
15 regarding the purported positive preorder data that the Company had observed, as
16 well as the brand awareness that would lead to additional preorders and deliveries.
17

18 34. Appended as exhibits to the 2Q23 10-Q were substantively the same
19 SOX certifications as referenced in ¶ 24, *supra*, signed by the Individual
20 Defendants.
21

22 35. On November 7, 2023, Rivian issued a press release announcing that
23 it had published a letter to its website containing the Company’s third quarter 2023
24 financial results (the “3Q23 Shareholder Letter”). The 3Q23 Shareholder Letter
25 stated, *inter alia*:
26
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1 Results for the third quarter of 2023 reflect continued progress against
2 our key value drivers including ramping production, improving cost
3 efficiency, successfully introducing new technologies, and enhancing
4 the customer experience. Production during the third quarter of 2023
5 demonstrated our strongest quarterly rate to date with an annualized
6 production rate of over 65,000 units, while financial results continue to
7 benefit from our focus on driving down costs. Importantly, investment
8 in new technologies and our direct-to-customer operations are
contributing to Rivian’s competitive differentiation by enhancing the
features and capabilities of our consumer and commercial platforms as
well as improving the customer experience.

9 Due to the progress experienced on our production lines, the ramp of
10 our in-house motor line, and the supply chain outlook, we are increasing
11 our 2023 production guidance to 54,000 total units. Our progress on
12 cost management has also continued and therefore we are improving
13 our Adj. EBITDA guidance to \$(4,000) million. We are also lowering
our capital expenditures guidance to \$1,100 million.

14 36. The 3Q24 Shareholder Letter also stated, in relevant part, that “we
15 forecast reaching positive gross profit in 2024 and therefore expect that by the end
16 of 2024, we will not have material LCNRV [lower of cost or net realizable value]
17 inventory charges associated with goods manufactured at our Normal facility.”

18 37. Also on November 7, 2023, Rivian filed a quarterly report on Form
19 10-Q with the SEC, reporting the Company’s financial and operating results for the
20 quarter ended September 30, 2023 (the “3Q23 10-Q”). While the 3Q22 10-Q added
21 “Rising Interest Rates” to its discussion of factors affecting Rivian’s performance,
22 Defendants downplayed the severity of the negative impacts of this factor on the
23 Company’s near-term prospects, merely warning of risks that “may” or “could”
24 materialize “if” certain aggravating conditions occurred:
25
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- ***Inflation and Rising Interest Rates.*** The United States economy has experienced inflation in various market segments. In order to help slow inflation, the Federal Reserve Bank in the United States has raised interest rates rapidly and substantially in recent years, and it is expected that interest rates will remain elevated for longer than previously anticipated. This ***may*** result in vehicle financing becoming less affordable to customers, influence customers' buying decisions to less expensive vehicles, or cause tightening of lending standards. ***If*** we are unable to fully offset higher costs through price increases or other measures, especially in the near-term as we continue to work through the backlog of preorders, or ***if*** we experience lower demand for our vehicles, we ***could*** experience an adverse impact on our business, prospects, financial condition, results of operations, and cash flows.

(First emphasis in original.) Plainly, the foregoing risk warning was a generic catch-all provision that was not tailored to Defendants' actual known risks regarding the reduced demand and customer cancellations Rivian was experiencing as a result of rising interest rates, much less the significant negative impact this was having on the Company's deteriorating order bank and earnings and production projections for 2024.

38. Indeed, in the same discussion of factors affecting Rivian's performance, the 3Q23 10-Q contained substantively the same statements referenced in ¶ 22, *supra*, regarding the purported positive preorder data that the Company had observed, as well as the brand awareness that would lead to additional preorders and deliveries, while specifically citing Rivian's "order bank" as a factor showing that "[t]he R1T, R1S, and EDV appear to resonate with customers[.]"

39. Likewise, the 3Q23 10-Q continued to assert that “[w]e do not expect . . . seasonality in demand to significantly impact our operations in the near-term as we scale our business *due to our backlog of preorders*” (emphasis added).

40. Appended as exhibits to the 3Q23 10-Q were substantively the same SOX certifications as referenced in ¶ 24, *supra*, signed by the Individual Defendants.

41. The statements referenced in ¶¶ 19-40 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Rivian had overstated demand for its products, as well as its ability to withstand negative, near-term macroeconomic impacts; (ii) accordingly, Rivian’s business was experiencing reduced demand and increased customer cancellations as a result of, *inter alia*, high interest rates; (iii) as a result, Rivian’s order bank had significantly deteriorated; (iv) all the foregoing was likely to, and did, negatively impact the Company’s anticipated earnings and vehicle production targets for 2024; and (v) as a result, the Company’s public statements were materially false and misleading at all relevant times.

The Truth Emerges

42. On February 21, 2024, during after-market hours, Rivian issued a press release announcing its fourth quarter and full year 2023 financial results. Among

1 other items, the press release revealed Rivian’s plans to cut 10% of salaried staff,
2 as well as disappointing guidance for 2024, including production of only 57,000
3 vehicles and an adjusted EBITDA loss of \$2.7 billion, stating, in relevant part:

4
5 Economic and geopolitical uncertainties and pressures, most notably
6 the impact of historically high interest rates, have informed Rivian’s
7 expectations for 2024. With these market conditions, the company
8 expects to produce 57,000 vehicles in 2024, in line with 2023
9 production. For 2024, the company is guiding towards . . . an Adjusted
EBITDA* of \$(2,700) million Today, Rivian also announced it is
reducing its salaried workforce by approximately 10%.

10 43. Later that day, Rivian hosted a conference call with investors and
11 analysts to discuss these results. During the call, Defendant Scaringe commented
12 on Rivian’s disappointing production and earnings guidance, stating, in relevant
13 part:
14

15
16 As we start 2024, I want to address the broader industry context, which
17 I referred to during our third quarter call. Our business is not immune
18 to existing economic and geopolitical uncertainties. Most notably, the
19 impact of historically high interest rates, which has negatively impacted
20 demand. In this fluid environment, we appreciate the expressed interest
21 in demand visibility from the investment community. The conversion
of orders to sales can be impacted by several factors, including delivery
timing, location of order, monthly payments, and customer readiness.

22 Our order bank has notably reduced overtime as deliveries have more
23 than doubled in 2023 versus 2022 along with the impact of
24 cancellations due to both the macroenvironment and the customer
25 factors I just referenced. For 2024, we expect our total deliveries to be
derived from our existing backlog as well as new orders generated
during the year.

26 44. As *Yahoo! Finance* reported the following day, February 22, 2024, in
27 an article entitled “Rivian stock tanks to all-time low after job cuts, slash in
28

1 production outlook”, Rivian’s 2024 production guidance of 57,000 vehicles was
2 significantly lower than analyst expectations of 80,000 vehicles, and the Company’s
3 2024 guidance of an adjusted EBITDA loss of \$2.7 billion came in higher than
4 analyst expectations of an adjusted EBITDA loss of only \$2.59 billion. In
5 particular, the article stated, in relevant part:
6

7
8 Rivian (RIVN) stock tanked to a record low after the electric adventure
9 vehicle maker reported mixed fourth quarter results and a production
10 and profit forecast that missed Wall Street expectations.

11 Rivian said on Wednesday it sees vehicle production for 2024 hitting
12 57,000 units, well below the 80,000 units expected. In terms of full-
13 year profitability, Rivian said it sees an adjusted EBITDA loss of \$2.70
14 billion vs. \$2.59 billion expected . . . Rivian said it would cut 10% of
15 salaried staff, citing economic uncertainty.

16 Rivian stock fell more than 27% in midday trading on Thursday.

17 (Internal images omitted.)

18 45. On this news, Rivian’s stock price fell \$3.94 per share, or 25.6%, to
19 close at \$11.45 per share on February 22, 2024.

20 46. As a result of Defendants’ wrongful acts and omissions, and the
21 precipitous decline in the market value of the Company’s securities, Plaintiff and
22 other Class members have suffered significant losses and damages.
23

24 **SCIENTER ALLEGATIONS**

25 47. During the Class Period, Defendants had both the motive and
26 opportunity to commit fraud. They also had actual knowledge of the misleading
27 nature of the statements they made, or acted in reckless disregard of the true
28

1 information known to them at the time. In so doing, Defendants participated in a
2 scheme to defraud and committed acts, practices, and participated in a course of
3 business that operated as a fraud or deceit on purchasers of the Company's securities
4 during the Class Period.
5

6 **PLAINTIFF'S CLASS ACTION ALLEGATIONS**
7

8 48. Plaintiff brings this action as a class action pursuant to Federal Rule of
9 Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who
10 purchased or otherwise acquired Rivian securities during the Class Period (the
11 "Class"); and were damaged upon the revelation of the alleged corrective
12 disclosures. Excluded from the Class are Defendants herein, the officers and
13 directors of the Company, at all relevant times, members of their immediate families
14 and their legal representatives, heirs, successors or assigns and any entity in which
15 Defendants have or had a controlling interest.
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18 49. The members of the Class are so numerous that joinder of all members
19 is impracticable. Throughout the Class Period, Rivian securities were actively
20 traded on the NASDAQ. While the exact number of Class members is unknown to
21 Plaintiff at this time and can be ascertained only through appropriate discovery,
22 Plaintiff believes that there are hundreds or thousands of members in the proposed
23 Class. Record owners and other members of the Class may be identified from
24 records maintained by Rivian or its transfer agent and may be notified of the
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pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

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

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

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

- whether the federal securities laws were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Rivian;
- whether the Individual Defendants caused Rivian to issue false and misleading financial statements during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Rivian securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and

- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

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

54. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Rivian securities are traded in an efficient market;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NASDAQ and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Rivian securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

1 55. Based upon the foregoing, Plaintiff and the members of the Class are
2 entitled to a presumption of reliance upon the integrity of the market.
3

4 56. Alternatively, Plaintiff and the members of the Class are entitled to the
5 presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens*
6 *of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as
7
8 Defendants omitted material information in their Class Period statements in
9 violation of a duty to disclose such information, as detailed above.
10

11 **COUNT I**

12 **(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated** 13 **Thereunder Against All Defendants)**

14 57. Plaintiff repeats and re-alleges each and every allegation contained
15 above as if fully set forth herein.
16

17 58. This Count is asserted against Defendants and is based upon Section
18 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
19 thereunder by the SEC.
20

21 59. During the Class Period, Defendants engaged in a plan, scheme,
22 conspiracy and course of conduct, pursuant to which they knowingly or recklessly
23 engaged in acts, transactions, practices and courses of business which operated as a
24 fraud and deceit upon Plaintiff and the other members of the Class; made various
25 untrue statements of material facts and omitted to state material facts necessary in
26 order to make the statements made, in light of the circumstances under which they
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1 were made, not misleading; and employed devices, schemes and artifices to defraud
2 in connection with the purchase and sale of securities. Such scheme was intended
3 to, and, throughout the Class Period, did: (i) deceive the investing public, including
4 Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and
5 maintain the market price of Rivian securities; and (iii) cause Plaintiff and other
6 members of the Class to purchase or otherwise acquire Rivian securities at
7 artificially inflated prices. In furtherance of this unlawful scheme, plan and course
8 of conduct, Defendants, and each of them, took the actions set forth herein.
9
10

11
12 60. Pursuant to the above plan, scheme, conspiracy and course of conduct,
13 each of the Defendants participated directly or indirectly in the preparation and/or
14 issuance of the quarterly and annual reports, SEC filings, press releases and other
15 statements and documents described above, including statements made to securities
16 analysts and the media that were designed to influence the market for Rivian
17 securities. Such reports, filings, releases and statements were materially false and
18 misleading in that they failed to disclose material adverse information and
19 misrepresented the truth about Rivian's finances and business prospects.
20
21

22
23 61. By virtue of their positions at Rivian, Defendants had actual
24 knowledge of the materially false and misleading statements and material omissions
25 alleged herein and intended thereby to deceive Plaintiff and the other members of
26 the Class, or, in the alternative, Defendants acted with reckless disregard for the
27 truth in that they failed or refused to ascertain and disclose such facts as would
28

1 reveal the materially false and misleading nature of the statements made, although
2 such facts were readily available to Defendants. Said acts and omissions of
3 Defendants were committed willfully or with reckless disregard for the truth. In
4 addition, each Defendant knew or recklessly disregarded that material facts were
5 being misrepresented or omitted as described above.
6

7
8 62. Information showing that Defendants acted knowingly or with reckless
9 disregard for the truth is peculiarly within Defendants' knowledge and control. As
10 the senior managers and/or directors of Rivian, the Individual Defendants had
11 knowledge of the details of Rivian's internal affairs.
12

13 63. The Individual Defendants are liable both directly and indirectly for
14 the wrongs complained of herein. Because of their positions of control and
15 authority, the Individual Defendants were able to and did, directly or indirectly,
16 control the content of the statements of Rivian. As officers and/or directors of a
17 publicly-held company, the Individual Defendants had a duty to disseminate timely,
18 accurate, and truthful information with respect to Rivian's businesses, operations,
19 future financial condition and future prospects. As a result of the dissemination of
20 the aforementioned false and misleading reports, releases and public statements, the
21 market price of Rivian securities was artificially inflated throughout the Class
22 Period. In ignorance of the adverse facts concerning Rivian's business and financial
23 condition which were concealed by Defendants, Plaintiff and the other members of
24 the Class purchased or otherwise acquired Rivian securities at artificially inflated
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1 prices and relied upon the price of the securities, the integrity of the market for the
2 securities and/or upon statements disseminated by Defendants, and were damaged
3 thereby.
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5 64. During the Class Period, Rivian securities were traded on an active and
6 efficient market. Plaintiff and the other members of the Class, relying on the
7 materially false and misleading statements described herein, which the Defendants
8 made, issued or caused to be disseminated, or relying upon the integrity of the
9 market, purchased or otherwise acquired shares of Rivian securities at prices
10 artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the other
11 members of the Class known the truth, they would not have purchased or otherwise
12 acquired said securities, or would not have purchased or otherwise acquired them
13 at the inflated prices that were paid. At the time of the purchases and/or acquisitions
14 by Plaintiff and the Class, the true value of Rivian securities was substantially lower
15 than the prices paid by Plaintiff and the other members of the Class. The market
16 price of Rivian securities declined sharply upon public disclosure of the facts
17 alleged herein to the injury of Plaintiff and Class members.
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20 65. By reason of the conduct alleged herein, Defendants knowingly or
21 recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act
22 and Rule 10b-5 promulgated thereunder.
23

24 66. As a direct and proximate result of Defendants' wrongful conduct,
25 Plaintiff and the other members of the Class suffered damages in connection with
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1 their respective purchases, acquisitions and sales of the Company's securities
2 during the Class Period, upon the disclosure that the Company had been
3 disseminating misrepresented financial statements to the investing public.
4

5 **COUNT II**

6 **(Violations of Section 20(a) of the Exchange Act Against the Individual** 7 **Defendants)**

8 67. Plaintiff repeats and re-alleges each and every allegation contained in
9 the foregoing paragraphs as if fully set forth herein.
10

11 68. During the Class Period, the Individual Defendants participated in the
12 operation and management of Rivian, and conducted and participated, directly and
13 indirectly, in the conduct of Rivian's business affairs. Because of their senior
14 positions, they knew the adverse non-public information about Rivian's
15 misstatement of income and expenses and false financial statements.
16
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18 69. As officers and/or directors of a publicly owned company, the
19 Individual Defendants had a duty to disseminate accurate and truthful information
20 with respect to Rivian's financial condition and results of operations, and to correct
21 promptly any public statements issued by Rivian which had become materially false
22 or misleading.
23

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

9
10 71. Each of the Individual Defendants, therefore, acted as a controlling
11 person of Rivian. By reason of their senior management positions and/or being
12 directors of Rivian, each of the Individual Defendants had the power to direct the
13 actions of, and exercised the same to cause, Rivian to engage in the unlawful acts
14 and conduct complained of herein. Each of the Individual Defendants exercised
15 control over the general operations of Rivian and possessed the power to control the
16 specific activities which comprise the primary violations about which Plaintiff and
17 the other members of the Class complain.
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21 72. By reason of the above conduct, the Individual Defendants are liable
22 pursuant to Section 20(a) of the Exchange Act for the violations committed by
23 Rivian.
24

25 **PRAYER FOR RELIEF**

26 **WHEREFORE**, Plaintiff demands judgment against Defendants as follows:
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1 A. Determining that the instant action may be maintained as a class action
2 under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as
3 the Class representative;
4

5 B. Requiring Defendants to pay damages sustained by Plaintiff and the
6 Class by reason of the acts and transactions alleged herein;
7

8 C. Awarding Plaintiff and the other members of the Class prejudgment
9 and post-judgment interest, as well as their reasonable attorneys' fees, expert fees
10 and other costs; and
11

12 D. Awarding such other and further relief as this Court may deem just and
13 proper.
14

15 **DEMAND FOR TRIAL BY JURY**

16 Plaintiff hereby demands a trial by jury.

17 Dated: April 19, 2024

Respectfully submitted,
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